February 2026 BusineSS Report BY MARC CAMPBELL

Yorkville official outlines tax impact of CyrusOne data center for Plano 88 School District – *January 9, 2026*
Written by; Ethan Kruger & Doug Nelson and Distributed by IASA Online through Eye on Education Email Listserv at:
https://www.wspynews.com/news/local/yorkville-official-outlines-tax-impact-of-cyrusone-data-center-for-plano-88-school-district/article_2a31bb45-3f72-476b-8e44-2b9c2f65f966.html

Yorkville City Administrator Bart Olson crossed city lines this week to discuss the potential tax benefits of a proposed data center with the Plano School District 88 Board of Education.

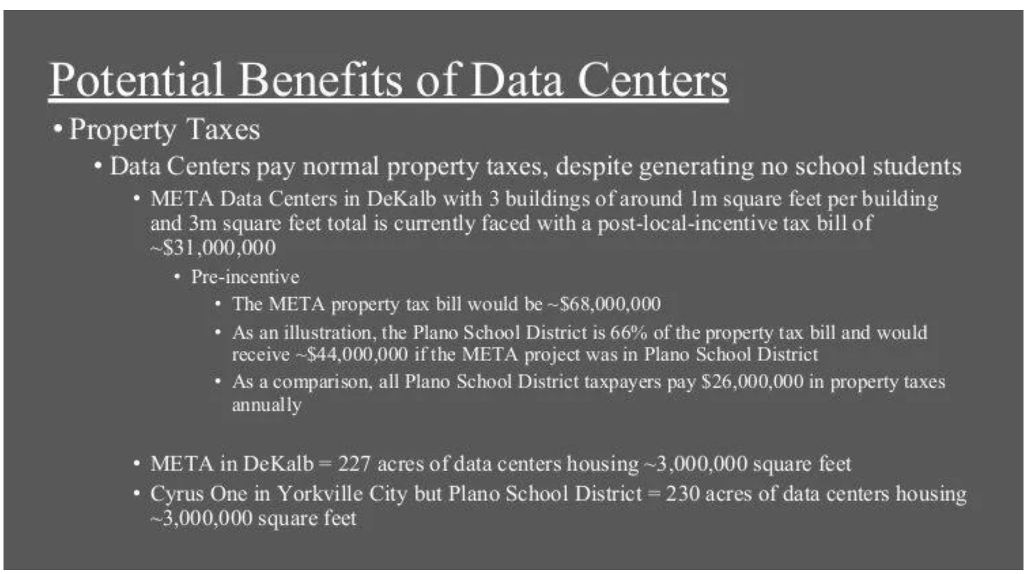
The CyrusOne data center, which has received approval to build in Yorkville, is located within the boundaries of Plano School District.

Olson says estimates based on the Meta data center in DeKalb suggest the CyrusOne facility, once fully built, would generate a significant tax bill.

"If they had not given them a property tax abatement, their tax bill annually would be $68 million, which translates based on your property tax rate at the school board here to a $44 million annual tax bill, which is vastly greater than your $26 million total property taxes that you currently get. So, again, this is one development of nine buildings well, of three buildings in DeKalb, for three million square feet is being valued right now at $531 million of total EAV, which generates that large property tax bill."

Olson notes the CyrusOne facility could be valued differently than the Meta data center, since Meta operates more as a campus-style development with amenities such as gyms and childcare, while CyrusOne is designed more like a traditional business operation.

Even so, Olson says the data center could be valued far higher than any other business in Yorkville.



Illinois lawmakers return to Capitol facing $2.2B budget gap while pushing election-year affordability message – January 12, 2026

On January 12, 2026, the Chicago Tribune reported in an article entitled *Illinois lawmakers return to Capitol facing $2.2B budget gap while pushing election-year affordability message,* the article distributed online by IASA via the Eye on Education email list serv reported.
In an election-year General Assembly session where what won't pass will likely be as telling as what might, Illinois lawmakers return to the Capitol facing a familiar but narrowing path: avoid politically radioactive fights, plug a more than $2 billion budget hole and sell voters on a single unifying theme Democrats are leaning on from Washington to Springfield — affordability.

With control of both chambers and the governor's office, Democrats are anticipated to steer clear of sweeping, high-risk policy overhauls as they campaign for every House seat, a slate of Senate races, and Gov. JB Pritzker's bid for a third term. Instead, legislative leaders are signaling major proposals — from health care and insurance regulation to energy policy and even how the state will entertain Chicago Bears stadium talks — will be filtered through a cost-of-living lens.

Hovering over it all is the fact that Illinois enters its new budget cycle on July 1 with a forecasted $2.2 billion shortfall and shrinking federal support from the Republican Trump administration. While Democrats say they are committed to balancing the budget without dramatic disruption, progressives inside the majority are pressing a familiar argument that the state should ask the wealthiest Illinoisans to pay more.

Iowa first state awarded ESEA waiver under Trump administration – *January 8, 2026*
Written by: Kara Arundel for K-12 DIVE and Distributed Online through Eye on Education Email Listserv at:
https://www.k12dive.com/news/iowa-first-state-awarded-esea-waiver-under-trump-administration/809046/

While some say the waiver will reduce federal red tape, others are concerned about lowered standards and less accountability.

