

ISBE

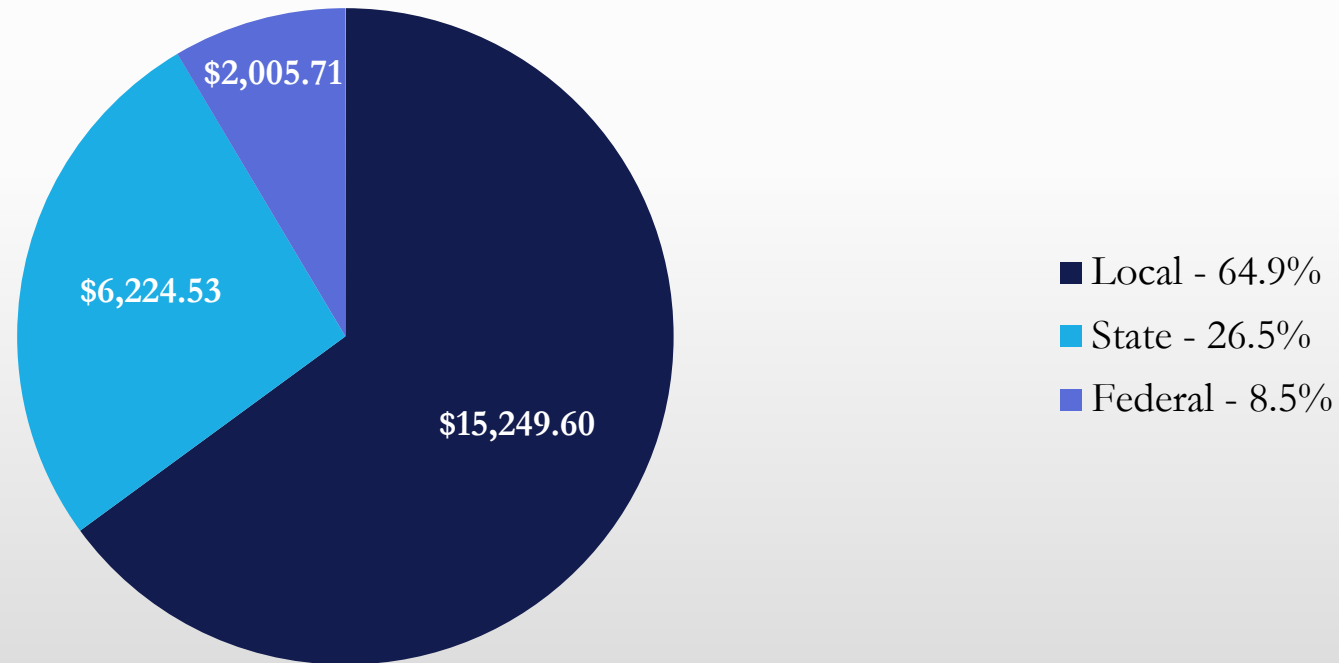
Illinois State Board of Education

Illinois School Funding Reform Commission

Overview of Education Local, State and Federal
Funding

August 3, 2016

State, Local, and Federal Resources for Elementary & Secondary Education in \$100s





* Local property tax is the largest revenue source for public schools.
There are several designated purpose levies for education.

Examples of Designated Purpose Levies for Education:

- Education
- Operation & Maintenance
- Transportation
- IMRF & Social Security
- Fire Prevention, Safety, Energy Conservation and School Security (Health Life Safety)
- Working Cash
- Bond & Interest

