



## ILLINOIS

### Description of the Formula

General State Aid is the primary state grant, providing unrestricted grants-in-aid to Illinois School districts in an equitable manner. The grant has two components; a foundation level formula and a poverty grant formula. Beginning in FY 1999 Illinois implemented major revisions to their GSA formula.

We have 3 formulas: Foundation, Alternate Method and Flat Grant. In FY 15 the foundation level is \$6,119. Districts that have available local resources per pupil equal to less than 93% of the foundation level are Foundation districts and receive the difference between the foundation level and their available local resources per pupil.

Districts that have 93% but less than 175% of the foundation level in available local resources per pupil are Alternate Method districts and they receive 7%-5% of the foundation level, according to their available local resources per pupil.

Flat Grant districts have 175% or more of the foundation level in available local resources per pupil and they receive \$218 per pupil.

### District-Based Components

#### Density for Small Schools

Does not apply

#### Grade Level Differences

No Grade Level weighting – eliminated with implementation of the new formula in FY 1999.

#### Declining Enrollment or Growth

Greater of best three months Average Daily Attendance (ADA) from 2013-14 school year or the prior 3 years average of the best 3 months of ADAs (2011-12, 2012-13, 2013-14).

### **Capital Outlay and/or Debt Service**

Funds are annually appropriated for capital construction projects. However, due to a lack of available revenues to support these appropriations, funds are regularly re-appropriated until such time as revenues become available.

### **Transportation**

For regular pupils, the state provides a minimum of \$16 per pupil or actual eligible costs less a qualifying amount which is equalized based on district wealth. For vocational and special education, 80% of allowable costs from the prior year are reimbursed to the extent that appropriated funds are available.

### **Charter Schools**

Charter schools receive public funds primarily through the mechanism of per pupil tuition. By law, charter schools are entitled to receive not less than 75 percent and not more than 125 percent of the local school district's per capita tuition costs, multiplied by the number of students enrolled in the charter school who reside in the district. Charter schools authorized by a local school board receive student tuition directly from the school district. Charter schools authorized by the Illinois State Charter School Commission—an independent state commission with statewide chartering jurisdiction and authority—receive student tuition from the State Board. To make these payments, the State Board withholds General State Aid funds that would otherwise go to the local school district, and releases payments directly to the charter on a quarterly basis. In addition to per pupil tuition, charter schools are entitled to receive a proportionate share of state and federal special education funds and other state and federal categorical funds to serve special student populations. As with student tuition, these supplemental funds are paid directly by the district in the case of district-authorized charters, and by the State Board in the case of Commission-authorized charters. A more comprehensive overview of funding of charter schools in Illinois is provided by the Charter School Funding Taskforce Report (February 15, 2014), available at <http://www.isbe.state.il.us/scsc/pdf/csftf-final-report.pdf>.

## **Student-Based Components**

### **Special Education**

There are six state grants for funding special education. These are as follows:

- 1) Funding for Children Requiring Special Education Services – 85% of funding based on district ADA and 15% based on low-income counts reported in General State Aid
- 2) Special Education – Personnel Reimbursement – Grants are calculated at \$9,000 per full-time professional certified worker and \$3,500 per full-time non-certified worker.
- 3) Special Education – Private Tuition – Prior year costs are reimbursed based on the difference between \$4,500 and a district's per capita tuition costs per pupil in excess of \$4,500 plus a second per capita tuition charge.
- 4) Special Education – Summer School – Provides grants based on multiple formulas to assure educational services through the summer.
- 5) Special Education – Transportation – Described above under Transportation.

6) Special Education – Orphanage – Reimburses districts for the cost of special education services to children residing in state-owned facilities and with foster families. Any costs not covered by the current year appropriation must be covered by future years' appropriations.

**Low Income / Comp Ed / At-Risk**

Grants for low-income students have been a part of the GSA formula since FY 1999. Grants are based on a district's concentration ratio of low-income students. This ratio is the three-year average of students in the district who received services through Medicaid, the Supplemental Nutrition Assistance Program, the Children's Health Insurance Program or Temporary Assistance for Needy Families (TANF) divided by the Average Daily Attendance of the most recent school year. In FY 2015, the district concentration ratio (DCR) is calculated as the average number of students receiving services via the aforementioned programs in FYs 2011, 2012 and 2013 divided by the 2013-14 ADA.

Districts with a  $DCR \leq 15\%$  receive a flat grant of \$355 per pupil.

Districts with a  $DCR > 15\%$  receive per pupil grants based on the following curvilinear formula:  $[2,700 \times (DCR)^2 + 294.25] \times 3$  year average

**Pupil Weights for Low Income / At-Risk**

Does not apply

**English Language Learner / Bilingual Education**

The Bilingual Education grant program reimburses the excess cost of providing programs of instruction for eligible English learners. District grant allocations are determined by the number of eligible students, levels services provided, and the anticipated state appropriation for Bilingual Education. Only students receiving five or more class periods of bilingual / English as a Second Language services per week generate funding.