Dive Brief:
- Iowa became the first state approved for a waiver for certain federal education regulations that will allow the state to have greater decision-making in academic programming and fiscal management, according to a Wednesday announcement by Iowa leaders and U.S. Education Secretary Linda McMahon.
- The state's waiver allows the Iowa Department of Education to combine four federal funding streams into one and will reduce compliance costs by $8 million, according to a U.S. Department of Education statement announcing the waiver.
- The application for waivers under the Elementary and Secondary Education Act was announced last year and aligns with the Trump administration's goal of reducing the federal education footprint. However, some policymakers and disability rights groups are concerned that the waivers would reduce state and district accountability for federal requirements and add to educational inequities.

Dive Insight:
At a press conference at Broadway Elementary School in Denison, Iowa, on Wednesday, McMahon praised the state's ESEA waiver as the "groundbreaking first step that gives state leaders more control over federal education dollars."

Iowa's waiver applies to the state activities funds set-aside under:

- Title II, Part A — Supporting effective instruction.
- Title III, Part A — English language acquisition.
- Title IV, Part A — Student support and academic enrichment.
- Title IV, Part B — 21st Century Community Learning Centers.

ESEA, also known as the Every Student Succeeds Act — a decades-old law last updated by Congress in 2015 — details statewide K-12 accountability and assessment requirements, among other provisions. Other presidential administrations have offered and granted ESEA flexibilities.

The Education Department has also approved Iowa's application for Ed-Flex authority, which allows the state to grant waivers to districts from certain federal requirements without first having to submit individual waiver requests to the federal Education Department.

"This approval cuts through federal red tape, eases compliance burdens for districts and empowers them to implement strategies that best meet the needs of their students," McMahon said.

Iowa Gov. Kim Reynolds, speaking at the press conference, said the state is "confident that we can do even more by reallocating compliance resources. Iowa will begin shifting nearly $8 million and thousands of hours of staff time from bureaucracy to actually putting that expertise and those resources in the classroom."

Specifically, the state wants to invest in increasing student achievement, building professional development resources, strengthening teacher recruitment and retention, supporting local ESEA flexibilities and modernizing fiscal reporting, according to Reynolds and McKenzie Snow, director of the Iowa Department of Education.

"States are best positioned to serve families, and we're committed to reduce the barriers that stand in the way," Reynolds said.

Even as the Education Department is working with six other states on waiver requests, there is opposition to these flexibilities from those concerned they potentially violate the intention of ESEA's accountability framework, sidestep rules on funding formulas, and lead to a reduction of high standards for student performance.

In September, a coalition of 24 disability rights organizations urged the Education Department to deny any state or district requests to waive accountability and assessment requirements, because the standards help set high expectations for all students, including those receiving special education services.

"Any action to subvert federal law through waivers that illegally promote or support the block granting of ESSA funds would have lasting negative impacts on students, families, educators, and the future of millions of children with disabilities," the coalition said in a letter to McMahon.

State education board OKs $10.9B budget request - *January 14, 2026*
Written by: Peter Hancock for Capitol News Illinois and Distributed Online by IASA through Eye on Education Email Listserv at: https://capitolnewsillinois.com/news/state-education-board-oks-10-9b-budget-request/

Proposal reflects minimal increases in K-12 spending, shift of early childhood ed to new agency

Article Summary

- The Illinois State Board of Education is seeking only a modest increase in funding next year in light of uncertainty about future state revenues.
- The proposal calls for a $350 million increase in Evidence-Based Funding, the minimum amount called for under the 2017 law that overhauled the way Illinois funds public schools.
- Next year will mark the 10th year of funding under the EBF model. While the new formula has improved funding for some of the poorest school districts in the state, many are still far below 90% of their adequacy target.

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

SPRINGFIELD – The Illinois State Board of Education voted Wednesday to approve a budget request for the upcoming fiscal year that calls for only a minimal increase in K-12 education spending, a reflection of the state's tightening fiscal condition.

Overall, the $10.9 billion request would be a slight decrease from the current budget of just over $11 billion. But that is only because funding for early childhood education, which totals nearly $750 million this year, is being shifted in the upcoming year to the newly created Department of Early Childhood, an initiative Gov. JB Pritzker pushed in 2024.

Otherwise, the request seeks a $350 million increase in the Evidence-Based Funding formula. That's the minimum amount called for under the 2017 law that aims eventually to bring all districts' funding up to at least 90% of their adequacy target.

That includes $300 million in direct educational expenses, plus $50 million for property tax relief grants for certain high-tax districts.

10 years of EBF

The upcoming fiscal year, which begins July 1, will mark the 10th year of the EBF program. When it began in fiscal year 2018, according to the state board, 168 of the state's 852 school districts were being funded at less than 60% of their adequacy target.

Today, none are below the 60% level, but 48 districts are funded at less than 70% of adequacy, and 532 districts are below the 90% target.

The proposed increase for the upcoming fiscal year would bring the total amount of EBF funding to just under $9.3 billion in FY 2027. According to ISBE data, however, it would take yet another $3 billion to bring all districts up to at least 90% of their adequacy target.

Mandated categorical funding

The state board's budget request also seeks an increase of $151 million, or 13%, in what are called "mandated categorical," or MCAT reimbursements to school districts. Those are mainly non-classroom expenses that school districts have to cover — including certain transportation and special education expenses — that are not included in the Evidence-Based Funding formula.