Maximum Tax Rates with Referendum by District Type

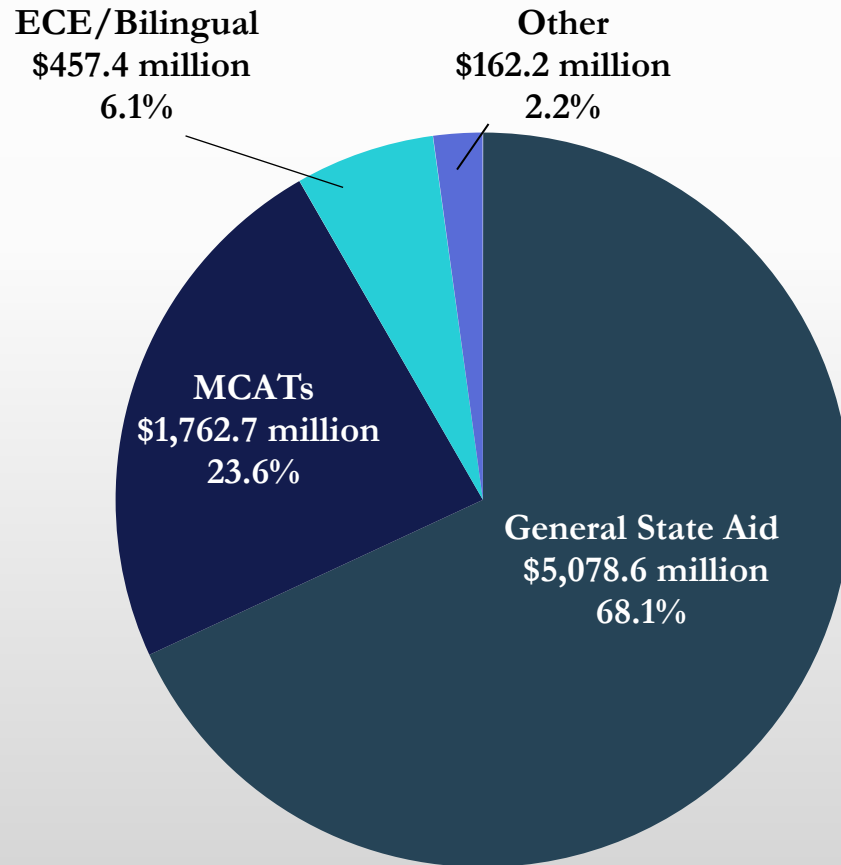
District Type	Education	O & M	Transportation* (max rate not specified)	Total
Unit	4.00%	0.75%	0.20%	4.95%
Elementary	3.50%	0.55%	0.12%	4.17%
High School	3.50%	0.55%	0.12%	4.17%

- To determine the property tax extension the Equalized Assessed Value (EAV) of the property is needed. (1/3 of Market Value)

Total Tax Rate x EAV = Tax Extension

- It is important to note exceptions:
 - Cook County
 - Farmland & Farm Buildings
 - PTELL
 - Tax Increment Finance Districts

FY 2017 State Funding Distribution by Grant Type



- **General State Aid**
- **MCATs**
 - Special Ed – Personnel Reimbursement
 - Special Ed – Funding
 - Special Ed – Orphanage Tuition
 - Special Ed – Private Tuition
 - Special Ed – Summer School
 - Special Ed – Transportation
 - Free Breakfast/Lunch
 - Orphanage Tuition
 - Regular/Voc Ed – Transportation
- **ECE/Bilingual**
 - Early Childhood Education
 - Bilingual Education
- **Others**
 - Student Assessment
 - Career & Technical Education
 - Miscellaneous

