February 2025 Busine$$ Report BY MARC CAMPBELL

Comptroller Mendoza rushes more than $17.7 million to schools, agencies and organizations ahead of schedule due to ice storm impacts *– January 11, 2025*
Written by: Mike Mohundo for WSILTV and Distributed by IASA Online through Eye on Education Email Listserv at: https://www.wsiltv.com/news/comptroller-mendoza-rushes-more-than-17-7-million-to-schools-agencies-and-organizations-ahead-of/article_0c0f27ce-d05f-11ef-836c-b30c68a24d5e.html

SPRINGFIELD, Ill. (WSIL) —Nearly $18 million in payments has been allocated to schools, agencies and organizations in southern Illinois which were hit hard by the recent ice storm.

Comptroller Susana Mendoza issued payments, earlier than planned, which total more than $17.7 million after the request of Senator Dale Fowler who informed Mendoza of the dire circumstances southern Illinoisans are facing.

$16.7 million is money for Illinois State Board of Education which is mandated categorical grants for elementary and secondary schools. The money will help schools with their cash flow for repairs after the ice storm damaged structures, utilities and left many in the dark in southern Illinois.

423 vouchers for $1.1 million were paid for ambulance services, local electric cooperatives, social service agencies and city and county services, Mendoza detailed.

You can find the full list here.

“It’s vital during emergencies like the brutal ice storm that southern Illinois experienced, that we do all we can to assist area residents,” said Comptroller Mendoza. “We are fortunate to be able to speed up payments to help the region recover.”

“Comptroller Mendoza approached me this week asking how her office could help,” said Senator Dale Fowler. “Having these payments expedited for schools, nursing homes and not for profits is incredible and so appreciated.”

These payments also included $34,000 to The Nights Shield Children’s Shelter in West Frankfort and $22,500 to the Southern Illinois Coalition for the Homeless. This money will help with taking care of households which are still without power.

Mendoza stated the electric cooperatives received payments for state-related utilities and the cash infusion will help cover increased overtime and fuel costs as repairs are made.

There were also hospitals in the region which also have been serving as temporary short-term warming centers. Mendoza said the early checks will help them as well.

Ed Dept pulls school-based Medicaid proposed rule *– January 3, 2025*
Written by Kara Arundel for K-12 DIVE and Distributed by IASA Online through Eye on Education Email Listserv at; https://www.k12dive.com/news/school-medicaid-billing-proposed-rule-withdrawn-special-education/736337/

Supporters had said they hoped a new rule would reduce schools’ paperwork burdens and increase reimbursements.

A proposed federal rule that supporters said would have made it easier for schools to be reimbursed for school-based Medicaid services was withdrawn by the U.S. Department of Education on Dec. 27.

In its withdrawal notice, the Education Department cited limited resources. The agency also said it ran out of time to fully analyze barriers to Medicaid services provided to students outside of school as a result of a school accessing that student's public benefits for services provided in-school.

Leadership at the department is set to change on Jan. 20, when Donald Trump is inaugurated as the 47th president.

The notice also said that during a roughly two-month public comment period that closed Aug. 1, 2023, more than 9,700 public comments were submitted. Most of those comments — over 8,000 — came from two large write-in campaigns opposing the draft rule, including one from a national parents' rights organization.

Of the remaining 1,700 comments, about half were supportive of the proposed rules. Those favorable comments included submissions from national organizations representing educators and service providers. The other half were in opposition and included responses from major disability rights organizations and parent groups, according to the notice.

Seeking a solution

The proposed rule, first issued in May 2023, recommended a rare amendment under the Individuals with Disabilities Education Act, which guarantees that students with disabilities receive supports for learning and related services.

Specifically, the Education Department sought to eliminate an IDEA provision that requires one-time parental consent before schools file first-time invoices for school-based specialized services for children eligible for public benefits under Medicaid, the Children's Health Insurance Program, or other public insurance and benefits programs. No other parental consent procedure under IDEA would have been affected.

Supporters of the proposed rule said that the one-time parental consent for school-based Medicaid billing was duplicative, because parents give their consent for Medicaid providers, including schools, to access public benefits for billing purposes when enrolling a child or themselves in Medicaid.

Many children with disabilities who are eligible for IDEA are also enrolled in Medicaid due to their disability status or based on their family's income. Children with disabilities and special healthcare needs are more likely to be low-income, and those covered by Medicaid are more likely to have greater healthcare needs than those covered by private insurance, the proposed rule said.

School-based Medicaid-eligible services for students with disabilities, for example, could include speech therapy and physical and mental supports. The proposed rule said both students with disabilities who are eligible for public insurance benefits and those who aren't would continue to receive their free individualized education program services regardless of a school's costs for the services or access to reimbursement.

