

State education officials present \$10.9B budget request to fund public schools - April 9, 2026

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Evidence-Based Funding formula designed to shift cost burden away from local property taxes

Article Summary

- The Illinois State Board of Education presented its budget request for \$10.9 billion to fund public schools in the upcoming fiscal year.
- The request includes \$300 million in new spending for schools, plus \$50 million for property tax relief grants.
- Next year will mark the 10th year of funding under the Evidence-Based Funding system that lawmakers approved in 2017. ISBE says that system has helped improve student outcomes in Illinois.
- JB Pritzker did not include the property tax relief grant funding in the budget plan he submitted to lawmakers in February.

This summary was written by the reporters and editors who worked on this story.

SPRINGFIELD — State education officials presented their case this week for a \$10.9 billion budget to fund preK-12 public schools for the next fiscal year, saying the Evidence-Based Funding formula that has been in place for nearly a decade is now paying dividends.

“Graduation rates are at a 15-year high,” Steven Isoye, chair of the Illinois State Board of Education, told a House budget committee Tuesday. “Achievement gaps are narrowing. Student growth exceeds pre-pandemic levels and Illinois eighth graders now outperform national averages in reading and math.”

Funding for public schools is one of the largest single categories in the state’s annual budget, accounting for nearly one-fifth of all state general revenue fund spending.

State Superintendent of Education Tony Sanders said ISBE’s request for FY 2027, at \$10.9 billion, represents a reduction of \$278.5 million from this year, due mainly to the transfer of early childhood block grants to the new Department of Early Childhood. After accounting for that shift, he said, the request represents a net \$469.7 million increase for other areas of preK-12 education.

“We are very conscious of the state’s tight fiscal environment, and so we prioritized the most crucial funding streams and those investments that will have the most direct impact on student success,” Sanders said.

The upcoming fiscal year, which begins July 1, will mark the 10th year of funding under the Evidence-Based Funding formula that lawmakers approved in 2017. That formula is intended to shift a greater share of the cost of funding public schools onto the state, and away from local property taxes.

The plan called for adding at least \$300 million in new state funding to public schools each year, plus an additional \$50 million in property tax relief grants for certain high-tax districts.

It was also intended to achieve greater equity in school funding by establishing an “adequacy target” for each school district — an estimate of how much it should cost to operate the district, based on cost-related factors like student enrollment, poverty rates and the percentage of English language learners in the district — and giving the bulk of the new funding to districts with the greatest financial need.

Since enactment of that law, general revenue fund spending for public schools has grown from \$8.2 billion in Fiscal Year 2018 to nearly \$11.2 billion this year. Also during that time, Isoye said, out of 851 school districts in the state, the number that are funded at or above 90% of their adequacy target has grown from 194 to 313.

ISBE's request includes the full \$350 million for Evidence-Based Funding and property tax relief grants as well as increases in transportation and other mandated categories of spending that are not covered by the EBF formula.

That request is higher than Gov. JB Pritzker's proposed budget which, for the second straight year, did not include funding for the property tax relief grants.

Speaking to reporters at a news conference in March, Pritzker said he was committed to addressing the inequities in the property tax rates people pay to fund their local schools, but he did not believe the relief grants called for in the EBF law were addressing the issue.

"We've got to figure out, how do we do that better, and I don't think we have the answer quite yet," Pritzker said. "But it didn't seem appropriate for us to just throw the money into the program without having a better potential outcome."

Republicans on the appropriations panel questioned why the increased spending under the EBF system hasn't resulted in lower property taxes throughout the state.

"I'm just wondering, if they're 90% adequate, and we've got probably 25% of the schools in the state of Illinois that are at full financial adequacy, why aren't we seeing property taxes come down?" asked Rep. Blaine Wilhour, R-Beecher City.

"I know that Evidence-Based Funding has been a great boon for school districts across the state," Sanders replied. "We still do not have all school districts to 90% or greater. We still have a lot of districts that are far away from 90% adequacy."

Sanders also pointed to the other mandated categories of spending such as transportation, for which the state only pays prorated portion of the total cost.

"So as costs increase for fuel, bus driver salaries, special education salaries — when the state's share is not made up, then it has to go someplace," he said. "You don't pick that up through your Evidence-Based Funding formula, so you turn to your local property taxpayers."

The committee took no action on the budget request. The panel's ultimate recommendation for preK-12 school funding will be included in the final budget bill that lawmakers will vote on at the end of the legislative session, which is scheduled to conclude May 31.

Illinois millionaire tax could help curb property taxes, boost education funding, study says – April 12, 2026

Written By; Alex Ortiz for FOX 32 Chicago and Distributed Online by IASA through Eye on Education Email Listserv at;
<https://www.fox32chicago.com/news/illinois-millionaire-tax-explainer>

The Brief

- If Illinois raised taxes on those making \$1 million or more, the state could reduce property taxes, fully fund public education, or both, according to a new study.
- An added tax on millionaires would require approval from both lawmakers and at least a majority of voters in an election.
- The researchers argued that states that have passed similar tax increases on higher earners also saw economic benefits.

CHICAGO - If Illinois approved a 3% surtax on residents who make at least \$1 million per year, the new revenue could provide significant benefits to the state, like curtailing property tax increases and better funding its public schools, according to a new study.

The millionaire surtax could generate billions of dollars in new revenue each year, according to the study conducted by researchers at the Illinois Economic Policy Institute (ILEPI) and the Project for Middle Class Renewal at the University of Illinois at Urbana-Champaign, which was released this month.

Such an idea appears to have popular support in the state. In a 2024 advisory referendum, 61% of voters said they would approve of a 3% tax on millionaires specifically to provide property tax relief.

The researchers said the tax could help the state address major fiscal issues like its need for more revenue for schools, pensions, cuts to federal funding, and the relatively high property tax burden on homeowners.

"This was a unique topic that intersects with other policy issues that impact the health and welfare of the state, and that makes it just an ideal issue for us to address," said Robert Bruno, a professor at UIUC and one of the study's authors.

Specifically, the researchers suggested pairing the tax code change with a pledge, what the researchers called a "lockbox," to dedicate the new revenue to be used specifically on either property tax relief, public education funding, or both. They argued that focusing on education and property taxes could help stimulate the state's economy by at least \$1 billion and create thousands of jobs over several years.

Before a millionaire's tax can be implemented though, lawmakers and voters would need to approve a change to the state's constitution.

How to pass a millionaire's tax

The Process: First, a millionaire tax can only be implemented with a change to the state's constitution, which requires that any tax on income be levied at a flat rate, meaning everyone, regardless of how much money they make, pays the same rate.

Currently, the state's income tax rate is 4.95%.

Two things would have to happen to change the constitution and institute a tax on incomes over \$1 million:

1. The state's General Assembly would have to pass a bill to allow for a change from a flat rate to a graduated rate, like 26 other states have. At least 60% of members of both the state House of Representatives and Senate would need to approve such a bill.
2. The amendment to the state constitution would then need to be voted on by residents in an election. If either 60% vote to approve the change or a simple majority (50% plus one) of all voters who cast ballots approve, then the change would be enshrined in the state's constitution.

For context, a similar effort to change the state's constitution to allow for a graduated income tax failed in 2020. Dubbed the "Fair Tax Amendment," lawmakers wanted to raise the tax rate starting on incomes of \$250,000. That proposal did not come with a promise to dedicate the added revenue to a specific issue, though. Voters rejected the measure 47% to 53%.