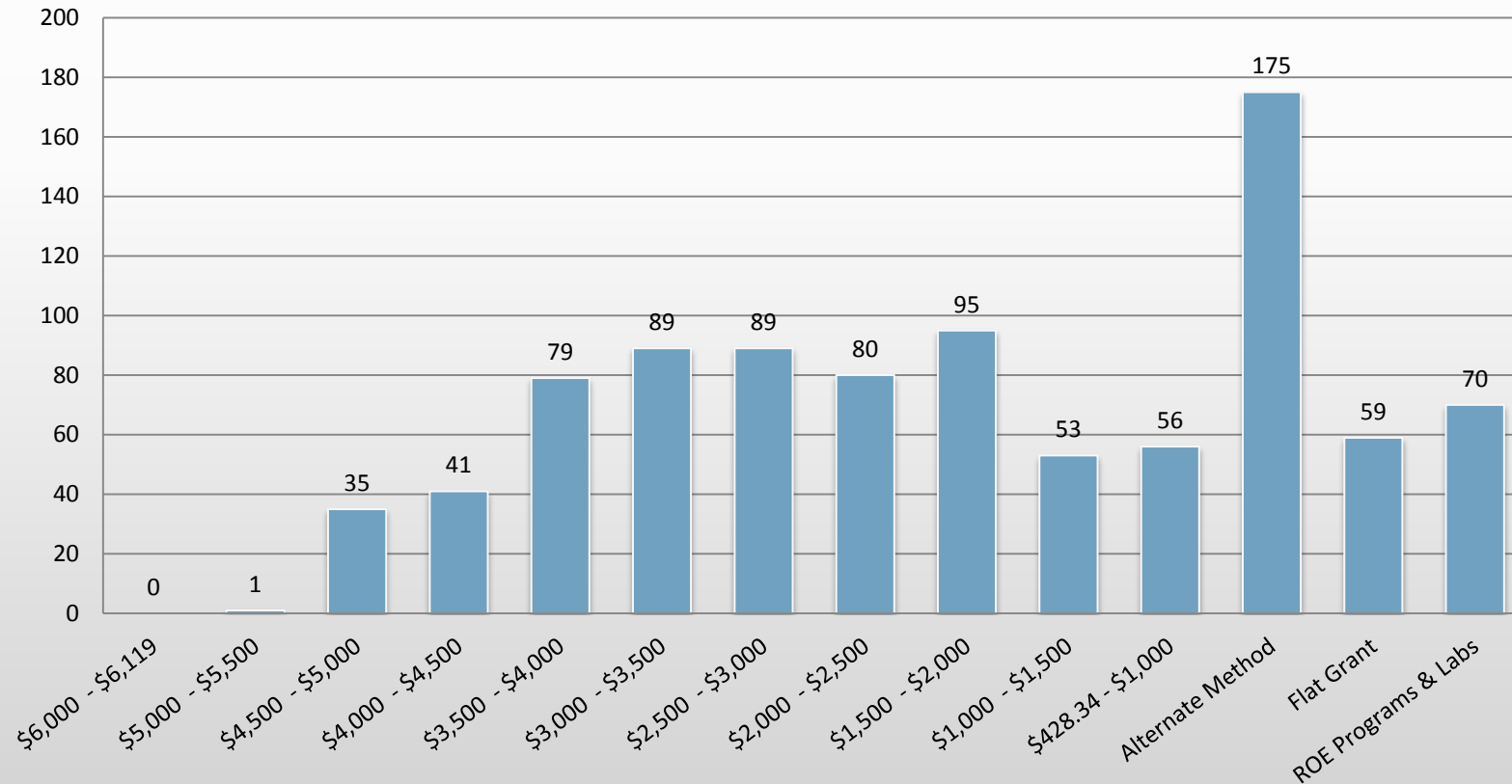
- Objective: To provide unrestricted grants to Illinois public school districts in an equitable manner
- Consists of Two Grants:
 - Formula Grant
 - Supplemental Low-Income Grant

Formula Grant

- Equalized – awards greater funding for districts with greater financial need based on Local Wealth.
- Local Wealth = Property Wealth + Revenue from CPPRT
 - Property Wealth = EAV x Assumed Tax Rates in Statute Based on District Type
- Types of Formula Grant:
 - Foundation (<93% Foundation Level)
 - Alternate Method (>93% Foundation Level but <175% = 5-7% payment)
 - Flat Grant (>= 175% Foundation Level = \$218 / student)