Concerns about out-of-school access

Reimbursements for school-based Medicaid services are the third or fourth largest revenue source for schools. Nationally, those reimbursements can add up to $4-6 billion to school districts for providing school-based services annually.

Several education administration groups — including the Council of Administrators of Special Education and AASA, The School Superintendents Association — that supported the proposed rule said the current parental consent process is confusing and adds extra paperwork burdens on district staff. Additionally, incomplete parental consent forms lead to the inability of districts to receive reimbursements for school-based Medicaid services, the organizations said.

In a statement emailed to K-12 Dive on Thursday, CASE said the withdrawal of the proposed rule "signals a continued lack of understanding about Medicaid and the ability of local school districts to seek reimbursement for services that are provided to students with disabilities in our public schools."

CASE added: “It is clear that local districts’ access to reimbursement for services would never result in additional costs to the parent or reduced benefits to the child.”

The intention of the proposed rule, the Education Department said, was to streamline the process for getting parental consent for school-based Medicaid services. Even without the one-time parent consent requirement as recommended under the proposed rule, schools would still need to provide written notification to parents before accessing a child’s or parent’s public benefits or insurance for the first time, and annually thereafter.

But the strong opposition to the proposed rule revealed the hardships some families are encountering when trying to access Medicaid services in out of school-based settings.

An August 2023 letter from about two dozen organizations, including the National Disability Rights Network and Autism Society of America, said, “Parents are routinely informed, sometimes even after services in other settings have already been rendered, that the Medicaid agency has deemed them duplicative with school-based services and their coverage is denied.”

In its withdrawal notice, the Education Department referenced these concerns, which led the agency to pivot away from the rulemaking process to focus on providing technical assistance and working with federal agencies, states and other partners to improve school-based Medicaid services.

Moms for Liberty co-founders Tiffany Justice and Tina Descovich said in an email statement to K-12 Dive Thursday that they were pleased the Education Department pulled the draft rule.

“Parental rights are fundamental, and this move reaffirms the importance of parents’ roles in their children’s education and healthcare decisions,” Justice and Descovish said. “We believe that parents should remain informed and have the authority to consent to how their children’s public benefits are utilized, ensuring transparency and accountability in our educational systems”

The National Disability Rights Network is also supportive of the withdrawal, said Dan Stewart, managing attorney for education and employment, in an email. “NDRN had significant concerns that the proposed rule would undermine parental participation, safeguards, and informed consent in decisions related to whether schools should be permitted to seek reimbursement.”

In addition to the proposed rule, several new resources were issued in recent years to support school-based Medicaid services:

- In May 2023, the Education Department and U.S. Department of Health and Human Services issued a 183-page guide for school-based Medicaid services and billing, which cited flexibilities states can use to promote access to health-related, school-based services for all Medicaid-eligible students while still adhering to federal laws and regulations.
- HHS’ Centers for Medicare and Medicaid Services announced in January 2024 that it would award 20 state grants of up to $2.5 million each over 3 years for improvements to Medicaid and CHIP school-based services.
- The Centers for Medicare and Medicaid Services released in August 2023 a toolkit for school administrators to support children and their families in retaining their Medicaid and CHIP benefits as the programs transition from pandemic-era automatic renewals — a process that’s also known as “unwinding.”
- A checklist of nine strategies and guidance for state Medicaid agencies assisting school systems with Medicaid reimbursements for school-based student health services was issued by the U.S. Department of Health and Human Services in September 2022.

Jenny Millward, executive director of the National Alliance for Medicaid in Education, said she was appreciative of the federal agencies’ efforts to provide supports to states, districts and schools regarding school-based Medicaid services. Yet, she’s disappointed the rule didn’t become finalized.

"We're, I guess, disappointed and dismayed that this barrier that so many districts across the country experience couldn't be eliminated at this time," Millward said.

State Board of Education seeks $11.4 billion for PreK-12 spending – *January 15, 2025*
Written by; Peter Hancock for Captial News of Illinois and Distributed by IASA Online through Eye on Education Email Listserv at; https://capitolnewsillinois.com/news/state-board-of-education-seeks-11-4-billion-for-prek-12-spending/

SPRINGFIELD – The Illinois State Board of Education voted Wednesday to approve a budget request for the upcoming fiscal year of nearly $11.4 billion, a 4.6% increase over this year's budget, despite projections that the state will face a substantial revenue shortfall next year.

The request includes a $350 million increase in "Evidence-Based Funding," the minimum annual increase called for under the 2017 law that focuses new education spending on the neediest districts.

It also includes a $142 million increase in what's called "mandatory categorical" aid for expenses such as transportation and special education, and $75 million in new funding for early childhood education.

"This year's budget recommendation recognizes the tight fiscal projections faced by the state of Illinois, while continuing to invest in things that we know that are critical for school districts and that have a direct impact on student learning," State Superintendent of Education Tony Sanders told the board.