If the tax change is approved, the researchers proposed three options for how to spend the new revenue. The researchers detailed revenue projections based on the specific tax increase on millionaires. As an example, a 3% surtax could generate about \$3.8 billion in fiscal year 2027, and \$4.4 billion by fiscal year 2030.

How should Illinois spend the money?

By the numbers: The researchers proposed three different options for a "lockbox," to basically use the money to provide property tax relief, enhance funding to public pre-K through 12 school districts, or a combination of both. Below is a simplified explanation of each option:

Option 1: Provide a \$1,500 rebate to around 3 million homeowners in Illinois. (The number of homeowners used in the study is based on the number of general homestead exemptions claimed in the state, according to state data. About 1 million of those homeowners live in Cook County and about 870,000 live in the collar counties.)

Those rebates would cost around \$4.6 billion, according to the report. The rebate amount could increase as revenues increase in future years.

The researchers said the rebate would cut the average property tax bill by about 15% at first.

Option 2: Use the revenue to fully fund public school districts in Illinois.

The researchers highlighted an often-repeated data point that state funding of public education in Illinois lags behind other states, which leads to public school districts needing to rely more on property tax revenue. Public school districts usually represent the largest chunk of a homeowner's property tax bill, about 62% on average, according to the report.

Back in 2017, state lawmakers required more state funding to school districts by at least \$300 million every year in hopes of shifting the burden more onto the state and away from property owners. But there remains an "adequacy gap" of about \$3.1 billion statewide in funding, according to the report.

So, the more than \$3.8 billion generated by a millionaire's tax could cover that gap. The remaining amount, more than \$600 million, could be given to school districts through property tax relief grants or to make the state's community college tuition free.

Option 3: Use the money for both property tax relief and public education funding.

The researchers propose dedicating between \$700 million and \$900 million per year to cover the amount of additional property tax revenue school districts require every year. State law limits how much local units of government, like public school districts, can increase their property taxes each year, although there are a number of ways around that law. Still, using revenue from a millionaire's tax to essentially offset those increases would allow school districts to hold the line on property taxes.

The state could also use about \$50 million per year to add to school funding. That way, by 2035, Illinois' public schools would be fully funded as required by that 2017 law change.

Any remaining funds could be deposited into the state's "Property Tax Relief Fund."

Economic impact of millionaires' tax

Dig deeper: The researchers also detailed the impact each of the three options would have on the state's economy by the year 2030.

Option 1 (property tax relief) would boost the state's economic activity by about \$1.6 billion and create about 12,000 jobs.

Option 2 (more education funding) would boost economic activity by \$3.6 billion and save or create about 25,000 jobs.

Option 3 (both) would add about \$1 billion to the state's economy and create about 7,000 jobs.

But won't millionaires just leave Illinois?

The other side: One of the key criticisms of such a policy is that higher taxes would push higher earners to leave Illinois for states with lower taxes.

Austin Berg, of the Illinois Policy Institute, a nonpartisan research organization, argued that while a millionaire's tax "might sound appealing to some," it could come at a cost. He argued on X that Illinois has lost nearly 1 million taxpayers to other states over the last decade and the group leaving the fastest was those making more than \$200,000 per year.

"This is a bad idea at a bad time. We can't afford to keep losing people and investment to other states," Berg wrote.

The study on a millionaires' tax addressed this concern, arguing that "taxes have been found to have very little influence over migration patterns," according to previous research. A 2016 study found that millionaires tend to move at a lower rate than the population as a whole (2% versus 3%). It's lower-income individuals who tend to be more likely to move due to factors like better job opportunities.

The researchers said millionaires are more likely to be married, have children, and have business and interpersonal ties to their state, which are all seen as reasons why they would be less likely to move. They also pointed to other states like New Jersey and California, which saw few residents earning at least \$1 million leave after those states raised taxes on higher-income earners.

Additionally, when the researchers calculated their projections of how much money a millionaire's tax could raise, they assumed a certain percentage of millionaire residents would leave the state, so any outmigration was accounted for in their study.

Inside Trump's 3.5% budget boost for special education - April 15, 2026

Written by: Kara Arundel for K12 DIVE and Distributed by IASA Online through Eye on Education Email Listserv at;

<https://www.k12dive.com/news/trump-proposes-fy27-boost-for-special-education-advocates-worry-about-accountability/817308/>

The FY27 budget proposal, however, would make changes that have advocates concerned about accountability and federal supports.

The Trump administration's fiscal year 2027 budget proposal to Congress touts a "historic investment" into federally funded special education programs, including increased flexibility for states to make funding decisions and a renewed effort to reduce paperwork burdens for special educators and administrators.

Despite the proposed \$539 million dollar increase over FY 2026, special education administrative organizations and disability rights advocacy groups say the federal spending plan zero funds and consolidates several programs for FY 2027, similar to the administration's FY 26 proposal. Those changes would make states less accountable for provisions under the Individuals with Disabilities Education Act and would erode the services and supports that students, families and special educators rely on, they say.

"While the budget includes a relatively small increase for IDEA, we can't let that distract us from the big picture," said Chad Rummel, executive director of the Council for Exceptional Children, in an April 10 email to K-12 Dive. "Proposed cuts to special education [programs], K-12 education, educator preparation, and education research, will cause significant harm for students and educators."

What's being proposed for increases

On paper, the FY 27 proposal seems like a boost to the national special education program.

The spending proposal, released on April 3, calls for a total of \$16 billion to support infants, toddlers, students and young adults with disabilities under the Individuals with Disabilities Education Act. That's a 3.5% increase from the FY 2026 allocation of \$15.5 billion.

As in previous years, most of that proposed IDEA funding — \$15.4 billion for FY 27 — would be reserved for the IDEA Part B grants to states allocation to support students ages 3-21. That amount represents a 1.4% increase from FY 26 and equals out to an average of \$1,846 for each of the 8.3 million students with disabilities eligible for IDEA services.

Funding for IDEA's Part C program for infants and toddlers ages birth to 3 with disabilities and developmental delays is proposed at \$590 million, a 9.3% increase from FY 26. The bump in funding is targeted toward supporting families who are expecting to have a child with a disability, according to the FY 2027 budget justification.

If approved by Congress, this would be the first increase for Part C since FY 2022.

The budget plan also calls for a renewed effort to increase state participation in an already established pilot program to reduce paperwork burdens for special educators.

Why several northern Illinois schools are cutting staff and reckoning with multi-million-dollar budget deficits – April 16, 2026

Written by: Peter Medlin for Northern Public Radio and Distributed by IASA Online through Eye on Education Email Listserv at; <https://www.northernpublicradio.org/wnij-news/2026-04-16/why-several-northern-illinois-schools-are-cutting-staff-and-reckoning-with-multi-million-dollar-budget-deficits>

The Freeport School District 145 board recently voted to eliminate dozens of staff positions because of a projected \$11 million budget deficit.

They mostly cut support staff along with some certified teachers and a few administrators.

"We're definitely going to see students who struggle with reading and math be impacted at the elementary level," said Kelly Everding, president of the Freeport Education Association and a history teacher at the high school. "We're going to see students who utilize the library and library lessons impacted. We're going to see students who need social emotional support impacted."

Everding says this is the first time in over 30 years Freeport's dealt with staffing cuts this severe, but it's not just them.

Rockford Public Schools just axed over 100 positions because of a \$15 million deficit. Harlem is closing down two schools. Belvidere's facing a multi-million-dollar deficit. Even higher-income districts like Naperville aren't safe. Its board just voted down proposed staffing cuts meant to reduce their \$12 million deficit.