State Funding for Illinois School Districts – General State Aid

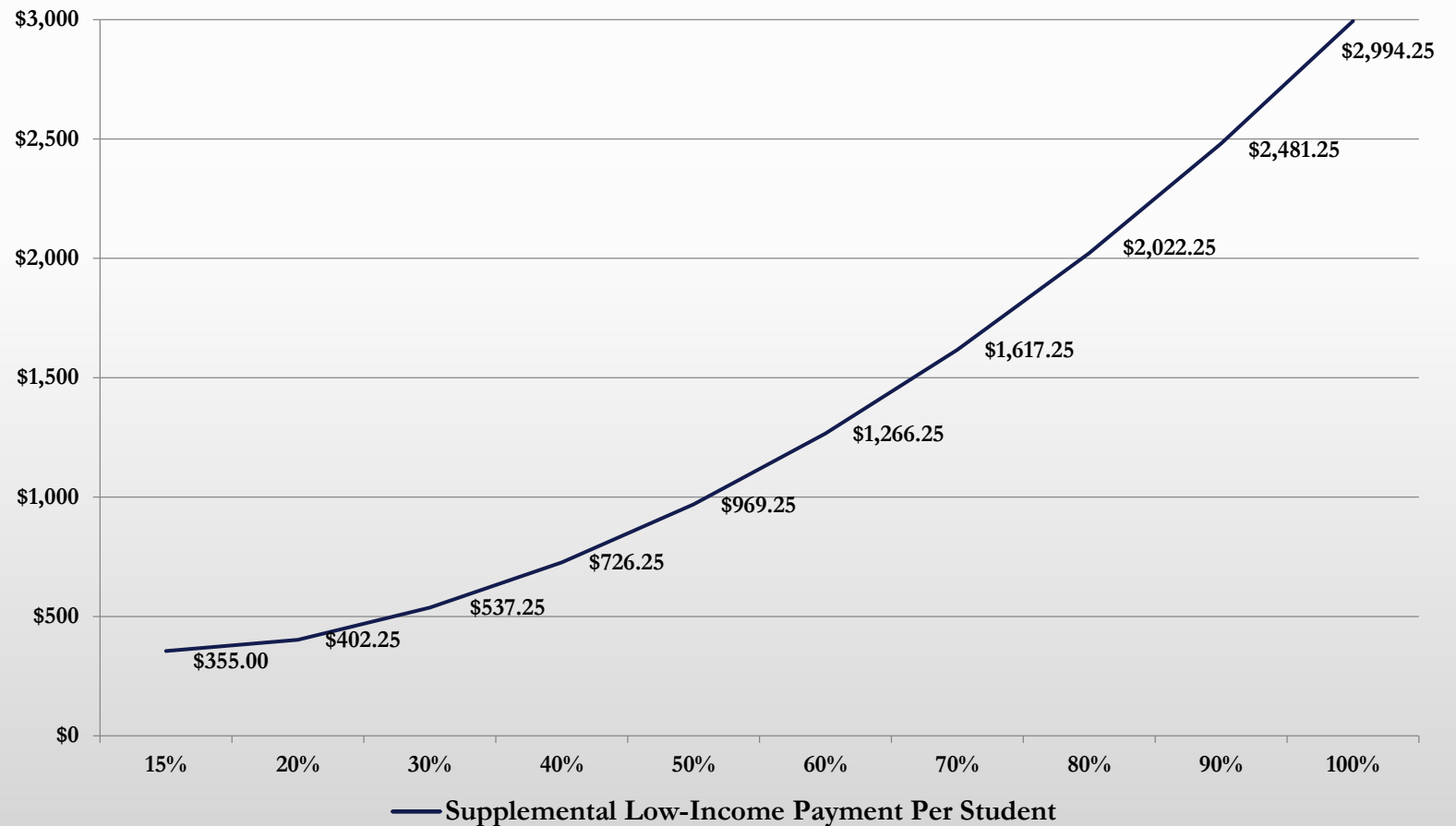
FY 16 Summary of State Contribution for GSA Formula Grants Per Pupil Based on Full Claim



Supplemental Low-Income Grant

- Uses 3 Year Average of Students Served by Department of Human Services
- $\text{DHS Student Count} / \text{Average Daily Attendance} = \text{Low-Income } \%$
 - $0\% - 15\% = \$355 \times \text{Low-Income Student Count}$
 - $>15\% = (\$294.25 + \$2700 \times (\text{Concentration}\%)^2) \times \text{Low-Income Students}$