Over the last several years, budget constraints have resulted in the state funding only a prorated share of those costs.

In the current fiscal year, for example, state funding covers only 60% of the cost of transporting students to special education programs, which is down from 71% in FY 2024. The state also covers only 75% of the cost of transporting students to regular vocational education programs, down from 85% in FY 2024.

The proposed increase in MCAT costs would hold the proration percentages level in FY 2027.

Public hearings

Before drafting the budget request, fiscal staff at the state board conducted a series of public hearings to receive input from school officials and other interested groups. The agency also considered economic analyses and revenue projections from both the governor's office and the General Assembly.

The Governor's Office of Management and Budget reported in October that it expects state revenues to fall below previous estimates over the next several months, resulting in a $267 million deficit in the current fiscal year and a $2.2 billion deficit next year, unless action is taken to increase revenues or reduce expenses.

The agency said that's largely due to changes in federal tax law that Congress approved last summer as part of the "One Big Beautiful Bill Act that will result in lower corporate income tax revenue.

Meanwhile, the General Assembly's Commission on Government Forecasting and Accountability reported in December that it still had confidence the state would meet its revenue targets for the current fiscal year. But it cautioned about uncertainty in the months ahead created by changes in federal tax law.

Trump signs bill allowing whole milk to return to school lunches – January 15, 2026

From CBS News: Whole milk is heading back to school cafeterias across the country after President Trump signed a bill Wednesday overturning Obama-era limits on higher-fat milk options.

Nondairy drinks such as fortified soy milk may also be on the menu in the coming months following the adoption of the Whole Milk for Healthy Kids Act, which cleared Congress in the fall.

The action allows schools participating in the National School Lunch Program to serve whole and 2% fat milk, along with the skim and low-fat products required since 2012.

"Whether you're a Democrat or a Republican, whole milk is a great thing," Mr. Trump said at a White House signing ceremony that featured lawmakers, dairy farmers and their children.

The law also permits schools to serve nondairy milk that meets the nutritional standards of milk and requires schools to offer a nondairy milk alternative if kids provide a note from their parents, not just from doctors, saying they have a dietary restriction.

Bipartisan K-12 budget proposal would stall gutting of Education Department *- January 20, 2026*
Written by: Kara Arundel for K-12 DIVE and Distributed Online by IASA through Eye on Education Email Listserv at;
https://www.k12dive.com/news/bipartisan-k-12-budget-proposal-stalls-education-department-gutting-Congress-FY2026/810026/

Senate and House leaders reject Trump administration plans to outsource management of Education Department programming.

A bipartisan and bicameral proposed agreement released Monday to fund the U.S. Department of Education at $79 billion for fiscal year 2026 — or at $217 million above FY 2025 levels — dealt a major blow to the Trump administration's efforts to downsize and eventually eliminate the agency.

The proposed budget deal, coming months after the fiscal year began Oct. 1, would include slight increases for special education programming, rural education and Impact Aid, which gives additional financial support to communities with tax-exempt federal properties.

Continuing resolution agreements in FY 2025 and the beginning of FY 2026 maintained most education funding at FY 2024 levels. However, continuing resolutions typically don't give the same level of fiscal direction from Congress as annual appropriations bills do.

The new budget proposal also would explicitly prevent the Education Department from transferring statutorily required program responsibilities to other federal agencies. The Trump administration has said such moves would give states more control over federal education funds. The department has already moved day-to-day management of career and technical education to the U.S. Department of Labor and is in the process of transferring management of six programs to other federal agencies.

Opponents, however, said shifting those responsibilities would create inefficiencies and threaten educational outcomes for students.

Additionally, the House and Senate FY 26 bill would require that the Education Department make formula grants available to states and districts on time and to issue funds at levels dictated by Congress in the funding bill. It also would add a new requirement to maintain the Education Department staff at levels necessary to fulfill its statutory responsibilities, including carrying out programs and activities funded in the bill.

The new requirements would come after the Trump administration at times withheld expected grant funding from education programs and after it laid off staff from core Education Department offices.

Comparing proposed FY26 levels for certain Education Department activities
A bicameral, bipartisan plan in Congress would fund Education Department programs at levels closer to FY 24.

FY 24	Trump proposed FY 26	House and Senate proposed FY 26	
Title I-A	$18.40B	$18.40B	$18.40B
Special Education	$15.20B	$15.40B	$15.50B
Charter schools	$0.44B	$0.50B	$0.50B
Impact Aid	$1.60B	$1.60B	$1.60B
Career and technical education state grants	$1.40B	$1.40B	$1.40B
Rural education	$0.22B	$0.00B	$0.23B
Office for Civil Rights	$0.14B	$0.09B	$0.14B

Fiscal year 2025 included continuing resolutions that mostly funded the Education Department at FY 2024 levels.
Table: Jasmine Ye Han and Kara Arundel/K-12 DiveSource: U.S. House of Representatives Get the dataCreated with Datawrapper

It's a draft budget that veers sharply from President Donald Trump's proposal last spring to provide a total of $66.7 billion for all Education Department activities, which would be $12 billion — or 15.3% — less than the FY 2024 level. The Trump administration recommended merging 18 competitive formula funding grant programs into one $2 billion formula grant program that the administration said would spark innovation and give states more spending freedom. Federal lawmakers seem to be rejecting that change.