Funding for PreK-12 education is one of the largest categories of spending in the entire state budget, accounting for about one-fifth of all General Revenue Fund spending. That money is used to help fund the budgets of more than 850 school districts, which serve an estimated 1.9 million students.

State funding, however, makes up only part of the total amount spent on public education. In 2021, the most recent year for which complete numbers are available, state funding made up only about 26% of total school spending while about 65% came from local sources such as property taxes and the rest came from federal sources.

Over the years, the state's heavy reliance on local property taxes to fund public schools produced vast inequities among districts. The Evidence-Based Funding formula was intended to address that over time by establishing a "hold-harmless" mechanism by which no district would ever see its funding reduced, then directing new funding to the districts most in need.

The law created a formula for estimating the cost of providing an adequate education in each district based on certain factors such as total student enrollment, the number of students from low-income families and the number of students from non-English speaking backgrounds. The goal of the law is to bring all districts up to at least 90% of their adequacy target.

Since the law went into effect, according to ISBE, nearly $2.2 billion has been distributed to districts through the Evidence-Based Funding system and overall funding for the neediest districts – known as Tier 1 districts – has grown from 59.2% of their adequacy target to 73.4%.

Still, however, seven out of 10 students in Illinois attend a school in a district that is funded at less than 90% of its adequacy target. According to ISBE, bringing all districts up to 90% of adequacy would cost an additional $2.6 billion.

In November, the Governor's Office of Management and Budget reported that the annual increases in education funding called for under the Evidence-Based Funding law, combined with other rising costs and overall flat growth in revenue, would lead to a projected $3.2 billion budget shortfall in the fiscal year ahead.

Gov. JB Pritzker will outline his plan for plugging that hole when he delivers his budget address to the General Assembly Feb. 19.

Sanders, however, said he remains confident Pritzker and lawmakers will find a way to balance the budget and still fund the agency's budget request.

"While most of state government's going to be looking at potential freezes, we are really pleased to see a governor and legislature that is committed to public education funding, even in tight fiscal times," he said.

Trump orders a funding freeze as his administration reviews federal loans and grants *– January 28, 2025*
Written by; Chris Megerian for the Associated Press and Distributed by IASA Online through Eye on Education Email Listserv at; https://apnews.com/article/donald-trump-pause-federal-grants-aid-f9948b9996c0ca971f0065fac85737ce

WASHINGTON (AP) — The White House is pausing federal grants and loans starting on Tuesday as President Donald Trump's administration begins an across-the-board ideological review of its spending.

The funding freeze by the Republican administration could affect trillions of dollars and cause widespread disruption in health care research, education programs and other initiatives. Even grants that have been awarded but not spent are supposed to be halted.

"The use of Federal resources to advance Marxist equity, transgenderism, and green new deal social engineering policies is a waste of taxpayer dollars that does not improve the day-to-day lives of those we serve," said a memo from Matthew Vaeth, the acting director of the Office of Management and Budget.

Democrats and independent organizations swiftly criticized the administration, describing its actions as capricious and illegal because Congress had already authorized the funding.

"More lawlessness and chaos in America as Donald Trump's Administration blatantly disobeys the law by holding up virtually all vital funds that support programs in every community across the country," said a statement from Senate Minority Leader Chuck Schumer, a Democrat from New York. "If this continues, the American people will pay an awful price."

The pause takes effect at 5 p.m. ET, and it's unclear from the memo how sweeping it will be. Vaeth said that all spending must comply with Trump's executive orders, which are intended to undo progressive steps on transgender rights, environmental justice and diversity, equity and inclusion, or DEI, efforts.

Vaeth wrote that "each agency must complete a comprehensive analysis of all of their Federal financial assistance programs to identify programs, projects, and activities that may be implicated by any of the President's executive orders."

Washington is a hub of spending that flows to various departments, local governments, nonprofits and contractors, and the memo has left countless people who are dependent on that money wondering how they will be affected.

The pause is the latest example of how Trump is harnessing his power over the federal system to advance his conservative goals. Unlike during his first term, when Trump and many members of his inner circle were unfamiliar with Washington, this time he's reaching deep into the bureaucracy.

"They are pushing the president's agenda from the bottom up," said Paul Light, an expert on the federal government and professor emeritus of public service at New York University.

He also said there are risks in Trump's approach, especially with so many voters reliant on Washington.

"You can't just hassle, hassle, hassle. You've got to deliver."

Medicare and Social Security benefits will be unaffected by the pause, according to the memo. But there was no explanation of whether the pause would affect Medicaid, food stamps, disaster assistance and other programs. The memo said it should be implemented "to the extent permissible under applicable law."

"Are you stopping NIH cancer trials?" Sen. Amy Klobuchar, a Democrat from Minnesota, wrote on social media, referring to the National Institutes of Health.