Supplemental Low-Income Grant

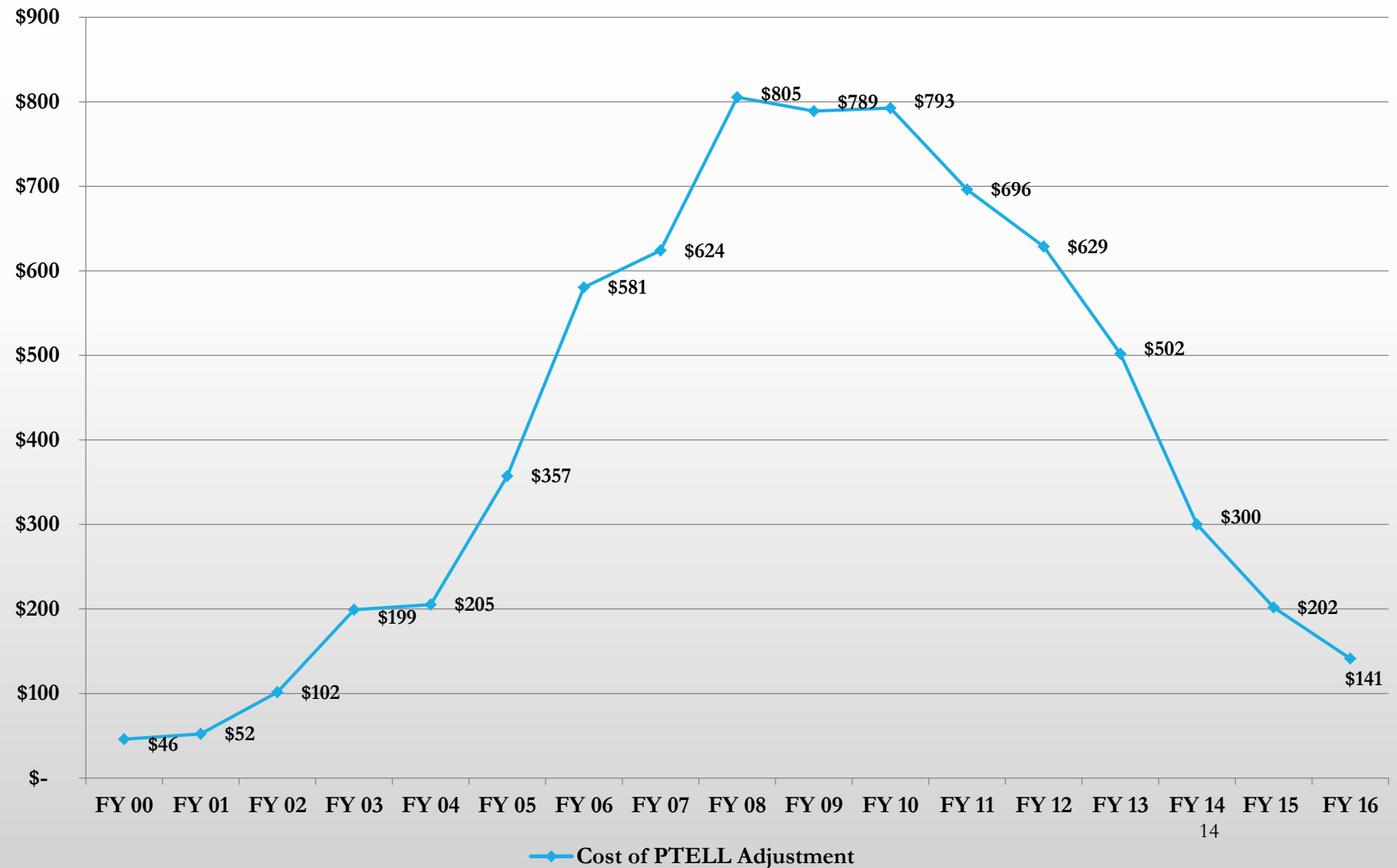


PTELL Adjustment

- Enacted beginning with FY 2000 to create a second measure of wealth
- For districts subject to PTELL the lesser of their actual EAV or prior year EAV inflated by amount by which their tax extension could grow

State Funding for Illinois School Districts – General State Aid

Historical Cost of PTELL Adjustment



Source: 105 ILCS 5/18-8.05

- A cluster of State programs which are appropriated for a particular statutory purpose or population.
- Non-equalized funds.
- Districts do not need to account for actual use of funds received.