The Education Department did not respond to a request for comment on the House and Senate proposed budget in time for publication. U.S. Education Secretary Linda McMahon posted on X Tuesday, which was the one-year anniversary of Trump's inauguration, "One year in, and the Trump Administration has transformed the education landscape as we know it. Buckle up!"

Republican and House appropriations leaders praised the funding proposal, which is expected to be voted on before Jan. 30, when the current continuing resolution that ended last fall's federal government shutdown expires.

House Appropriations Chair Tom Cole, R-Okla., said in a Jan. 19 statement that the proposed budget "reflects the core tenets of American strength: combat-ready forces, secure communities, effective education and health systems, and modern transportation. At every level, it applies innovation and discipline to deliver results without waste."

Sen. Patty Murray, D-Wash., vice chair of the Senate Appropriations Committee, said in a Jan. 20 statement that the bills "invest in working people across the country and utterly reject President Trump's plan to defund our kids' education, evict millions of families, and slash lifesaving medical research nearly in half."

Murray added that "Congress will not abolish the Department of Education."

Congress plans for approval of full-year appropriations
The proposed Education Department funding plan was included in a consolidated appropriations act along with the budgets for the U.S. departments of Defense; Homeland; Labor, Health and Human Services; Transportation, Housing and Urban Development; and related agencies.

With this bill, along with other bipartisan, bicameral spending appropriations already released, Congress is aiming to approve full-year FY 26 spending levels across the federal government within the next two weeks. The fiscal year ends Sept. 30.

In addition to the K-12 spending proposals for FY 2026, the House and Senate budget also includes bipartisan and bicameral agreement on proposed funding for early childhood education, including $8.8 billion for the Child Care and Development Block Grant, which would be an $85 million increase. Head Start would also receive an $85 million increase for a total of $12.4 billion. Both programs are administered by the U.S. Department of Health and Human Services.

Sarah Rittling, executive director of the First Five Years Fund, an organization that advocates for quality childcare and early learning programs, said in a Jan. 20 statement that the appropriations package ensures “families and providers can plan ahead, maintain programs, and give children the consistent, high-quality care they need.”

Tara Thomas, senior government affairs manager at AASA, The School Superintendents Association, said in a Jan. 20 post on AASA’s website that while the bipartisan budget proposal mostly level funds K-12 programs, the organization was “pleased that the final agreement aligned more closely with the bipartisan Senate proposal than with the deep cuts advanced by House Republicans.”

Other organizations applauded Congress’ recommendation to keep K-12 programming within the Education Department.

“We are particularly encouraged that this agreement preserves the integrity of the U.S. Department of Education,” Verjeana McCotter-Jacobs, executive director and CEO of the National School Boards Association, said in a Jan. 20 statement. “By including explicit language that prevents the unauthorized transfer of the Department’s statutory duties to other agencies, Congress has acted to protect the essential expertise and civil rights protections that only a dedicated education agency can provide.”

Judge rules Trump administration must keep funding child care subsidies in 5 states for now, including Illinois – January 26, 2027

From Chicago Tribune: (Article Summary)
A federal judge ruled Friday that President Donald Trump’s administration must keep federal funds flowing to child care subsidies and other social service programs in five Democratic-controlled states — at least for now.

The ruling Friday from U.S. District Judge Vernon Broderick extends by two weeks a temporary one issued earlier this month that blocked the federal government from holding back the money from California, Colorado, Illinois, Minnesota and New York. The initial temporary restraining order was to expire Friday.

Broderick said Friday that he would decide later whether the money is to remain in place while a challenge to cutting it off works its way through the courts.

The U.S. Department of Health and Human Services sent the five states notices in early January informing them it would require justifications for spending the money aimed at helping low-income families. It also said it would require more documentation, including the names and Social Security numbers of the beneficiaries of some of the programs.

Illinois millionaire's tax would direct 50% of revenue to public schools – *January 26, 2026*
Written By: Jim Talamonti for The Center Square and Distributed Online by IASA through Eye on Education Email Listserv at; https://www.thecentersquare.com/illinois/article_db605426-e27d-46b7-a39e-5ff21a2ea566.html

(The Center Square) – A proposal for a state constitutional amendment to impose a millionaire's tax has been referred to the Illinois House Rules Committee, but only half the revenues generated by the measure would be directed to property tax relief.

House Joint Resolution Constitutional Amendment 21 was referred to the committee earlier after being filed by state Rep. Natalie Manley, D-Joliet, last October.

The measure would impose a 3% tax on any individual's net income that is greater than $1 million for the taxable year.

Former Gov. Pat Quinn promised last November that a millionaire's tax would bring property tax relief for families and businesses, but House Joint Resolution Constitutional Amendment 21 would split the revenue.

Half would go for property tax relief, and the other half would go to school districts on a per-pupil basis.

The Chicago Teachers Union and Illinois Federation of Teachers have pushed for state-level "Tax the Rich" policies.

Republican Illinois House candidate Lori Smith said she hoped any new tax would not include pensions, adding that her mother is a retired educator.

"She won't leave this state because they don't tax her pension. I said to her the other day, 'Mom, do you realize that they're coming after it now?'" Smith told The Center Square.

