The Illinois General State Aid Formula

Illinois School Code
105 ILCS 5/18-8.05
Objective of General State Aid

The objective of General State Aid is to provide unrestricted grants-in-aid to Illinois school districts in an equitable manner.
Continuing Issues

- Cost of the Double Whammy Adjustment
  - FY 2000 - $46M
  - FY 2008 - $806M (over 1600%)
- Actual Tax Rates Falling Below Formula Rates
- Complexity of PTELL in Overlap Counties
- Applying Audited ADAs when 3 Year Avg has been Utilized
- Effects of TIFs, Enterprise Zones, Property Tax Exemptions, etc. & PTELL vs Non-PTELL
The Formula

(Foundation Level - Local Resources per Student) x Students
Basic Terms Used in the Formula

- FLEVEL – Foundation Level ($5,959 for FY 2009)

Available Local Resources
- ELR – Extension Limitation Ratio
- GSAEAV – General State Aid Equalized Assessed Value
- RATE – Calculation Rate
- CPPRT – Corporate Personal Property Replacement Tax

Students
- ADA – Average Daily Attendance
Provisions of GSA Formula

- Fixed Foundation Levels thru FY 2009
  - $4,225 $4,325 $4,425 $4,560 $4,560 $4,810 $4,964 $5,164 $5,334 $5,734 $5,959
  - No Continuing Appropriation (eliminated in FY 2003)

- Unweighted ADA used as Pupil Count
  - Greater of prior year or prior 3 year average

- Calculation Rates
  - 3.00% - 2.30% - 1.05%

- Alternate Formula (7% to 5%), Flat Grant ($218)

- Separate Poverty Formula
Effect of EAV Increase to GSA

- For every $1 Million increase to the EAV used to calculate GSA for a foundation district:
  - Unit Districts Lose $30,000 in GSA
  - Elementary Districts Lose $23,000 in GSA
  - High School Districts Lose $10,500 in GSA
- They may have gained in local property taxes if their local rate is higher than the formula rate
- The EAV is not used for GSA until 2 years after the tax extension (2006 EAV used in 2007 tax extension is used for FY 2009 GSA)
Available Local Resources (ALR)

ALR = (GSAEAV x Rate + CPPRT) / ADA

where Rate = 2.30% for elementary
1.05% for high school
3.00% for unit

Local Ratio

A L R / FLEVEL
Three Formulas

- Foundation (Less than .93)
  - (FLEVEL - ALR) x ADA
- Alternate Method (.93 up to 1.75)
  - 7% to 5% of FLEVEL x ADA
- Flat Grant (1.75 and greater)
  - $218 x ADA
Formula Calculation
Foundation Example

- **Elementary District**
  - 2.30% Rate
  - **GSAEAV = $30,000,000**
  - ADA = 1,000
  - CPPRT = $100,000

- **ALR**
  - \[(30,000,000 \times 0.023 + 100,000) / 1,000\]
  - = $790

- **Local Ratio**
  - $790 / $5,959
  - = .1325

- **Foundation**
  - = \[($5,959 - $790) \times 1,000\]
  - = $5,169 \times 1,000
  - = $5,169,000
General State Aid
2008-2009

Foundation Level = $5,959

Available Local Resources as Percentage of Foundation Level
Supplemental General State Aid
POVERTY GRANT
ISC 18-8.05 (H)
Poverty Formula (2008-2009)

- Low Income Concentration Level
  - 3 Year Average of DHS Count divided by ADA

- 0% to 15%: $355 \times \text{Low Income Count}

- > 15%:
  - \((294.25 + 2700 \times \text{squared concentration})\)
  - \times \text{Low Income Count}
<table>
<thead>
<tr>
<th>Category</th>
<th>#</th>
<th>2007-08 ADA</th>
<th>Poverty Count</th>
<th>Grant</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Grant</td>
<td>75</td>
<td>5,713</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Flat Grant</td>
<td>197</td>
<td>521,972</td>
<td>47,745</td>
<td>$17,573,599</td>
</tr>
<tr>
<td>&gt; 15%</td>
<td>672</td>
<td>1,376,722</td>
<td>678,409</td>
<td>$923,780,337</td>
</tr>
<tr>
<td>Total</td>
<td>944</td>
<td>1,904,407</td>
<td>726,154</td>
<td>$941,353,936</td>
</tr>
</tbody>
</table>
General State Aid

- Foundation + Poverty
- or
- Alternate + Poverty
- or
- Flat Grant + Poverty
<table>
<thead>
<tr>
<th>Districts</th>
<th>Pct</th>
<th>GSA</th>
<th>Pct</th>
<th>ADA</th>
<th>Pct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
<td>675</td>
<td>71.5%</td>
<td>$4,328.4</td>
<td>94.9%</td>
<td>1,479,081</td>
</tr>
<tr>
<td>Alternate</td>
<td>138</td>
<td>14.6%</td>
<td>$ 172.5</td>
<td>3.8%</td>
<td>353,991</td>
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<tr>
<td>Flat Grant</td>
<td>56</td>
<td>5.9%</td>
<td>$ 25.0</td>
<td>0.5%</td>
<td>86,496</td>
</tr>
<tr>
<td>Lab/Alt/Safe</td>
<td>75</td>
<td>8.0%</td>
<td>$ 34.9</td>
<td>0.8%</td>
<td>5,855</td>
</tr>
<tr>
<td>Total</td>
<td>944</td>
<td>100.0%</td>
<td>$4,560.8</td>
<td>100.0%</td>
<td>1,925,423</td>
</tr>
</tbody>
</table>
## 2008-2009 FINAL GSA
(in Millions)