Emily Warnecke says it's a perfect storm. Expenses are increasing while support slips away. She works in government relations with the Illinois Association of School Administrators and Illinois Association of School Business Officials.

For her, one of the biggest reasons for this storm is a sharp increase in the cost of "mandated categorical" spending. As the name implies, these are mandated school services like busing, transportation of special education students, and educating special-ed students who learn at dedicated facilities.

Warnecke says schools spend money on these services, file a claim with the state, and get a certain amount reimbursed.

"What we've seen with that over the last couple of years, mainly since COVID, is that those claims are going up annually by a rate of 13%," she said. "Prior to COVID, we were seeing about a 2% increase."

Take Rockford Public Schools for example. In 2022, the state reimbursed pretty much all of their special education transportation costs. A lot of their regular transportation was reimbursed too, and the local district was left to foot the bill for the remaining \$800,000.

Fast forward to 2026, costs have gone up and reimbursements have stayed the same. So, now the bill is up to \$7.5 million.

Warnecke says it's not something districts anticipated. She says the reason those costs jumped in the first place is because school busing companies are dealing with inflation, competition to hire drivers, and of course, the increasing cost of fuel.

Another factor here is the cost of health care. Jason Blume is an administrator at the Harlem School District.

"We've seen an increase of almost 38% in four years. Like we're pushing \$20 million in health care costs," he said. "That's a big, big cost."

Rockford Public Schools superintendent Ehren Jarrett is dealing with the same thing.

"When you have a 6% increase one year and then a 6% increase the next year, it builds," he said. "Unfortunately, that's how you go from a budget surplus to a budget deficit pretty quickly. And, unfortunately, the only way to get ahead of this was to cut back on some staff."

During the pandemic era, schools often added support staff for mental health and academic intervention. During that period, they also had access to federal relief funding called "ESSER." It expired in the fall of 2024, so if schools used it for those roles, they now have to find another way to pay for it, which becomes more difficult when health care and transportation costs surge at the same time.

Add on top of that uncertainty around federal funding for education and you've got a perfect storm and multi-million-dollar budget deficits everywhere from diverse, low-income districts to affluent suburban schools. Smaller schools are dealing with this too. It's just harder to find accessible information about their budgets.

But in some districts, like Freeport, people feel like this isn't simply a story of choppy waters schools are all trying to sail through. Kelly Everding with the Freeport Education Association says their board's "poor financial stewardship" is also to blame for their deficit.

"Things like the loss of ESSER funds, we knew that was going to happen. We should have been able to predict that," she said. "We had some building maintenance issues that were deferred for many years, and those all came to a head here at this point in time. Had we worked on those earlier, that might have lessened the cost as well."

The deficit challenges aren't all equal either. Even though Rockford's total deficit is larger, Freeport's represents a much bigger percentage of their budget.

Emily Warnecke says it's hard to predict how long some challenges, like inflation, will stick around. But she says a few of these issues can be solved or at least soothed. It's why her groups are advocating for the state to increase reimbursement rates for those "mandated categorical" costs like special ed transportation.

If not, she says, the financial reality for schools will be even more dire and even more may have to consider cuts.

WNIJ News

Budget Talks, Policy Debates, and What's Next for Schools – April 10, 2026

Written by; Emily Warnecke, IASA Chief of Staff and Distributed by IASA through Advocacy in Action Capital Watch Email Listserv

House Appropriations - Elementary & Secondary Education Committee

The Illinois State Board of Education (ISBE) presented its proposed FY27 budget before committee this week, outlining both continued progress under the state's evidence-based funding model and the growing fiscal pressures facing school districts.

ISBE is requesting a total FY27 budget of \$10.9 billion. At the center of the request is a \$350 million increase for Evidence-Based Funding (EBF), including \$300 million directed toward tier funding and \$50 million for Property Tax Relief Grants (PTRG). ISBE emphasized that EBF remains not only the state's primary tool for addressing funding inequities, but also a critical source of stability and predictability for school districts. This consistency in funding has allowed districts to engage in multi-year planning, make strategic staffing decisions, and invest in curriculum, professional development, and long-term school improvement efforts. It was noted during testimony that ISBE's proposal includes the statutorily-required \$50 million for the PTRG, while that was not included in the Governor's proposal. The recently released study by the professional review panel on the efficacy of the PTRG can be found [here](#).

The impact of sustained EBF investment continues to show progress: 313 districts have now reached at least 90% of adequacy, up significantly from prior years. However, inequities remain, with approximately 75% of Illinois students still attending districts below that adequacy threshold. ISBE reiterated that continued investment is essential both to close these gaps and to reduce reliance on local property taxes, reinforcing the state's role as the primary funder of public education.

In addition to EBF, ISBE is requesting a \$151 million increase in mandated categorical programs (MCATs) which would maintain current reimbursement levels. This increase includes funding to fully support the orphanage categorical lines, as well as maintaining reimbursement rates of 63% for regular transportation, 60% for special education transportation, and 76% for private facility tuition. ISBE underscored a growing structural challenge related to the cost of providing required services that continues to outpace state appropriations. When appropriations fail to keep pace with rising costs, districts are required to absorb a greater share locally even when service levels remain unchanged, effectively shifting more financial responsibility onto local budgets. It was noted that ISBE's budget proposal differs from the Governor's proposal by \$100 million as the Governor proposed only a \$50 million increase towards mandated programs, which would result in further proration for schools next year if enacted.

The ISBE proposal also includes targeted investments in key program areas. Career and Technical Education (CTE), which now serves approximately 49% of Illinois high school students, continues to see growing demand that outpaces current program capacity. ISBE is recommending an additional \$5.9 million to support the ongoing phase-in of a revised funding formula designed to prioritize districts with the greatest need while incentivizing high-quality programming.

During testimony, State Superintendent Tony Sanders addressed questions about the return on the state's recent education investments. He pointed to clear indicators of progress, including student growth now exceeding pre-pandemic levels, improved proficiency rates, and strong performance on national assessments that place Illinois at or above the national average compared to other states. He credited school leaders across Illinois for driving these outcomes despite ongoing resource constraints.

House Executive Committee

A subject matter hearing on Wednesday focused on the growing presence of data centers across Illinois and the evolving policy conversation surrounding their expansion. As the state considers potential changes, including a possible moratorium on new developments and additional regulatory requirements, legislators are weighing both the benefits and challenges these facilities present for local communities.

For school districts, data centers can represent a significant shift in the local tax base. These facilities are high value properties that can substantially increase Equalized Assessed Value, often generating new property tax revenue that supports school operations, capital improvements, and long term financial stability. In some cases, this growth can also help moderate local tax rates while still allowing districts to access additional resources. At the same time, the broader conversation reflects a range of competing considerations. Labor groups have expressed support for data centers due

to the construction jobs they create, while some communities and environmental advocates have raised concerns related to noise, water usage, energy demand, and potential impacts on utility costs.

HB 2564 (Vella; D-Loves Park) In provisions requiring an additional employer contribution for certain salary increases greater than 6%, provides that the System shall exclude salary increases given on or after July 1, 2025 resulting from overload work, including summer school, when the school district has certified to the System, and the System has approved the certification, that (i) the overload work is for the sole purpose of classroom instruction in excess of the standard number of classes for a full-time teacher in a school district during a school year and (ii) the salary increases are equal to or less than the rate of pay for classroom instruction computed on the teacher's current salary and work schedule.

McMahon: FY 27 budget plan continues to shrink 'bloated bureaucracy' - April 28, 2026

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A Senate Appropriations subcommittee questioned the education secretary on Tuesday about interagency agreements, civil rights cases and literacy.