Smith said one positive thing she could say about Illinois is that the state does not tax teacher pensions.

Smith is running for the 51st Illinois House seat currently held by state Rep. Nabeela Syed, D-Palatine, who is running for the Illinois Senate.

Smith cited taxes as one reason she decided to run for office.

"For me, this is not about party. It's about the people being crushed to death by taxes and regulations. Somebody has to do something," Smith said.

Gov. J.B. Pritzker expressed support for the idea of a graduated income tax when he spoke in Chicago earlier this month.

"I think that, to pay the bills of the state of Illinois, it's fairer if the wealthiest people in the state, the wealthiest corporations in the state, pay more than average folks, working folks and the most vulnerable," Pritzker said.

Illinois state spending has increased 43% under Pritzker, an increase of $16 billion annually since 2019.

The governor noted that a constitutional amendment is not something he would sign but instead would be handled by the legislature.

If the legislature approves HJRCA 21, voters would have the chance to consider the proposed amendment in the November 2026 general election.

State Rep. Brad Halbrook, R-Shelbyville, said a graduated income tax proposal would be another attempt to force through what voters already rejected.

"After watching families pack up and leave, after watching thousands of businesses leave, after losing nearly 100,000 people in just one year, the answer from leadership and our speaker is the same old answer: tax more," Halbrook said on the House floor last week.

In 2020, voters rejected a proposal changing the state's flat tax to a tax with higher rates for higher earners.
Greg Bishop contributed to this story.

Fed holds key interest rate steady as economic view improves *– January 28, 2026*
Written by CNBC and Distributed by PTMA Financial Solutions Online through Email Listserv.

The Federal Reserve on Wednesday voted to take a break from a recent run of interest rate cuts, as the central bank navigates questions about its independence and awaits a new leader.

Meeting market expectations, the central bank's Federal Open Market Committee voted to keep its key interest rate in a range between 3.5%-3.75%. The decision put a halt to three consecutive quarter percentage point reductions, billed as maintenance moves to guard against potential downturns in the labor market.

In voting to hold the line, the committee also upped its assessment of economic growth. It also eased its concerns about the labor market as compared to inflation.

"Available indicators suggest that economic activity has been expanding at a solid pace.

Job gains have remained low, and the unemployment rate has shown some signs of stabilization," the post-meeting statement said. "Inflation remains somewhat elevated."

Importantly, the statement also erased a clause indicating that the committee saw a higher risk to a weakening labor market than heightened inflation. That would argue for a more patient approach to policy as officials see the Fed's dual goals of low inflation and full employment more in balance.

There was little in the way of guidance about what's coming next, with markets expecting the Fed to wait until at least June before adjusting its benchmark rate again.

"In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Committee will carefully assess incoming data, the evolving outlook, and the balance of risks," the statement said, repeating language inserted in December that markets saw as a shift away from the easing cycle that began in September 2025.

As has been the case for recent meetings, there were dissents.

Governors Stephen Miran and Christopher Waller voted against the hold, with both advocating another quarter-point cut. Both were appointed by President Donald Trump, with Miran filing an unexpired board seat in September 2025 and Waller appointed during Trump's first term. Miran's term expires Saturday, while Waller interviewed for the Fed chair's job but is considered a longshot.

The routine nature of the decision comes at a time when nothing is routine for the central bank.

Chair Jerome Powell has just two more meetings before his term at the helm ends, ending a tumultuous eight years at the Fed that has included a global pandemic, a steep recession and a seemingly endless series of battles against Trump.

Most recently, the Justice Department has subpoenaed Powell over the extensive renovations at the Fed's headquarters in Washington, D.C. Prior to that, the president threatened on multiple occasions to fire Powell and in fact has moved to sack Governor Lisa Cook, a case that is now pending a decision from the U.S. Supreme Court.

Underscoring all of the tension has been a battle over the Fed's independence, or its ability to operate without political interference. In confirming the Justice Department probe, an unusually candid Powell attributed the threat to Trump's efforts to control monetary policy. Prior presidents also have criticized Fed decisions and tried to coerce policymakers into rate cuts, but none have been as aggressive or public about it as Trump.

The Fed also has a challenging economic backdrop to navigate.

Growth as measured by the widest measure, gross domestic product, has been robust. The third quarter motored ahead at a 4.4% clip and the final three months of the year are tracking at a 5.4% rate, according to the Atlanta Fed.

At the same time, hiring is slow in the labor market amid a Trump administration crackdown on illegal immigration. However, layoffs also have been tame, with the trend for initial jobless claims running at its lowest level in two years.

Inflation, though, has proven more troublesome. While off its 40-year highs back in 2022, the rate is still running closer to 3% than the Fed's 2% goal, causing concern among some FOMC officials who either want rate cuts paused or eliminated until there's more evidence that price increases are easing.

Trump's tariffs are running in the background when it comes to inflation, with Fed economists generally seeing the duties as adding near-term pressures that will abate later this year.

Futures markets are pricing in at most two rate reductions in 2026 and none in 2027, regardless of the next Fed chair. Predictions markets are pointing to BlackRock bond chief Rick Rieder as the likely candidate to succeed Powell.