A briefing with White House press secretary Karoline Leavitt, her first, is scheduled for 1 p.m. ET.

Sen. Patty Murray of Washington and Rep. Rose DeLauro of Connecticut, the top Democrats on the Senate and House appropriations committees, expressed "extreme alarm" in a letter to Vaeth.

"This Administration's actions will have far-reaching consequences for nearly all federal programs and activities, putting the financial security of our families, our national security, and the success of our country at risk," they wrote.

Trump signs executive orders prioritizing school choice, ending K-12 'indoctrination' *– January 29, 2025*
Written by; Anna Merod for K-12 DIVE and Distributed by IASA Online through Eye on Education Email Listserv at;
https://www.k12dive.com/news/trump-signs-executive-orders-prioritizing-school-choice-ending-k-12-indoc/738718/

Trump's latest orders call for the Education Department to explore options to fund school choice, while ending support for "discriminatory equity ideology."

Dive Brief:
- President Donald Trump issued an executive order late Wednesday setting out school choice as a major priority for the U.S. Department of Education as well as other federal agencies involved in K-12 education.
- In a separate executive order issued the same day, Trump directed multiple agencies to cease "federal funding or support for illegal and discriminatory treatment and indoctrination in K-12 schools, including based on gender ideology and discriminatory equity ideology."
- These two new executive orders come as Trump has unleashed a wave of K-12 related policy moves — from immigration enforcement to removing DEI initiatives — just a little over a week into his second term.

Dive Insight:
The school choice executive order calls for the Education Department to prepare guidance for states within 60 days on how they can tap into federal funding formulas to bolster K-12 education choice programs. He also directed the department to develop plans for using its discretionary grant programs "to expand education freedom for America's families and teachers."

Trump also directed the U.S. Department of Health and Human Services to issue guidance within 90 days on how states can use HHS block grants, including the Child Care and Development Block Grant, to expand school choice for families who want options including "private and faith-based options."

Additionally, the order gives the U.S. Department of Defense 90 days to review options for military families who may want to use DoD dollars to "attend schools of their choice, including private, faith-based, or public charter schools" for the 2025-26 school year. The include includes a similar directive for the Interior Department regarding Bureau of Indian Education Schools.

Meanwhile, Trump's executive order on "ending racial indoctrination in K-12 schooling" calls for eliminating federal funding or support for what it labels "illegal and discriminatory treatment and indoctrination in K-12 schools, including based on gender ideology and discriminatory equity ideology."

It defined “discriminatory equity ideology” as an “ideology that treats individuals as members of preferred or disfavored groups, rather than as individuals, and minimizes agency, merit, and capability in favor of immoral generalizations.”

Students, in recent years and in many cases, have been, “compelled to adopt identities as either victims or oppressors solely based on their skin color and other immutable characteristics,” the order said.

The directive will also reestablish the President’s Advisory 1776 Commission created in his first term “to promote patriotic education.”

The school choice executive order came the same day as disappointing results were released for the National Assessment of Educational Progress. The 2024 assessment showed students are trailing behind pre-pandemic levels in math and reading. Trump’s executive order in fact cited the NAEP findings, saying “too many children do not thrive in their assigned, government-run K-12 school.”

The order’s immediate impact on the education landscape will likely be fairly limited, said Chester Finn Jr., a distinguished senior fellow and president emeritus at the Thomas B. Fordham Institute. That’s “because the big programs that control most of the K-12 money at the Department of Ed are prescribed by statutes in ways that don’t work for school choice.”

“The portion of the Department of Ed’s dollars that could be directly affected by this is very small,” Finn said. It would take “major congressional overhaul” to make any significant spending changes from the department in favor of school choice, he said, given the agency’s largest funding programs like Title I and special education are controlled by statute.

Meanwhile, Sens. Bill Cassidy, R-La., chair of the Committee on Health, Education, Labor and Pensions, and Tim Scott, R-S.C., reintroduced a bill on Wednesday that would create a charitable donation incentive — up to $10 billion in annual tax credits — for individuals and businesses funding scholarships that help students cover their public and private K-12 education expenses.

Rep. Adrian Smith, R-Neb filed a companion bill, the Educational Choice for Children Act., in the House with 26 Republican co-sponsors.

Some school choice advocates, including the America First Policy Institute, are celebrating the momentum.

The Educational Choice for Children Act “is a significant step towards fulfilling President Trump’s promise to provide school choice to every family in America. Expanding scholarship access for K-12 students via this bill ensures every child has the opportunity to thrive, regardless of their family’s income or ZIP code,” said Erika Donalds, chair of AFPI’s Center for Education Opportunity.

On the flip side, some education organizations and teacher unions have expressed concern about the federal push for school choice policies.