WASHINGTON — A year into her position as U.S. education secretary, Linda McMahon appeared in front of a Senate subcommittee Tuesday to promote a fiscal year 2027 budget proposal that she said continues to shrink “our bloated bureaucracy” and give more education decision-making to state and local leaders.

“Today, I can confidently attest that we are delivering on the vision of educational renewal that, for decades, many promised but none have delivered,” McMahon said.

Although the hearing focused on next year’s budget proposal, McMahon faced tough questions from Democratic members of the Senate Subcommittee on Labor, Health and Human Services, Education and Related Agencies over significant changes made under her leadership in the past year. Among them: withholding federal K-12 grant funding last summer, reducing the workforce in the Office for Civil Rights, and outsourcing Education Department activities to other federal agencies.

“Secretary McMahon, instead of working collaboratively towards solutions to help our students and families, you have undertaken a politically motivated campaign to undermine the work of the Department of Education,” said Sen. Tammy Baldwin, D-Wis., ranking member of the subcommittee. “This has been to the detriment of our students and, if allowed to continue, will have consequences long into the future.”

'Make Education Great Again'

The Trump administration proposes funding the U.S Department of Education at \$76.5 billion for FY 2027, a 3% cut compared from FY 2026 funding level of \$79 billion. The proposal would level fund Title I at \$18.4 billion and increase special education funding by \$539 million to \$16 billion.

The fiscal plan repeats attempts from the Trump administration’s FY 26 proposal to eliminate some existing grants while consolidating others into single funding streams for states to distribute at their own discretion — moves ultimately rejected by Congress when it approved the final budget in February that was signed into law by President Donald Trump.

For example, the FY 27 budget plan recommends consolidating 17 K-12 grant funding streams worth \$6.5 billion into a single \$2 billion grant program named Make Education Great Again. This would give states and districts flexibility to determine what priority areas to fund based on their needs, McMahon said.

“We’ve been clear: Shifting authority back to the states will not come at the expense of essential federal programs for support, much of which predate the department itself,” McMahon said.

Several lawmakers asked McMahon what the department was doing to increase student achievement. She said that through the proposed Make Education Great Again program, states would be required to reserve at least 25% to support literacy initiatives and set aside another 25% for math instruction.

The remaining funds could be used by states to support any activities currently allowable under the 17 formula and competitive K-12 grant programs targeted for elimination.

Several Republican subcommittee members praised parts of the spending proposal that would hand more fiscal authority to states and districts.

"We find ourselves at a crossroads," said Subcommittee Chair Shelley Moore Capito, R-W.Va. "Do we stay the course with our education system as it is, hoping that more money and federal intervention will solve our problems? Or do we, as you have suggested, ask the difficult questions and consider innovative solutions that can actually turn the tide?"

What's next for interagency agreements?

While the FY 27 proposal does not detail additional moves to transfer Education Department responsibilities to other federal agencies, McMahon was questioned about the status of the 10 interagency agreements already underway.

When asked by Sen. Patty Murray, D-Wash., vice chair of the full Senate Appropriations Committee, about the status of potentially moving special education programming to other agencies, McMahon said no decisions have been made. Nonetheless, she said the agency is exploring placing some programs that support the Individuals with Disabilities Education Act at the U.S. Department of Labor and others with the U.S. Department of Health and Human Services.

Murray said she has received a petition with thousands of signatures from parents, educators and advocates in protest of moving IDEA services out of the Education Department.

"I can assure you that the intent of this administration is not to put these students at risk in any way whatsoever," McMahon said.

For the current interagency agreements, McMahon acknowledged there have been some "hiccups" with the moves. However, she added that the same Education Department employees who worked on specific grant programs are still doing those jobs, just at different federal buildings.

Addressing the agreement between the Education and Labor departments for certain Elementary and Secondary Education Act programs, McMahon said, "this is a program that I believe will help our students as they go from K through 12 into higher education be prepared for the workforce of today and the demands of the workforce of tomorrow."

Sen. Mike Rounds, R-S.D., praised the Education Department's work to create interagency agreements.

"I like the idea that those decisions should be made at the local level," Rounds said. "And I think there's a number of areas within the Department of Education that we've been working on through legislation, trying to divvy back out again to the departments that they were in before the department was ever created."

The status of OCR

Several Democratic lawmakers asked McMahon about the agency's progress in addressing OCR complaints. The FY 27 proposal recommends reducing staffing from 530 in FY 25 to 271 in FY 27 and shrinking the office's budget from \$140 million in FY 25 to \$91 million in FY 27.

Before Tuesday's hearing, Sen. Bernie Sanders, I-Vt., released a report critical of inaction at OCR. The report said that although the agency had the same budget in 2025 as the year before, OCR only provided relief to students and families through resolution agreements in just 1% of its 11,985 pending cases.

The report said that in 2025, OCR issued nearly 79% fewer disability resolution agreements for students with disabilities, compared to the year before.

Sen. Chris Murphy, D-Conn., questioned McMahon about the status of OCR complaints during Tuesday's hearing. McMahon said there was a backlog of 19,000 OCR complaints at the beginning of last year. She added that the agency is rehiring many of the lawyers that worked on OCR cases who were part of an agencywide reduction-in-force last year.

"There was a time when we were not processing cases as quickly as we should, but we are now focused on doing that and moving forward," McMahon said. "We expect to see progress."

Tuesday's hearing was just one part of the multistep budget approval process. The House version of the FY 27 Labor, Health and Human Services, Education and Related Agencies bill will be marked up by that chamber's full Appropriations Committee on June 9.

FY 27 starts Oct. 1.

Illinois lawmakers question progress under Evidence-Based Funding for public education – May 6, 2026

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As 10th anniversary approaches, many districts remain underfunded, according to state data

Article Summary

- State Lawmakers will assess how much progress has occurred in public education under the Evidence-Based Funding formula.
- According to ISBE data, 63% of districts currently receive less than 90% of their "adequacy target" under the formula.
- But supporters point to an additional \$3 billion in annual state funding for public schools in the 10 years that EBF has been in place.
- This summary was written by the reporters and editors who worked on this story.

SPRINGFIELD — As budget negotiations kicked into high gear at the Illinois Statehouse this week, lawmakers from both chambers have begun to assess how much progress has been made under the Evidence-Based Funding formula for public schools.

That was the formula lawmakers passed in 2017 that was supposed to bring about greater equity in school funding by increasing the state's share of overall school funding and directing the new money to the most underfunded districts in the state.

The budget lawmakers pass this year will be the 10th written under that formula. But as the anniversary approaches, state records show that despite an additional \$3 billion in state funding for public schools during that time, most of the state's 851 districts remain underfunded, including dozens that receive less than 70% of what the formula says they need to operate effectively.

"That underfunding is not theoretical. It has real consequences across the state," Crystal Mallory, a lobbyist for the Illinois Federation of Teachers, told a Senate committee Tuesday. "We are beginning to see staffing shortages and

increased attrition, program cuts and loss of student supports, districts developing deficit-reduction plans due to uncertainty.”

How EBF works

Under the original bill, the state is supposed to add \$300 million each year in new funding for PreK-12 schools plus an additional \$50 million for property tax relief grants that are awarded to certain high-tax districts.

The law also uses a formula to calculate an “adequacy target” for each district based on its size and demographic factors, such as the number of students from low-income households or students who are English language learners.

The law then uses a formula to calculate each district’s current adequacy percentage, taking into account how much they can raise from local taxes, how much they receive in federal funding and how much they currently receive from the state.