State Funding for Illinois School Districts – Mandated Categoricals

Program	FY 17 Appropriation
Sp Ed – Personnel	\$442,400,000
Sp Ed – Funding for Children Requiring Sp Ed Services	\$303,829,700
Sp Ed – Orphanage Tuition	\$95,000,000
Sp Ed – Private Facility Tuition	\$233,000,000
Sp Ed – Summer School	\$11,700,000
Sp Ed – Transportation	\$450,500,000
Regular/Vocational – Transportation	\$205,808,900
Orphanage Tuition – Regular Education	\$11,500,000
Illinois Free Lunch/Breakfast	\$9,000,000
Mandated Categorical Subtotal	\$1,762,738,600
ISBE FY17 General Revenue Funds Budget	\$7,460,971,900
Mandated Categorical Percentage of ISBE Budget	23.6%

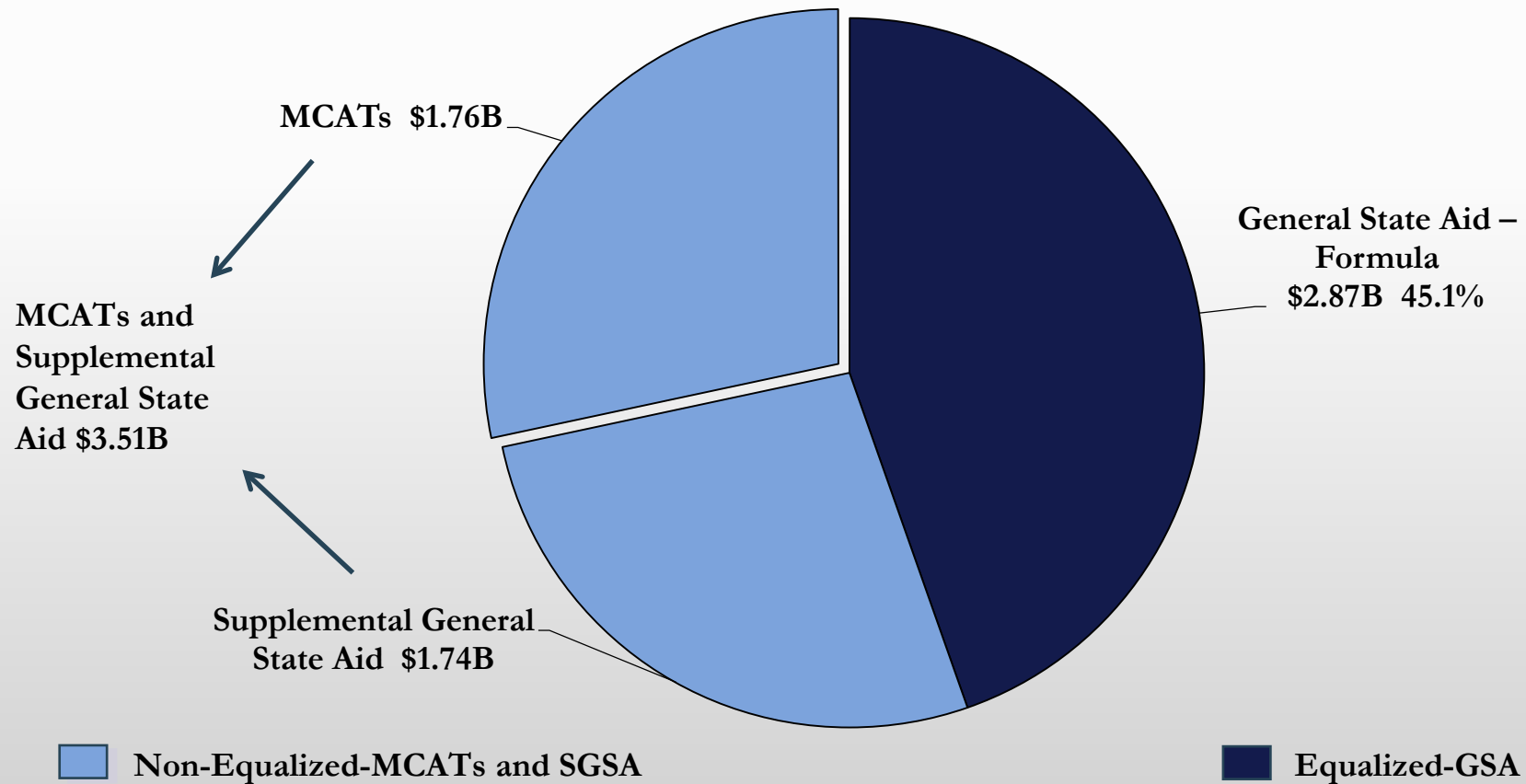
State Funding for Illinois School Districts – Mandated Categoricals