The Education Law Center said in a statement that “President Trump added to his spate of unacceptable executive orders one that forces harmful, unaccountable private school voucher programs on a nation that does not want or benefit from them.”

American Federation of Teachers President Randi Weingarten said in a statement that this effort is “likely [an] illegal scheme to diminish choice and deny classrooms resources to pay for tax cuts for billionaires.” AFT is the nation’s second largest teachers union.

“We already know that vouchers go mostly to wealthy families whose kids are already in private school. This order hijacks federal money used to level the playing field for poor and disadvantaged kids and hands it directly to unaccountable private operators — a tax cut for the rich,” Weingarten said. “It diminishes community schools and the services they provide. It dilutes crucial literacy and arts education grants.”

Trump considering executive action to dismantle Education Department, sources say *– February 3, 2025*
Written by: Jennifer Jacobs for CBS News and Distributed by IASA Online through Eye on Education Email Listserv at;
https://www.cbsnews.com/news/trump-considers-executive-action-education-department/

President Trump is considering executive action that would dismantle the U.S. Department of Education, ending some programs and shifting some to other parts of government, according to multiple sources familiar with the plans. The sources said such a move was not imminent.

Slashing the department is in line with Mr. Trump and DOGE chief Elon Musk's goal of shrinking the federal bureaucracy and workforce.

The Wall Street Journal was first to report the news.

The Education Department is responsible for distributing federal financial aid for education, and for collecting and disseminating data and research related to schools. The department is also tasked with enforcing non-discrimination policies in schools. Its funds account for less than 10% of the nation's public school funding, which is primarily driven by state and local taxes.

Generally, it supports federal college loan programs and Pell Grants, and also vocational training.

It also has programs to help economically disadvantaged children and those with special needs. Officially, the department's role is to foster student achievement and help keep America competitive on the global stage by ensuring equal access to the education system.

Some programs administered by the department were established through legislation. It's not clear what would happen to them or whether they would be shifted to the purview of other federal agencies.

Eliminating the department outright would require congressional approval.

Last Wednesday, Mr. Trump signed an executive order prioritizing federal funding for school choice programs.

Mr. Trump in 2023 said, "One other thing I'll be doing very early in the administration is closing up the Department of Education in Washington, D.C., and sending all education and education work and needs back to the states."

"We want them to run the education of our children because they'll do a much better job of it," he added.

He also expressed interest in eliminating the Department of Education in his 2016 campaign, but he did not pursue it during his first term.

Linda McMahon is Mr. Trump's nominee to be education secretary. McMahon, a former World Wrestling Entertainment executive who served on the Connecticut State Board of Education, has yet to be confirmed by the U.S. Senate.

Project 2025, a collection of proposals from the Heritage Foundation, a conservative think tank, called for transferring some functions — including the administration of student loans, the Individuals with Disabilities Education Act and Title I funding — to other departments, such as the Treasury, Justice, and Health and Human Services Departments.

Republican Sen. Mike Rounds of South Dakota sponsored the Returning Education to Our States Act, legislation that would abolish the department and move some loan programs to the Department of the Treasury.

President Jimmy Carter signed a law creating the Education Department in 1979.

Expected Trump order on Education Department's future rattles advocates – *February 4, 2025*
Written by: Kara Arundel for K-12DIVE and Distributed by IASA Online through Eye on Education Email Listserv at:
https://www.k12dive.com/news/education-departments-future-uncertain-Trump-executive-orders-schools/739209/

Since congressional approval is needed to shut down the agency, experts say the more likely scenario for now is a combination of budget cuts and restructuring.

The rapid pace of the new Trump administration's efforts to abolish the U.S. Department of Education has caught many public school supporters off guard and on the defensive while bringing praise from those supportive of less federal bureaucracy and more local control.

While no specific proposal has been revealed publicly, since President Donald Trump was inaugurated on Jan. 20, a series of executive orders restricting Education Department activities, a freeze on federal funding, and news reports of upcoming executive action to dismantle the department are pointing to a possibility of a much smaller agency footprint.

On the campaign trail last year, Trump promised that if elected, one of his early priorities would be "closing up" the Education Department to send "all education and education work and needs back to the states."

Policy experts point to the fact that eliminating the Education Department would require approval from Congress, in this case an often lengthy process needing a supermajority of votes from at least 60 senators. Bills to close the 45-year-old department have been filed in at least the last three congressional sessions, but they never went far. In 2023, the House rejected an amendment to another education bill that would have shut down the agency.

Last week, Rep. Thomas Massie, R- Ky., reintroduced a bill calling for the department's termination on Dec. 31, 2026.

"States and local communities are best positioned to shape curricula that meet the needs of their students," Massie said in a statement. "Schools should be accountable. Parents have the right to choose the most appropriate educational opportunity for their children, including home school, public school, or private school."