Under the law, every district is guaranteed to receive at least the same amount of state funding as they received the previous year, but priority for new funding is given to districts that are furthest below their adequacy target.

Since its enactment, the cumulative increases have totaled more than \$4 billion in annual funding for public schools. That includes just over \$3 billion through the EBF formula. Lawmakers have also increased funding for items outside the formula such as career and technical education as well as transportation and other “mandated categorical” expenses.

That has brought total General Revenue Fund spending for PreK-12 public schools to \$11.2 billion this fiscal year.

Still, according to Illinois State Board of Education officials, bringing all districts up to at least 90% of their adequacy target, which was the original goal of the EBF formula, would cost yet another \$3 billion. Fully funding the mandated categorical expenses would cost another \$600 million beyond that.

Funding inequities

According to ISBE data, of the 851 elementary, high school and unit school districts in the state, 532, or 63%, currently receive less than 90% of their “adequacy target” under the formula, including 48 districts, or 5.6%, that receive less than 70%.

There are 223 districts funded at 100% or more of their adequacy target, including 14 that are funded at greater than 200%.

The Ohio Community School District 505, in Bureau County, has the highest funding ratio, at 354%. Carbondale Community High School District 165, at 61% of adequacy, is the least funded district.

Stacy Schulte, a middle school teacher in the Grant Community Consolidated School District 110, outside East St. Louis testified about the conditions in her school. ISBE records show that district in Fairview Heights is currently funded at 75% of adequacy.

“Our students don’t have health programs, music classes, the opportunity to learn languages or anywhere close to a technology curriculum,” she said. “Just now, we’re trying to buy textbooks that haven’t been replaced in a decade. Keeping things current and up to date is pretty important in the world these kids live in, and we haven’t had the funding to do it. Our students have been sitting with outdated material as the world moves on.”

Cost of full funding

Mallory and Schulte both testified in favor of Senate Bill 3701. Sponsored by Sen. Graciela Guzmán, D-Chicago, it would require the state to fully fund the formula. That would mean providing enough state money to bring all districts up to at least 100% of their adequacy target, starting in the upcoming fiscal year.

The bill also calls on the state to fully fund the additional costs districts incur, known as “mandated categorical” expenses, which are not covered by the EBF formula.

SB 3701 would not actually provide that additional funding. That would still have to be approved separately each year as part of the regular budgeting process.

“If the state says that a service is required, the state should fund it,” Guzmán said of her bill. “And then if the state has defined what adequate education looks like, the state should also fund that. So, if we’re serious about equity, property tax relief and supporting public schools across Illinois, then we have to stop treating underfunding as if it is normal.”

Republican Sen. Terri Bryant, of Murphysboro, who voted for the original EBF bill in 2017, said she supported the concept of the bill but questioned whether the state could afford to pay for it without raising taxes.

“I don’t have a problem with doing it. I want to do it,” she said. “I’m not supportive of new taxes. I am supportive of priorities. So provided this becomes priority driven, I’m all for it.”

Results of increased funding

During a House budget hearing in April, ISBE Chairman Steven Isoye said the increased funding the state has put into the formula so far is paying dividends.

“After nine years of investment, the number of districts at or above 90% adequacy has grown from 194 to 313, and outcomes show real progress,” he said. “Graduation rates are at a 15-year high. Achievement gaps are narrowing. Student growth exceeds pre-pandemic levels, and Illinois eighth graders now outperform national averages in reading and math.”

But during a separate hearing Tuesday on the EBF formula in the House’s K-12 education budget committee, Rep. Blaine Wilhour, R-Beecher City, expressed skepticism that Illinois students are performing any better today than they did before the formula was adopted, despite the increased spending.

“You’ve set real benchmarks in the formula, as far as what you expect on spending,” he said. “We need real benchmarks on what we expect on student outcomes in conjunction with that spending. Because it looks to me like there’s really nothing.”

Cynthia Lund, ISBE’s chief governmental relations officer, explained that the funding formula is not tied to student performance outcomes. But she said the state tests students each year and reports the results of those tests on the annual state report card, adding that those reports have indicated strong growth in student performance in recent years.

“Well, I think that a lot of people would disagree,” Wilhour said.

Economic News Briefs...

• Market and Economic Highlights:

- Tech and AI-linked stocks led U.S. equity markets higher in April.
- The ceasefire with Iran started the month on a positive note.
- Q1 earnings season started strong with a solid earnings beat rate paired with upward revisions.
- Kevin Warsh was approved by the Senate Banking Committee and a full Senate approval is now expected before Chair Powell’s term ends on May 15th.
- Chair Powell stated he will remain on as a Fed Governor after his term as Chair ends.

Source: Bloomberg, FactSet

- **Treasury Yields Reflecting Rising Risks:** While U.S. equities soared to new highs in April, the Treasury market reacted more negatively to rising risks. Yields on Treasuries with maturities from 1 to 30 years increased by

between 5 and 8 basis points, even as bond market volatility declined. The continued blockade of the Strait of Hormuz kept oil prices elevated, adding to inflationary pressures. In addition, some hawkish signals from the Fed’s April meeting pushed yields higher, with the 2-year Treasury approaching 4%. If yields move above 4%, it would suggest markets are increasingly expecting a Fed rate hike. The Fed’s April press release maintained language indicating its bias toward lowering rates, but three Committee members dissented as they opposed the easing bias. Sources: Bloomberg, FactSet as of 4/30/26

Taken from the ISDLAF+ Market Update April 2026 prepared by PMA Asset Management, LLC

DPS Business Office Briefs:

- **Initial Title Grant Allocations:** The District has received the initial Title grant allocations. The process for funding the grants includes an additional allocation later, usually late Fall. A reasonable and conservative prediction is the final allocation will keep the District in line with FY 26.

FY 27 Initial Title Grant Allocations

	<u>FY27</u>	<u>FY26</u>	<u>FY25</u>	<u>FY24</u>	<u>FY23</u>
Title I	\$ 664,108	\$ 806,973	\$ 877,828	\$ 889,720	\$ 673,125
Title II	\$ 86,778	\$ 119,584	\$ 118,347	\$ 122,005	\$ 126,298
Title IV	\$ 46,412	\$ 80,796	\$ 78,467	\$ 86,352	\$ 78,635

- **IASBO Advocacy Alert Legislative Update - SB 3701** (Guzman; D-Chicago) would require the state to provide 100 percent reimbursement for mandated categorical programs without reducing payments through proration, starting with Fiscal Year 2027. The legislation would also require the state to fully fund the Evidence-Based Funding (EBF) formula by ensuring enough new state dollars are added each year to bring school districts to 90 percent adequacy. There is support from both sides of the aisle for fully funding education programming, however, with the total cost of the proposal estimated to be around \$3.6 billion, there is a looming question about how to generate the revenue to cover these costs. (Written by Emily Warnecke)

Countywide Sales Tax

The District again continues to see strong CFST revenues. The table below represents strong receipts for January 2026. The CFST receipts are three months in arrears, so the funds received in February represent the taxes paid by consumers in January. The \$203,000 received represents a nine-month stretch of the largest amounts received since the creation of the program and is a 13.5% increase over FY 25. January has traditionally been one of the lower months. Also, it is important to remember that these funds cannot be spent on anything other than facilities improvement. The summary below outlines a summary of the receipts from FY 23 with a comparison of FY 25 vs. FY 26.