Trump signs $79B education funding bill into law *- February 3, 2026*
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/maybe-hed-house-advances-education-departments-fy-26-budget/811259/

The FY 26 funding measure provides specific guardrails for allocated grant money at the Education Department.

The U.S. Department of Education is now — finally — funded for fiscal year 2026, as President Donald Trump Tuesday night swiftly signed into law the compromise measure that had won final approval from the House, 217-214, earlier that afternoon.

The budget funds the Education Department at $79 billion through Sept. 30. That's about $217 million above FY 2025 levels. The funding plan does not stop Education Department moves to transfer statutorily required program responsibilities to other federal agencies, but it directs the agencies involved to provide Congress with biweekly reports on the implementation of any interagency agreements.

Additionally, the bill requires on-time formula grant funding available to states and districts at levels dictated by Congress in the funding bill. And it adds a new requirement to maintain the Education Department staff at levels necessary to fulfill its statutory responsibilities, including carrying out programs and activities funded in the bill.

The Education Department, along with several other federal agencies, briefly paused operations after Jan. 30 when a continuing resolution lapsed. While the continuing resolution maintained funding at FY 2024 and FY 2025 levels for the Education Department, it did not give the same level of fiscal direction from Congress as annual appropriations bills do.

The Education Department FY 2026 funding plan was included in a consolidated appropriations act along with the budgets for the U.S. departments of Defense; Homeland; Labor, Health and Human Services; Transportation, Housing and Urban Development; and related agencies. However, debate about allocations for federal immigration enforcement under the Department of Homeland Security delayed approval for the full funding package.

House and Senate lawmakers agreed to a two-week continuing resolution for the Department of Homeland Security allocation and to move forward the remaining five appropriations bills, including for the Education Department.

The National Association of Secondary School Principals said in a statement after Tuesday's vote that schools nationwide "avoided cuts to critical resources that serve America's most vulnerable students under the education cuts passed by Congress today, including mental health support, special education services, and opportunities for students in high-poverty districts."
Ronn Nozoe, CEO of NASSP, said in the statement that "this funding lets school leaders focus on students instead of worrying about resources. And that's exactly how it should be. Faithful implementation of these funding levels will be critical so school leaders can count on the resources Congress has provided."

Jodi Grant, executive director of the Afterschool Alliance, also praised the legislation's passage in a statement Tuesday. However, Grant noted that the $1.3 billion allocation for 21st Century Community Learning Centers has not increased since FY 2022, "even as costs associated with running programs have soared."

The Afterschool Alliance is "grateful Congress rejected the Trump administration's proposal to end dedicated funding for this vitally important initiative, which supports programs that keep kids safe, inspire them to learn, and give working parents peace of mind that their children are safe, supervised, and learning after the school day ends," said Grant.

As Illinois Weighs Joining Federal School Voucher Program, Education Policy Experts Debate the Impact – *February 3, 2026*
Written by: Eunice Alpasan for WTTW News and Distributed by IASA Online through Eye on Education Email Listserv at; https://news.wttw.com/2026/02/03/illinois-weighs-joining-federal-school-voucher-program-education-policy-experts-debate

Illinois is among a handful of states deciding whether to opt in to a new federal school voucher program.

Under the program, donors can give up to $1,700 to scholarship-awarding organizations for K-12 schools and get an equivalent amount back in federal tax credits.

Scholarships can be used to help pay for private school tuition, along with education-related expenses for public school families, like tutoring or after-school programs. Students are eligible to receive the scholarships if their household income is within 300% of their area's median income.

Those opposed argue the program diverts public dollars to private schools while public schools remain underfunded. Supporters of the program argue that not opting in would leave money on the table that could otherwise go to support students in the state.

Ann Courter, education issues specialist for the League of Women Voters of Illinois, and Austin Berg, executive director for the Chicago Policy Center at the Illinois Policy Institute, joined "Chicago Tonight" to debate what impact the federal program could have on Illinois students.

Courter argued that the federal program would hurt public schools and that the money from the program would largely flow to private religious schools, comparing the program to Invest in Kids, a tax credit scholarship program in Illinois that lawmakers sunset in 2023.

The League of Women Voters of Illinois is among a coalition of groups that signed on to a letter last week asking Gov. JB Pritzker not to opt in to the federal tax credit scholarship program.

“If even a few students leave the public system, schools are left with fixed costs,” Courter said. “They rely on headcount to get federal money and to get state money, and so if they have fewer kids, they get less money from the state and the federal government.”

Berg, whose organization is in support of the federal tax credit scholarship program, said there’s bipartisan interest in the program. He argues it shouldn’t be a red or a blue issue, citing Colorado Gov. Jared Polis, a Democrat, saying he would opt in to the program.

“In no way does it take away money for public schools,” Berg said. “It’s not money coming out of the federal education grants that go to states. … In essence, it’s only a positive impact because this is money that otherwise would go to other states through the scholarship program. It would flow to Illinois, so more families get more access to more educational resources.”

Twenty-eight states have opted in to the federal school voucher program so far, most of which are Republican-led, according to Education Week. The four states that have said no to the program — Wisconsin, New Mexico, Oregon and Hawaii — are all led by Democratic governors.

Pritzker has not yet decided whether to opt in. A spokesperson with the governor’s office said in a statement Monday that the office would evaluate the issue through a lens of “affordability for working families” and “what best supports Illinois students, families, and public schools.”