Public school supporters point out that the federal Education Department doesn't dictate school curriculum, saying that task falls under the governance of states and local school systems.

Trump's choice for U.S. education secretary — former World Wrestling Entertainment president and CEO Linda McMahon — has not yet had her nomination hearing in front of the Senate Health, Education, Labor and Pensions Committee. The holdup is due to the required vetting of the nominee's paperwork to address any potential conflicts of interest, according to a Senate aide.

And while Trump can't close the Education Department through executive action, the more likely scenario is a succession of efforts to chip away at its authority through budget cuts and restructuring, education finance and policy experts say.

The Education Department in FY 2024 employed about 4,100 people whose salaries and benefits total $2.7 billion. The total Education Department budget that fiscal year was $79 billion. The Department of Government Efficiency, a temporary agency led by Tesla owner Elon Musk, is working at the Education Department on cost-saving measures, according to the Washington Post.

On Friday, the Education Department announced it had canceled four of its contracts related to diversity, equity and inclusion efforts, saving nearly $3.9 million. DOGE, which opponents say is operating with unprecedented access to government systems, is also examining spending practices at other federal agencies.

Musk on Monday wrote on X that Trump "will succeed" in closing the Education Department. News reports are also citing agency staffers who worked on DEI efforts being put on paid administrative leave.

In a statement Friday, Becky Pringle, president of the National Education Association, the nation's largest teachers union, said efforts to abolish the Education Department would hurt students in both K-12 schools and colleges.

"If it became a reality, Trump's power grab would steal resources for our most vulnerable students, explode class sizes, cut job training programs, make higher education more expensive and out of reach for middle class families, take away special education services for students with disabilities, and gut student civil rights protections," Pringle said. "Americans did not vote for, and do not support, ending the federal government's commitment to ensuring equal educational opportunities for every child."

On Tuesday, Pringle joined U.S. Sen Chris Van Hollen, D-Md., and others for a rally for public education on Capitol Hill in Washington, D.C. Van Hollen recently reintroduced a bill to fully fund Title I for low-income schools as well as the Individuals with Disabilities Education Act.

Other public school supporters said they are also preparing to defend the work of the Education Department.

Blair Wriston, senior manager of government affairs at nonprofit EdTrust, said there are key functions in the agency that can't be discontinued through executive orders. Wriston said he would "hope and expect" that Congress, which controls the power of the purse, "will push back if there is an attempt to do something illegal."

But there is already evidence of efforts to erode department activities through staff reductions and policy changes.

"I think it is almost assuredly the case that we're going to see a deliberate, intentional effort to gut the agency from within," Wriston said. What this means is that "students and families who have historically been underserved "are unfortunately going to suffer because they won't have an effective watchdog at ED who is ensuring that their rights are protected," he said.

How much do Illinois school districts rely on federal funding? – *February 4, 2025*
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/2025-02-04/how-much-do-illinois-school-districts-rely-on-federal-funding

President Trump says he wants Congress to close the Department of Education.

Illinois school districts count on federal funds for 12% of their revenue. The majority of school revenue comes from local taxes and a smaller chunk comes from the state.

And that 12% is actually higher than usual due to pandemic relief funding over the past few years. Pre-COVID, it made up around 7 or 8% of school revenues.

But that percentage can vary a lot, depending on the district. The federal government's Title I program sends out billions of dollars a year to low-income schools across the country.

Rockford Public Schools, for example, receives 22% of their revenue from the federal government, while a wealthier district like Oak Park-River Forest gets just 3% from the feds.

But the big question is, if the U.S. Department of Education gets axed, does all of this federal money disappear? Not necessarily. Certain programs can be cut, but the Title I program existed before the Department of Education and it would take a separate congressional act to end it.

Would that be a priority for Trump? Well, the conservative policy playbook Project 2025, co-authored by current and former Trump staffers, calls for Title 1 to be wound down and ended.

Federal funding doesn't just come to school districts through Title I either. Schools receive federal grants to help fund lots of initiatives including mental health services and career & technical education programming.

Even if federal funds make up a relatively small percentage of school district revenue, losing it would mean steep cuts at some of the poorest school districts.

House Republicans float plan to cut Community Eligibility Provision *– February 5, 2025*
Written by Anna Merod for K-12DIVE and Distributed Online by IASA through Eye on Education Email Listserv at; https://www.k12dive.com/news/house-republicans-float-plan-to-cut-community-eligibility-provision/739212/

The budget reconciliation provision would raise eligibility requirements for low-income schools and districts to serve free meals to all students.