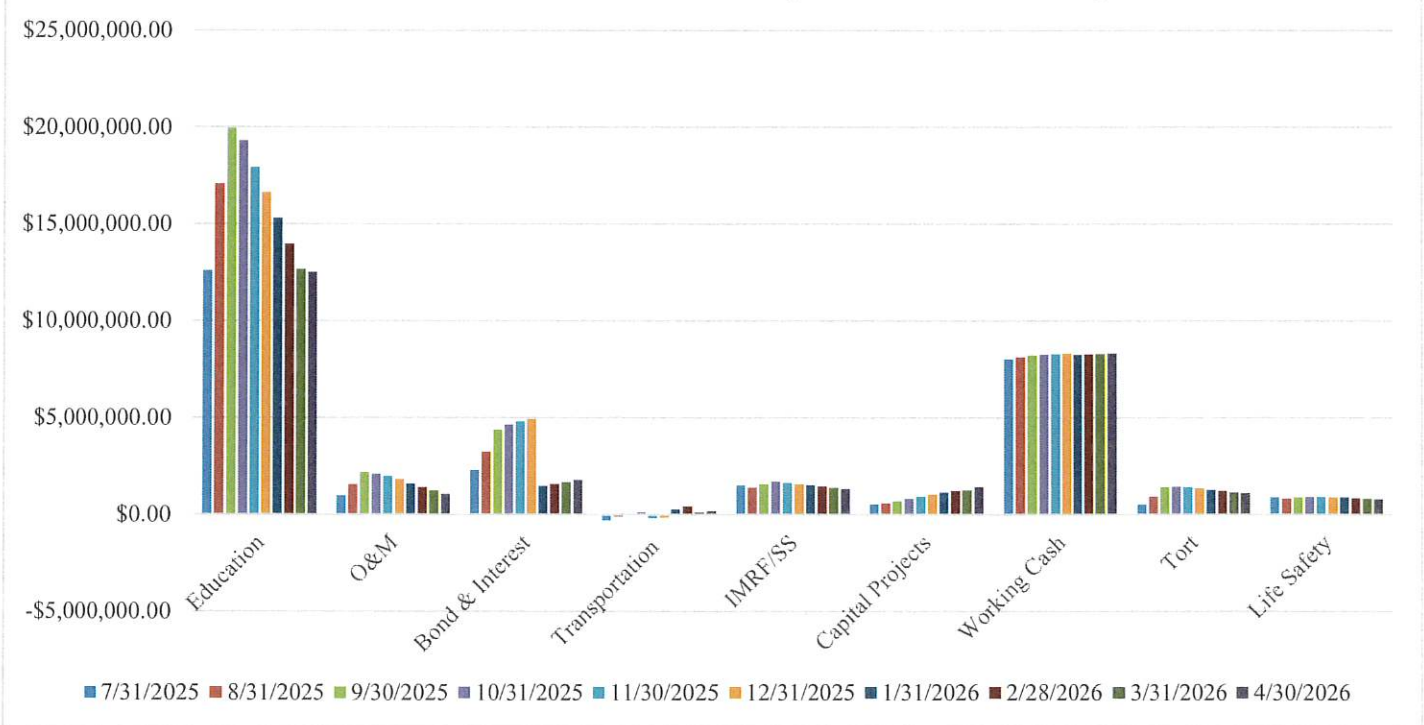
	<u>FY23</u>	<u>FY24</u>	<u>FY25</u>	<u>FY26</u>	<u>Difference</u> <u>FY 25 v. 26</u>
July	\$167,736.37	\$166,297.20	\$177,241.56	\$220,684.93	\$43,443.37
August	\$157,646.19	\$171,178.89	\$177,589.47	\$210,195.86	\$32,606.39
September	\$160,407.90	\$175,220.50	\$176,058.42	\$203,743.03	\$27,684.61
October	\$162,719.99	\$165,535.70	\$157,162.56	\$215,438.17	\$58,275.61
November	\$157,766.14	\$168,001.90	\$171,171.84	\$203,784.19	\$32,612.35
December	\$167,486.45	\$178,755.19	\$201,004.74	\$225,466.05	\$24,461.31
January	\$134,425.96	\$141,195.76	\$179,547.38	\$203,886.25	\$24,338.87
February	\$123,815.53	\$141,802.17	\$164,559.27	\$0.00	\$0.00
March	\$154,850.14	\$165,591.32	\$187,252.74	\$0.00	\$0.00
April	\$159,801.14	\$168,718.21	\$198,100.75	\$0.00	\$0.00
May	\$182,291.57	\$195,620.51	\$219,783.67	\$0.00	\$0.00
June	\$181,283.06	\$186,682.55	\$213,942.95	\$0.00	\$0.00
	\$1,910,230.44	\$2,024,599.90	\$2,223,415.35	\$1,483,198.48	\$243,422.51

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be in July 2026 and this will be an interest payment. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in January 2027, a principal and interest payment will be made on the bonds. In general, the obligation amount is \$90,000/month. Any amount above this amount represents opportunity for future facility improvements.

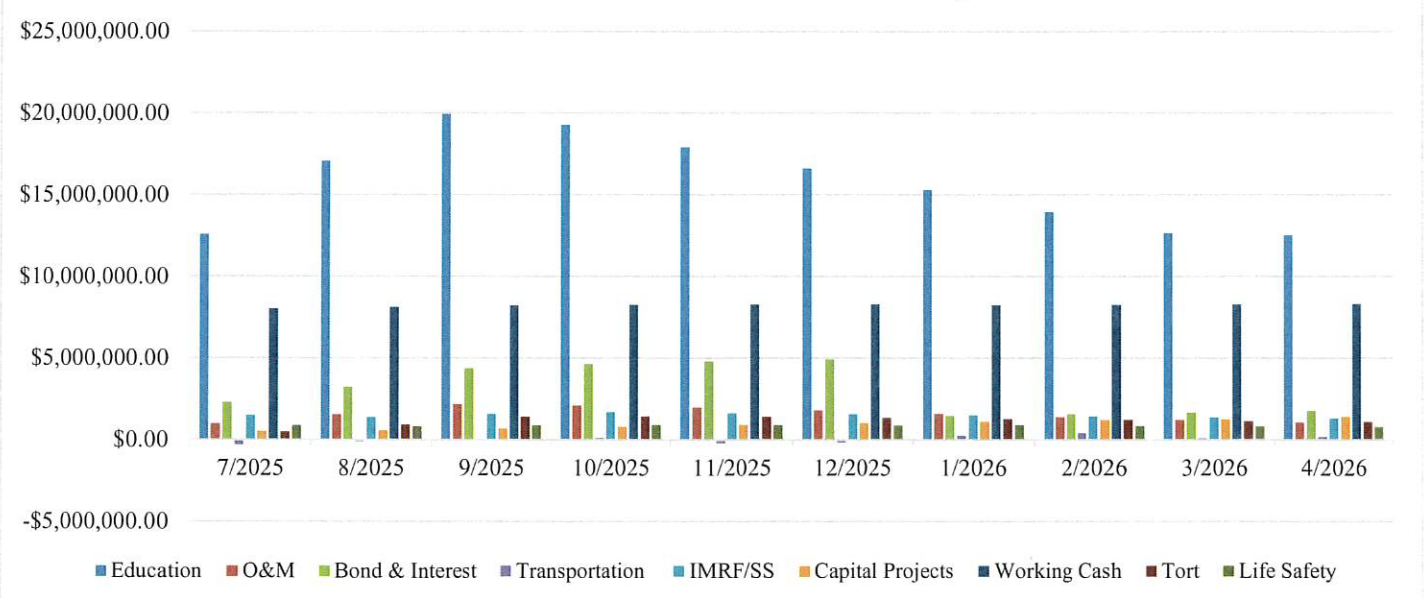
Treasurer's Report – April 2026

In your Board Packet, you will find the Treasurer's Reports for April 2026. The summary graphs represent FY 26 fund balances through April 2026. Balances for the funds for the first two quarters of each year reach their highest balances due to property tax revenue receipts. During the second half of the year, cash flow and revenue are traditionally low, while expenses for salaries and basic operations remain consistent throughout the year. This month resulted in strong cash flow for the time of the year, with a total decrease in fund balances of \$112,000 and an operating fund balance decrease of only \$233,000. The Business Office will continue to monitor cash flow throughout the year.