Last week, Pritzker said he was still waiting on program rules from the federal government. The U.S. Treasury Department is expected to share more specific regulations governing the program.

“Just on its face, the question is, is this just a repeat of trying to take money out of public schools and move it into private schools, which is what the Trump administration, generally speaking, has been in favor of, or is this something that could be useful?” Pritzker said last week during an unrelated news conference. “But we just don’t know because there are no rules around it right now.”

The federal school voucher program was passed by Congress and signed into law last year by President Donald Trump as part of the “One Big Beautiful Bill” Act.

Donors can begin claiming federal tax credits in January 2027.

Pritzker sticking to proposal to fully fund pensions - *February 3, 2026*
Written by; Ben Szalinski for Capital News Illinois and Distributed Online by IASA through Eye on Education Email Listserv at; https://capitolnewsillinois.com/news/pritzker-sticking-to-proposal-to-fully-fund-pensions/

Plan was introduced in 2024 but did not move forward in legislature

Article Summary
- JB Pritzker said he will push forward on his 2024 proposal to fully fund pensions and address other funding issues.
- Pritzker’s plan calls for fully funding pensions by 2048, rather than 90% by 2045. He also calls for devoting extra revenue to pensions and ensuring Tier 2 complies with Social Security requirements.
- It’s not clear what, if any, plans will move forward this spring. A House committee passed a separate bill in October that was supported by labor unions.

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

Gov. JB Pritzker is continuing to push a plan he introduced two years ago to reform Illinois pensions.

The governor announced on Monday he is reviving a plan he introduced during his 2024 budget address that calls for fully funding pensions by 2048 and changing benefits calculations to comply with Social Security requirements. Despite years of negotiations that began even before Pritzker made his pitch, the General Assembly has not moved forward on Pritzker's or anyone else's pension reform plans.

The hallmark of the plan calls for fully funding pensions by 2048, rather than reaching 90% funding by 2045 like current state law calls for.

The governor also wants direct surpluses in the state fund that's dedicated to paying out tax refunds to the pension system, once all refunds are paid to taxpayers. Surpluses in that fund after tax season otherwise go to general fund operations under current law. But Pritzker's plan would ensure they go to pay pension debt.

Illinois is also working to pay down a series of unrelated bonds by 2030 and 2033. Once those are paid off, Pritzker wants to use the revenues that had been dedicated to bond repayment to pay down pension debt.

Pritzker also wants lawmakers to extend the state's pension buyout program for another two years through fiscal year 2028. The program has already been extended twice since it was created in 2018 and has reduced the state's pension liability by $2.9 billion, according to the governor's office. They predict extending the program will reduce the unfunded liability by another $1.4 billion.

The state has also run into problems providing adequate benefits for people who were hired after 2010. The benefits, known as Tier 2, have raised concerns about compliance with Social Security and fairness to public employees. Federal law requires governments to provide benefits that are at least equal to Social Security. If a pension system fails to meet that "Safe Harbor" requirement, courts could force the employer, in this case the state, to make up the difference.

That means whether or not lawmakers take immediate action on Tier 2 reform, added costs are likely on the horizon anyway.

Pritzker's plan calls for adjusting the pensionable earnings cap to be equal to the Social Security wage base and put Tier 2 in compliance with Social Security requirements. Lawmakers allocated $75 million in this year's budget to cover costs to help bring benefits into compliance. The state's pension systems have told lawmakers they aren't sure of the total cost, however.

Where it stands

It's not clear what will move forward on pensions during the spring session, if anything. Lawmakers have vetted Pritzker's proposal, as well as proposals from labor unions, in numerous hearings over several years.

The We Are One coalition, a group of unions asking lawmakers to reform Tier 2 to comply with "Safe Harbor" and make benefits more attractive to workers, said Pritzker's continued push for his plan ignores "the growing recruitment and retention crisis driven by the inadequate Tier 2 pensions."

"No pension plan will pass without the support of the public sector unions whose members are most impacted by this system," the coalition said in a statement. "Our bill would not adversely affect the state's credit rating, not add to the unfunded liability, and not add significant costs to the state budget – all goals the governor has previously laid out."

A bill supported by the coalition passed a House committee in October, but lawmakers agreed to continue working on the issue this spring and its fate is unclear. The plan called for lowering the minimum retirement age for many Tier 2 employees, raising the salary cap to equal the Social Security wage base and better cost-of-living adjustments and final average salary calculations for workers.

Pritzker said last fall the bill needs "a lot more work" before it's ready to go.

State of pensions

Illinois remains a long way off from the 2045 target, but there have been small signs of progress in recent years.

A report from the Commission on Government Forecasting and Accountability in November found the pension systems are collectively funded at 47.8%. That's increased for four consecutive years from 43.8% in 2021.

The unfunded liability hasn't changed significantly in recent years. It was $143.5 billion in 2025, which was down by $200 million from 2024. That was the first time it has declined in four years.

State lawmakers introduce Chicago Teachers Union-backed bills to increase state education funding – *February 9, 2026*
Written By; Mila Koumpilova for Chalkbeat Chicago and Distributed by IASA Online through Eye on Education Email Listserv at: https://www.chalkbeat.org/chicago/2026/02/09/chicago-teachers-union-state-lawmakers-introduce-education-funding-bills/

A pair of Illinois state lawmakers introduced legislation Monday that would significantly increase state education funding — an opening salvo in a push by the Chicago Teachers Union and other labor groups to boost money for schools during this spring's legislative session amid intense financial pressures on the state.