Chicago District 299 Educational Services Block Grant –

P.A. 89-15, effective May 30, 1995. District 299 receives an amount from each state program multiplied by a percentage computed from the FY95 appropriation for that program.

Programs – Ed Services Block Grant	FY17 Appropriation	Block %	FY17 Amt
Sp Ed - Personnel	\$442,400,000	19.1%	\$84,498,400
Sp Ed – Funding for Children Requiring Sp Ed Services	\$303,829,700	29.2%	\$88,718,300
Sp Ed – Orphanage Tuition	\$95,000,000	35.8%	\$34,010,000
Sp Ed – Private Facility Tuition	\$233,000,000	48.4%	\$112,772,000
Sp Ed – Summer School	\$11,700,000	54.4%	\$6,364,800
Sp Ed – Transportation	\$450,500,000	30.7%	\$138,303,500
Regular/Vocational – Transportation	\$205,808,900	3.9%	\$8,026,500
Illinois Free Lunch/Breakfast	\$9,000,000	50.7%	\$4,563,000
Totals	\$1,751,238,600		\$477,256,500
Total Ed Services Block Amount to Appropriation		27.3%	

Compare Equalized to Non-Equalized Grants FY 2017



Title I – Part A

- Provides supplemental funding to LEAs with high numbers of low-income children to assist with meeting state academic standards

- Funds are allocated based upon low-income pupil data provided by the Federal Census Bureau.

Title II – Part A

- Provides funds to LEAs to increase student academic achievement by reducing class size and elevating teacher and principal quality through recruitment, hiring and retention.

- Grant is allocated based on low-income pupil data provided by the Federal Census Bureau. Funds are allocated 80% on low-income and 20% on total enrollment.

Individuals with Disabilities Act Part B

- Provides supplemental funds to all LEAs to support direct and related services to students with disabilities ages 3 – 21 in the least restrictive environment.

- Funds are allocated based on a guaranteed hold harmless amount from FY 2000. Remaining funds are allocated 85% on total district enrollment and 15% low-income data provided by DHS.

National School Lunch Program

- A voluntary program available to all LEAs and residential child care institutions operate a non-profit offering meals for children of families that meet federal income requirements.

- Children from families with incomes at 130% of the poverty level are eligible for free meals; those between 130% - 185% are eligible for reduced-price meals; those from families over 185% pay full price.

Operating Revenue Per Pupil – FY 2015

Minimum	Maximum	Mean	Weighted Average
\$5,910	\$38,489	\$11,409	\$12,450

Operating Tax Rate – Tax Year 2014

District Type	Minimum	Maximum	Mean	Median
Elementary	1.26990	13.52350	3.51567	3.19535
High School	1.27937	5.68930	2.54348	2.97970
Unit	1.86529	9.44707	4.45934	4.27205

Available Local Resources Per Pupil

Minimum	Maximum	Mean	Median
\$822.48	\$42,212.94	\$5,174.14	\$4,156.78