FY 26 Fund Balances by Fund Monthly



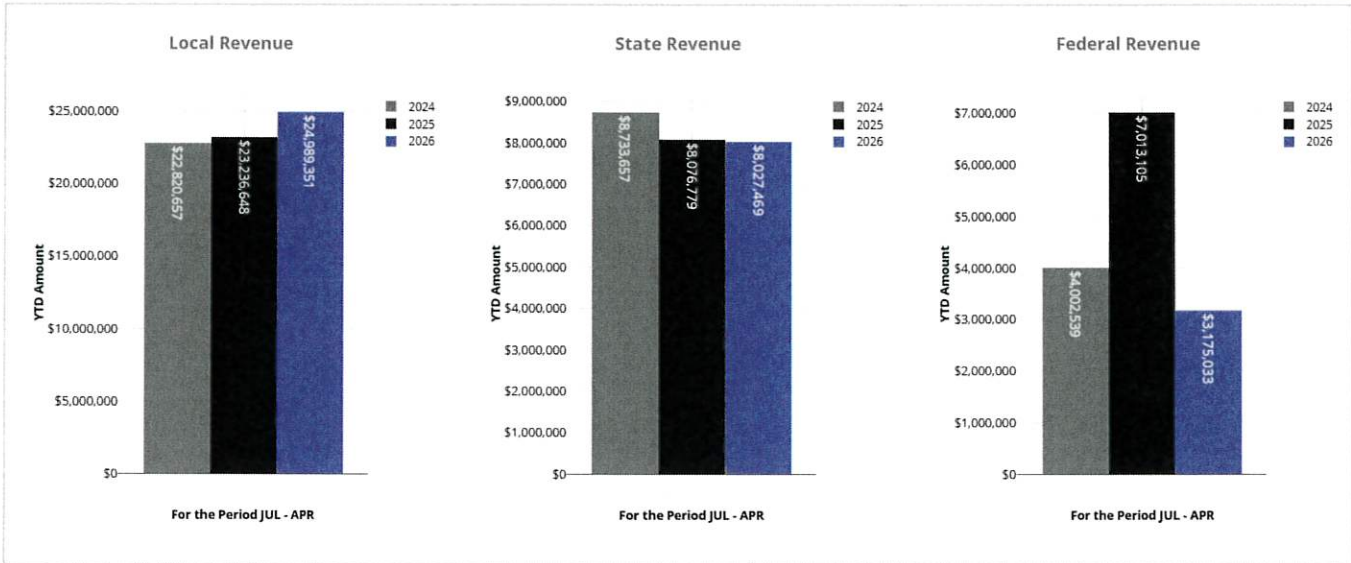
FY 26 Fund Balances - Treasurers Reports



Dixon USD 170
Year to Date Revenue Overview - Operating Funds*
April 2026



<p>Local Revenue</p> <p>\$24,989,351</p> <p>93.57% of Budget</p>	<p>State Revenue</p> <p>\$8,027,469</p> <p>82.02% of Budget</p>	<p>Federal Revenue</p> <p>\$3,175,033</p> <p>120.24% of Budget</p>
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	FY 2024 YTD Amount	FY 2025 YTD Amount	FY 2026 YTD Amount	FY 2026 Annual Budget	FY 2026 % YTD Budget
LOCAL REVENUE					
1100 Ad Valorem Taxes	\$17,604,747	\$19,404,584	\$21,085,547	\$22,259,000	94.73%
1200 Payments in Lieu of Taxes	\$3,590,692	\$2,242,235	\$2,231,044	\$2,940,000	75.89%
1500 Earnings on Investments	\$856,094	\$831,725	\$812,557	\$840,000	96.73%
1600 Food Service	\$31,553	\$33,923	\$21,409	\$35,000	61.17%
1900 Other Revenue from Local Sources	\$302,813	\$284,483	\$392,148	\$360,000	108.93%
ALL OTHER LOCAL REVENUE	\$434,759	\$439,699	\$446,646	\$274,000	163.01%
TOTAL LOCAL REVENUE	\$22,820,657	\$23,236,648	\$24,989,351	\$26,708,000	93.57%
STATE REVENUE					
3000 Unrestricted Grants-in-Aid	\$5,659,784	\$5,768,399	\$5,913,843	\$7,215,000	81.97%
3100 Special Education	\$1,176,554	\$754,966	\$568,232	\$665,000	85.45%
3300 Bilingual Education	\$29,544	\$22,571	\$22,485	\$26,500	84.85%
3500 State Transportation Reimbursement	\$1,533,476	\$1,171,441	\$1,166,996	\$1,460,000	79.93%
ALL OTHER STATE REVENUE	\$334,299	\$359,402	\$355,913	\$421,000	84.54%
TOTAL STATE REVENUE	\$8,733,657	\$8,076,779	\$8,027,469	\$9,787,500	82.02%
TOTAL FEDERAL REVENUE	\$4,002,539	\$7,013,105	\$3,175,033	\$2,640,500	120.24%
TOTAL REVENUE	\$35,556,853	\$38,326,532	\$36,191,853	\$39,136,000	92.48%
OTHER FINANCING SOURCES	\$0	\$4,443,750	\$0	\$0	0.00%
TOTAL REVENUE & OTHER FINANCING SOURCES	\$35,556,853	\$42,770,282	\$36,191,853	\$39,136,000	92.48%

Revenue Insight:

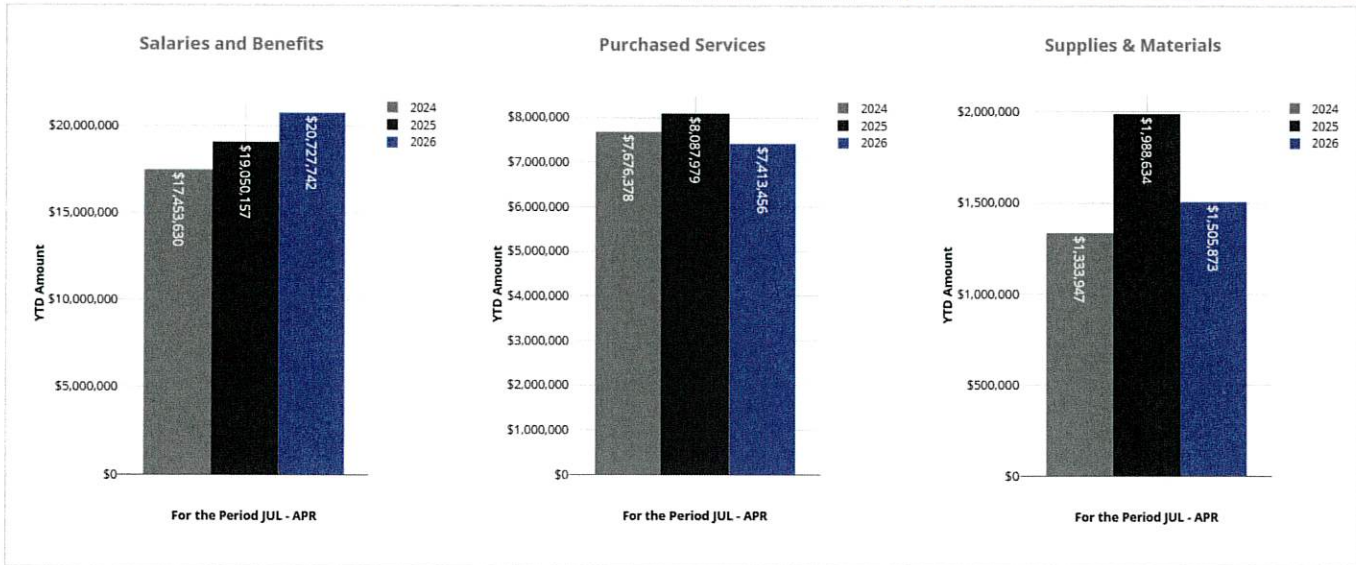
Operating Funds (excluding transfers) YTD revenues totaled \$36,191,854 through April 2026, which is -\$2,134,678 or -5.9% less than the amount received last year for this period. The YTD difference is driven by a decrease in 4000 Federal Sources of -\$3,838,072, an increase in 1000 Local Sources of \$1,752,703, and a decrease in 3000 State Sources of -\$49,309.

*Operating Funds = Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Dixon USD 170
Year To Date Expense Overview - Operating Funds*
April 2026



Salaries and Benefits \$20,727,742 71.40% of Budget	Purchased Services \$7,413,456 86.56% of Budget	Supplies & Materials \$1,505,873 101.55% of Budget
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	FY 2024 YTD Amount	FY 2025 YTD Amount	FY 2026 YTD Amount	FY 2026 Annual Budget	FY 2026 % YTD Budget
SALARIES AND BENEFITS					
100 Salaries	\$11,662,619	\$12,812,021	\$13,445,916	\$19,942,100	67.42%
200 Benefits	\$5,791,011	\$6,238,137	\$7,281,826	\$9,087,600	80.13%
TOTAL SALARIES AND BENEFITS	\$17,453,630	\$19,050,158	\$20,727,742	\$29,029,700	71.4%
OTHER EXPENSES					
300 Purchased Services	\$7,676,378	\$8,087,979	\$7,413,456	\$8,564,300	86.56%
400 Supplies & Materials	\$1,333,947	\$1,988,634	\$1,505,873	\$1,482,875	101.55%
500 Capital Outlay	\$485,985	\$2,434,959	\$324,053	\$315,000	102.87%
600 Other Objects	\$2,011,022	\$1,837,687	\$1,788,617	\$2,409,350	74.24%
700 Non-Capitalized Equipment	\$0	\$0	\$0	\$0	0.00%
800 Termination Benefits	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER EXPENSES	\$11,507,332	\$14,349,259	\$11,031,999	\$12,771,525	86.38%
TOTAL EXPENSES	\$28,960,962	\$33,399,417	\$31,759,741	\$41,801,225	75.98%
OTHER FINANCING USES	\$0	\$0	\$0	\$100,000	0.00%
TOTAL EXPENSES & OTHER FINANCING USES	\$28,960,962	\$33,399,417	\$31,759,741	\$41,901,225	75.8%

Expense Insights:

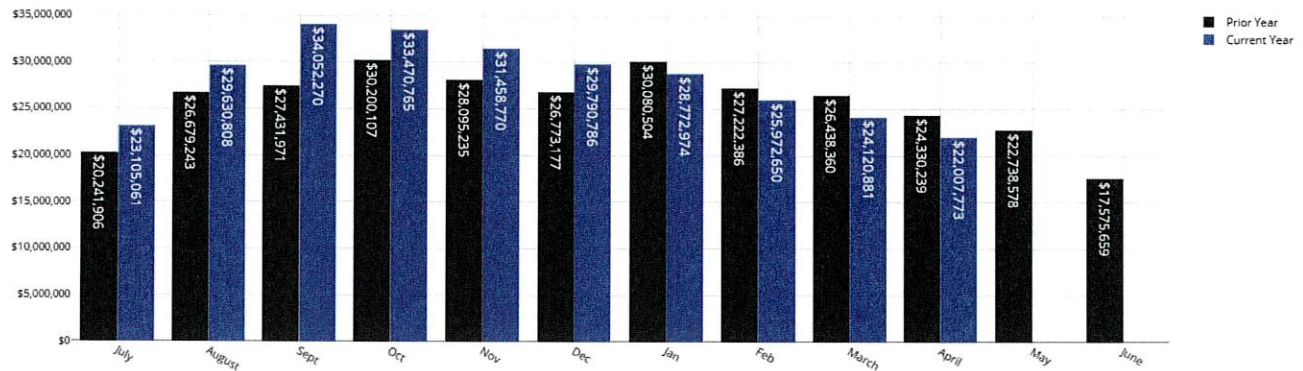
Operating Funds (excluding transfers) YTD expenses totaled \$31,759,740 through April 2026, which is -\$1,639,676 or -5.2% less than the amount spent last year for this period. The YTD difference is driven by a decrease in 500 Capital Outlay of -\$2,110,906, an increase in 200 Employee Benefits of \$1,043,689, and a decrease in 300 Purchased Services of -\$674,523.

*Operating Funds = Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Dixon USD 170 Fund Balance Overview April 2026



Month-End Balances - Operating Funds



	Fund Balance July 1, 2025	Revenues	Expenses	Other Sources	Other Uses	Fund Balance Apr 2026
Operating Funds:						
Educational	\$7,807,075	\$27,622,504	\$25,038,989	\$0	\$0	\$10,390,590
Operations and Maintenance	\$258,495	\$2,701,526	\$2,298,951	\$0	\$0	\$661,070
Transportation	\$-230,781	\$2,709,610	\$2,442,552	\$0	\$0	\$36,277
IMRF	\$1,250,792	\$945,690	\$600,854	\$0	\$0	\$1,595,628
Working Cash	\$7,932,934	\$486,076	\$0	\$0	\$0	\$8,419,010
Tort	\$557,144	\$1,726,447	\$1,378,395	\$0	\$0	\$905,196
Total Operating Funds	\$17,575,659	\$36,191,854	\$31,759,740	\$0	\$0	\$22,007,773
Non-Operating Funds:						
Debt Service	\$2,243,843	\$4,074,799	\$4,281,143	\$0	\$0	\$2,037,499
Capital Projects	\$820,068	\$1,173,117	\$255,236	\$0	\$0	\$1,737,949
Fire Prevention and Safety	\$807,021	\$5,830,457	\$5,826,718	\$0	\$0	\$810,760
Total Non-Operating Funds	\$3,870,931	\$11,078,373	\$10,363,097	\$0	\$0	\$4,586,207
Total All Funds	\$21,446,590	\$47,270,227	\$42,122,838	\$0	\$0	\$26,593,979

Balances Insight:

Operating Fund balances at the end of the April 2026 totaled \$22,007,773, which is -\$2,322,466 less than the balances at the end of the same month in prior year. The balances for all funds through the current period of the fiscal year decreased by -\$1,066,469 for a grand total of \$26,593,980.

Month-End Fund Balances

For the Period Ending April 30, 2026

Educational | Operations and Maintenance | Transportation | IMRF/SS | Working Cash | Tort