**Gifted and Talented Education**

Does not apply

**Career and Technical Education**

All entities begin with 90% of the previous year's Career and Technical Education (CTE) courses allocation. 10% of the funds will be based on the entities' student course assignments from the previous year:

- 50% on the number of approved CTE Courses students took; and
- 50% on the number of credits in approved CTE Courses students received.

No entity with student course assignments in approved CTE Courses will receive less than 90% and no more than 110% of last year's allocation.

**Early Childhood Education**

The Early Childhood Block Grant (ECBG) is administered on a competitive basis. The ECBG is a birth to age 5 grant program which includes a Prevention Initiative (PI) program for ages 0-3 and Preschool for All (PFA) program for ages 3-5.

The ECBG's purpose is to provide early, continuous, intensive, and comprehensive evidence-based child development and family support services to help families prepare their young children for later school success. ECBG funds are distributed to eligible applicants, including school districts, social service agencies and other entities on a competitive basis.

Both PI and PFA programs are intended for children who have been determined to be at risk for school failure as indicated by their families' high levels of poverty, illiteracy, unemployment, limited-English proficiency, or other need-related indicators (e.g., school districts' rate of dropouts, retention, truancy, teenage pregnancies and homeless students; high rates of infant mortality, birth trauma, low birth weight or prematurity; and high rates of child abuse or neglect).

The FY14 state appropriation was \$300,192,400 with 37% of the overall appropriation allocated to Chicago District 299 with the remaining funds distributed to entities outside of the city of Chicago. In FY14, there were 463 Preschool for All 3-5 programs and 153 Prevention Initiative 0-3 programs outside of the city of Chicago.

Districts that wish to continue to operate an ECGB Program submit an electronic application annually that includes at minimum an overview of the program and a budget summary. An ECGB Program shall be approved for continuation provided that a need continues to exist for the program, as evidenced by the number or proportion of children and families to be served, the program components proposed will be effective in assisting at-risk children and families, and the proposed budget is cost-effective. Grants for new or expanded programs shall be offered in years in which the level of available funding is such that one or more new or expanded programs can be supported, along with those currently funded programs that seek continuation funding.

#### **Other**

Does not apply

## **Revenue and Expenditure Information**

### **State Mandates Restricting Revenue or Expenditure Increases**

Truth-in-taxation law requires a district to notify their voters when the current levy exceeds the prior year extension by 5% or more.

Property Tax Extension Limitation Law (PTELL) applies to districts in select counties and limits the annual growth in extensions. Tax extensions in PTELL districts are allowed to grow by the lesser of 5% or the Consumer Price Index (CPI).

Statute implemented for suburban Chicago counties in 1991 (DuPage, Kane, Lake, McHenry and Will) and for Cook County in 1994. All other counties were allowed to place the question of whether to apply PTELL on the ballot of local elections.

### **Property Assessment Ratios Used / Legal Standards for Property Assessment**

Thirty-three and three-tenths percent of market value is used to derive property values. Counties with 200,000 or more population may elect to establish property classification and differential tax rates that average 33.3% of market value in the aggregate. County level assessed valuations

are equalized across counties by the use of a multiplier factor imposed by state government. Farmland property is taxed on the basis of productivity.

**Measure of Local Ability to Support Schools**

School district available local resources consist of revenues from property taxes and the Corporate Personal Property Replacement Tax. Equalized Assessed Values (EAVs) are multiplied by an assumed tax rate, regardless of actual tax rate. These rates are as follows:

- 3.00 Per \$100 for unit districts
- 2.30 Per \$100 for elementary districts
- 1.05 Per \$100 for high school districts

Districts subject to PTELL may receive an adjustment to their property values. For such districts, Illinois uses the lesser of their actual EAV or the EAV used in the prior year's GSA calculations multiplied by an inflator that calculates the maximum increase possible in their tax levy. For FY 11, the PTELL adjustment inflator is calculated as follows:

$$\frac{(2012 \text{ EAV} \times 2012 \text{ Limiting Rate})}{(2011 \text{ EAV} \times 2011 \text{ Operating Tax Rate})}$$

**School District Budget and Tax Rate Procedures / Sources of Local Revenue**

For current expenses for education, maximum local levy without voter approval is 9.2 mills for K-8 and 9-12 districts and 18.4 mills for K-12 districts. Maximum local levy with referendum is 35 mills for K-8 and 9-12 districts and 40 mills for K-12 districts. Separate tax rate limitations apply for building operations and maintenance, capital improvements, transportation and summer school. Local revenues are provided by the real property tax, corporate personal property replacement tax, and other non-tax sources.

**State Support for Non-Public Schools**

Participation is authorized and funded for the state school lunch and breakfast programs.