Dive Brief:
- The House Ways and Means Committee is suggesting cutting $12 billion in school meal programs over 10 years by adjusting school qualification for the Community Eligibility Provision and requiring income verification for national K-12 breakfast and lunch programs, according to a document on the committee's budget reconciliation options.
- Specifically, the committee proposed raising the minimum threshold for low-income schools and districts to qualify for CEP, which allows low-income schools to serve free meals to all students. To participate in the program, 25% of students enrolled in a school have to be certified as eligible for free school meals. The House proposal calls for a 60% threshold.
- The proposal would strip away 24,000 schools' ability to participate in CEP, impacting over 12 million children, according to the Food Research & Action Center, a nonprofit anti-hunger advocacy group.

Dive Insight:
The suggested cuts offer an early glimpse into House Republicans' priorities for school nutrition policy.

A rollback in school eligibility for the provision is being proposed just as Project 2025, a conservative policy blueprint from the Heritage Foundation, has called for the elimination of CEP altogether. The policy agenda developed in conjunction with some former Trump administration officials also recommended the U.S. Department of Agriculture, which oversees CEP, work with lawmakers to curb any efforts in support of universal school meal programs.

The federal school lunch and breakfast programs "should be directed to serve children in need, not become an entitlement for students from middle- and upper-income homes," Project 2025 said.

The committee's proposals have been released ahead of an expected budget reconciliation, which is part of a special legislative process to fast-track high-priority fiscal legislation that adjusts laws regarding spending, revenues, deficits or the debt limit.

Reconciliation bills cannot be filibustered in the Senate, "giving this process real advantages for enacting controversial budget and tax measures," according to the nonpartisan research nonprofit Center on Budget and Policy Priorities. To pass, these bills only need a simple majority in the Senate rather than 60 votes and don't require the president's signature.

The committee's move also comes at a time when CEP participation has climbed in recent years, most recently rising 19% during the 2023-24 school year.

As of last school year, half of all schools in the National School Lunch Program were using the provision to serve free meals to all students, according to a January FRAC report.

"Taking away this important and effective way for local schools to offer breakfast and lunch at no charge to all of their students would increase hunger in the classroom, reintroduce unnecessary paperwork for families and schools, increase school meal debt, and bring stigma back into the cafeteria," FRAC said in a Jan. 17 statement.

Unpaid school meal debt has continued to increase for nearly a decade, according to a January report from the School Nutrition Association. In fact, the median unpaid school meal debt was $6,900 per district nationwide in 2024 — a 26% rise from the previous year.

When pandemic-era waivers ended in 2022 for a temporary universal school meal policy nationwide, some schools took on more meal debt.

Meanwhile, eight states have established their own universal meal programs in lieu of federal action, according to FRAC. Other states leaders are eyeing similar measures this year, including in Alaska, Missouri, Oregon, and New York.

Legislative Update

Tier Two Pension Update: Government Relations Specialist Emily Warnecke presented on a number of legislative topics that will be discussed during the upcoming assembly. However, no educational issue is bigger than Tier Two Pension reform. Matching legislation has been introduced in both chambers of the statehouse on this topic. The bills propose:

- Lifting the wage cap to match the Social Security Base.
- Return Retirement Age and Final Salary Average calculations to match Tier One levels.
- Change the cost of living adjustment to a 3 percent simple increase.

Proposed Bidding Process Changes: The DAA heard from members Dr. David Bein, Curt Saindon and Board President Tamara Mitchell on a proposed change to bidding laws. While recent legislation has allowed for school districts to have flexibility on selecting "lowest bidders" in certain areas such as food service and transportation, this group is proposing expanding those areas to include security, maintenance, custodial and repairs (SCMR) contracts.
The DAA is in favor of expanding flexibility in bid selection and is working with our legislative team to further this idea within the statehouse.
Provided by IASBO online through the Delegate Advisory Assembly Email sent 1/17/25

Economic News Briefs…

- ***Market and Economic Highlights: January 2025***
    - The Fed held rates steady in January as Fedspeak expressed caution on inflation
    - AI-linked U.S. stocks declined on China's low-cost DeepSeek AI model
    - Fourth quarter corporate earnings and revenue growth have been strong
    - The Russell 2000 small cap index was positive in January after an 8% loss in December
    - December nonfarm payrolls were stronger than expected and unemployment declined to 4.1%higher
      Source: FactSet, Bloomberg
- ***Stocks Turn Higher in January:*** U.S. equities ended higher in January following December declines as markets expressed relief from no immediate actions on tariffs. However, news on possible Mexico, Canada and China tariffs was quickly developing near month-end and in the first days of February. Turning to sector performance for January, Communications saw the strongest growth driven by tech-related names like META and Google. Health Care bounced back from December and Financials gained on deregulation dynamics. Technology was the only sector to decline as U.S. stocks linked to AI, such as Nvidia, fell after China's low-cost DeepSeek AI model sparked a selloff on concerns U.S. companies have spent too much on development of AI. *Sources: Bloomberg*
  Taken from the ISDLAF+ Market Update February 2025 prepared by PMA Asset Management, LLC

DPS Business Department Briefs…

- ***FY 25 SMPG Grant:*** In December, the Board approved the District's portion of the SMPG financial obligation. This is a state matching grant in which the state provided $50,000 matching for maintenance projects. The SMPG has been approved by the state. Below is a summary of the approved projects for the grant.