<table>
<thead>
<tr>
<th>Districts</th>
<th>Pct</th>
<th>GSA</th>
<th>Pct</th>
<th>ADA</th>
<th>Pct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>1</td>
<td>0.1%</td>
<td>$1,139.7</td>
<td>25.0%</td>
<td>358,404</td>
</tr>
<tr>
<td>Other Cook</td>
<td>146</td>
<td>15.5%</td>
<td>$ 641.6</td>
<td>14.1%</td>
<td>359,301</td>
</tr>
<tr>
<td>Collar</td>
<td>151</td>
<td>16.0%</td>
<td>$ 724.4</td>
<td>15.9%</td>
<td>545,865</td>
</tr>
<tr>
<td>Downstate</td>
<td>646</td>
<td>68.4%</td>
<td>$2,055.0</td>
<td>45.0%</td>
<td>661,853</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>944</td>
<td>100.0%</td>
<td>$4,560.8</td>
<td>100.0%</td>
<td>1,925,423</td>
</tr>
</tbody>
</table>
Supplementary Grants in Aid
Hold Harmless
ISC 18-8.05 (J)
1997-98 GSA + Hold Harmless

- $55.8 Million in 1998-1999 (261)
- $48.0 Million in 1999-2000 (261)
- $65.8 Million in 2000-2001 (315)
- $34.7 Million in 2001-2002 (194)
- $64.2 Million in 2002-2003 (272)
- $37.0 Million in 2003-2004 (169)
- $27.1 Million in 2004-2005 (138)
- $21.6 Million in 2005-2006 (99)
- $19.6 Million in 2006-2007 (95)
- $23.5 Million in 2007-2008 (80) appropriation was $2.8M short
- $26.4 Million in 2008-2009 (86) appropriation is $342,825 short

- Continuing Appropriation eliminated in FY 2003
## 2008-2009 Hold Harmless

(in Millions)

<table>
<thead>
<tr>
<th>Districts</th>
<th>Pct</th>
<th>HH</th>
<th>Pct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Cook</td>
<td>6</td>
<td>$5.3</td>
<td>22.6%</td>
</tr>
<tr>
<td>Collar</td>
<td>21</td>
<td>$7.2</td>
<td>26.0%</td>
</tr>
<tr>
<td>Downstate</td>
<td>59</td>
<td>$13.9</td>
<td>51.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>86</strong></td>
<td><strong>$26.4</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

**Note:** The FY 2008 Appropriation is $20.7M
General State Aid
(Districts Only)

Decreases

FY 1999
FY 2009

FY 1999
FY 2009

HH Base

Increases

FY 1999
FY 2009

FY 1999
FY 2009

6%  6%  2%  59%  25%  2%
49   50   21   516   218   15
Why is the Distribution of General State Aid Changing Regionally?
EAV Highlights

- 47.3% Increase
- 53.7% Growth in Cook/Collar (80% of EAV)
- 26.6% Growth in Downstate (20% of EAV)
- 22 Counties (>35% increase)
- 11 Counties Increased over 50%
- 15 Downstate Counties Decreased
ADA Highlights

- 0.9% Increase
- 1.1% Increase in Cook/Collar (66% ADA)
- 8.7% Increase in Collar Counties (Cook County decreased by 4.1%)
- 0.6% Increase Downstate (34% ADA)
- 78 Counties Decreased
- 14 Counties Decreased 10% or more
PTELL Highlights

Fiscal Year 2009

- 39 Counties Subject to PTELL (38%)
  - 460 (53%) Districts
  - 78% of the ADA
- 63 Counties NOT Subject to PTELL (62%)
  - 9 - Failed Referendum
  - 54 – No Vote
  - 409 (47%) Districts
  - 22% of the ADA
- Double Whammy Adjustment Cost - $806M (FY08)
Statutory Requirements for EFAB

- EFAB shall make recommendations ... for the foundation level ... and for the supplemental general state aid grant level ... for districts with high concentrations of children from poverty.

- The recommended foundation level shall be based on a methodology which incorporates the basic education expenditures of low-spending schools exhibiting high academic performance.
$2.7 Billion Property Tax Relief
2% Increase to Personal Income Tax
3.2% Increase to Corporate Income Tax
Broaden Sales Tax Base
GSA Foundation Level = $5,952
  - Increased Annually by the ECI
Poverty Grant Formula Components Increased Annually by ECI
Special Education Personnel Funding Increase
Senate Bill 2288

- $2.9 Billion for Property Tax Relief – FY 2010
  - Minimum Property Tax Relief – 80%
  - Supplemental Property Tax Relief – 20%
- Invest in Illinois Fund
  - Fund Capital Programs for the State
  - Beginning in FY 2010 $1B is to be appropriated
- Early Childhood Fund
- Special Education Personnel Funding Increase
- General State Aid
  - Beginning in FY 2009 Increase Poverty Components by ECI
  - 4-Year Phase-In of the Foundation Level - $6,974
    - FY 2010 – FY 2013 (ECI increased each year of phase-in)
    - Distinction Between Pre-Reform Foundation Base and Additional Base Support
- School Improvement Partnership Pool Fund
- 2% inc to Personal Income Tax, 3.2% inc to Corporate Income Tax and Broaden the Sales Tax Base
The End