FY 25 SMPG Project Summary

School	*Project & Location*	*Total Cost*
Washington	Sealcoat & Stripping Playground	$ 9,603.28
Jefferson	Sealcoat & Stripping Bus Lane & Parking Lot	$ 15,363.25
Jefferson	Asbestos Removal & Floor Replacement	$ 36,485.00
DHS	Sealcoat & Stripping Teachers Parking Lot	$ 12,150.30
Dist. Office	Replace Carpet Office Space	$ 20,100.00
Dist. Office	Sealcoat & Stripping Parking Lot	$ 7,579.00
	Total Project Cost	$ 101,280.83
	Grant Revenue	$ (50,000.00)
	District Required Matching	$ (50,000.00)
	District Remaining Amount (CFST)	$ 1,280.83

- ***Budget Recommendations:*** ISBE, and other state agencies, have faced significant challenges in formulating budget recommendations amidst a projected $3 billion state budget deficit for fiscal year 2026. The agency has prioritized several critical funding areas:
  - Evidence-Based Funding: An increase of $350 million
  - Mandated Categorical Funding: An increase of $142 million
  - Early Childhood Block Grant: An increase of $75 million

  The Governor's budget proposal will be announced on February 19th during the State of the State address, and we will be closely monitoring how it aligns with ISBE's recommendations. *Provided by IASBO Advocacy Alert Email Legislative Update 1/24/25*
- FYI – This is being reported in a few settings in relation to today's announcement of the pause beginning at 5:00pm *"In Illinois, state agencies have also reported issues accessing federal funding sites and disbursement systems, including Medicaid systems, which are used to manage and distribute previously authorized federal funds, said a senior aide to Illinois Gov. JB Pritzker"* - *Circulated 1/28/25*
- ***Schools and Libraries Cybersecurity Pilot Program:*** Earlier this year, administration informed the Board that we were pursuing the use of ERATE funding to support a Cybersecurity Pilot Program. Unfortunately, we were not selected to participate in the pilot.
- ***Moody's Bond Rating:*** Last month, we had a discussion about bond rating and policy regarding fund balance. Moody's has upgraded out bond rating from A2 to A1.

<u>Countywide Sales Tax</u> – October FY 25 receipts were $157,000 (received in February). October receipts have traditionally been solidly in the median range throughout the years. The amount was $8,300 (-5.06%) less than FY 24. This is the first down turn the District has experienced in CFST in close to two years. This could represent an economic downturn in this month that could impact the holiday receipts in the next couple of months. The CFST receipts are three months in arrears so the funds received in February represent the taxes paid by consumers in October. 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 over the life of the program with a comparison of FY 23 vs. FY 24.

Countywide Sales Tax Revenues					
					Difference
	FY 22	**FY 23**	**FY 24**	**FY 25**	**FY 23 v. 24**
July	$154,600.29	$167,736.37	$166,297.20	$177,241.56	$10,944.36
August	$151,914.91	$157,646.19	$171,178.89	$177,589.47	$6,410.58
September	$147,769.08	$160,407.90	$175,220.50	$176,058.42	$837.92
October	$149,779.51	$162,719.99	$165,535.70	$157,162.56	-$8,373.14
November	$151,772.24	$157,766.14	$168,001.90	$0.00	$0.00
December	$173,545.72	$167,486.45	$178,755.19	$0.00	$0.00
January	$120,886.90	$134,425.96	$141,195.76	$0.00	$0.00
February	$116,109.65	$123,815.53	$141,802.17	$0.00	$0.00
March	$148,860.94	$154,850.14	$165,591.32	$0.00	$0.00
April	$151,074.10	$159,801.14	$168,718.21	$0.00	$0.00
May	$176,921.12	$182,291.57	$195,620.51	$0.00	$0.00
June	$179,688.24	$181,283.06	$186,682.55	$0.00	$0.00
	$1,822,922.70	$1,910,230.44	$2,024,599.90	$688,052.01	$9,819.72

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be an interest only payment in July 2025. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in January 2026, 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 – January 2025

In your Board Packet, you will find the Treasurer's Reports for January 2025. The summary graphs represent FY 25 fund balances through January 2025. 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 saw a total increase in fund balances of $506,000. The change in fund balances represents two significant financial events; the payment of bond principal and interest of $3.1 million and the receipt of working cash bond issuance proceeds of $4.4 million. The operating funds increased by $3.5 million. Cash flow is strong as we are in the second half of the year but that will decline moving forward.