The proposals, sponsored by state Sen. Graciela Guzmán and Rep. Will Davis, both Democrats, would require the state to fully fund its so-called evidence-based formula for schools by a 2027 deadline lawmakers set in 2017 — a goal the state is not on track to meet. It would also provide more funding for some school district services that the state mandates, such as transportation for students with disabilities and counseling.

The state has been increasing funding for K-12 schools by about $350 million a year, though it only chipped in $307 million more last year, for a total of $11.2 billion. To fully fund schools, advocates estimate the state would have to increase that amount to at least $550 million, but likely more than $1 billion, said Davis, who represents the south suburbs of Chicago.

At a Monday press conference, the lawmakers did not specify a source of the added funding, but they pointed to ongoing discussions about ways to raise progressive revenue. The teachers union has pressed for higher taxes for wealthy residents of the state. Supporters framed their proposal as a response to what they described as a Trump administration assault on public schools, including the dismantling of the federal Department of Education.

"At a moment when Donald Trump and his allies are attacking public education, this bill is a line in the sand," said Guzmán, a former organizer for the CTU who represents a portion of Chicago's Northwest Side.

To do everything the legislation introduced Monday requires in 2027, the state would have to spend an additional $3.9 billion a year, Ralph Martire, the executive director of the think tank Center for Tax and Budget Accountability, said in an interview. The center is proposing a package of tax measures that would raise revenue, including expanding the sales tax base to include consumer services and increasing the income tax rate while providing tax relief to low- and middle-income households. Those two measures alone would raise enough revenue to provide the additional education funding in the Lewis and Guzmán bills and to address the state's massive structural deficit, Martire said.

However, the state also faces $4.4 billion of added costs down the road if it chooses to fully offset safety net cuts in the One Big Beautiful Bill Act that Congress passed last year, the center has estimated.

The state has increased funding for Chicago Public Schools by about $1 billion in recent years, even as enrollment shrank dramatically. But the district remains about $1.6 billion short of what the state considers adequate funding. It received $1.9 billion from the state last year.

A 2024 report from the Center for Tax and Budget Accountability found that because of inflation and flat K-12 funding in 2020 during the height of the COVID pandemic, districts would not meet the state's definition of adequate funding until 2034 if it continues to add $350 million each year — a forecast Martire now says is out of date.

Joining the CTU in backing the bill was the Chicago Principals and Administrators Association, the union representing the district's school leaders. Kia Banks, the principals union's president, said tight funding in some schools has forced school leaders to delay hiring, freeze staff positions, and make other difficult decisions.

At Monday's press conference, Samuel Thomas, a sign language interpreter for the Waukegan school district, stressed the proposal wouldn't just help Chicago. He said his district scaled back its after-school programs and couldn't renew some education apps this school year.

"We are asking Gov. Pritzker and lawmakers to fully fund our schools because our students can't wait," he said.

Economic News Briefs…

- ***Market and Economic Highlights:***
    - The Fed paused rate cuts in its January meeting
    - A resilient economy remained a key market narrative Consumer Confidence fell to the lowest level since 2014 on jobs and inflation concerns
    - Intermediate fixed income returns were soft on higher rates for the month
    - The S&P 500 was up, the NASDAQ broke a 2-month slide and small caps rallied

      Source: FactSet
- ***Washington D.C Impacting Markets:*** Financial markets appear to be increasingly impacted by developments in Washington D.C. Fixed income and equity markets finished higher for the month despite periods of elevated volatility. While there were multiple important headlines surrounding the Fed in January, Trump's nomination of former Fed Governor Kevin Warsh as the next Fed chair is gaining significant market attention. The new Chair will likely enter dovish on short-term rates, but he will need to convince the Committee. As such, rate cuts may not be imminent in the June meeting as the economy has remained resilient and fiscal stimulus should be supportive of growth. The fixed income market remains reasonably attractive in our view as the curve is not pricing in an aggressive path to lower rates.in 2026. *Sources: FactSet as of 1/31/26*

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

DPS Business Office Briefs:

- ***Whitson's Presents Chef Cam Dangerfield at RMS:*** One of the services that Whitson's provides is bringing in their celebrity chef to cook on site of the students occasionally. We are excited that on 1/26/26 Chef Cam Dangerfield came to RMS made Honey Fire Chicken Sandwiches as the main entrée for the students. He is 2 times Chopped winner and a Food Network winner. Obviously, it would be great if he could go to every school, but time and scheduling does not allow. But we are certainly pleased that we were able to get him in the District this year.
- ***HLS Amendment – Stage Curtains for RMS and DHS***: In February we plan to bring you an action item approving a HLS amendment for the purchase and installation of theater stage curtains. The RMS/Madison curtains are original to the building from 1959/1960 and DHS were updated in the late 80's. These curtains are required to pass a flame retardant test and are required to be retreated regularly. The age of these curtains no longer allow them to be retreated and must be replaced. The new curtains manufactured are referred to as "forever" curtains and come with a lifetime warranty eliminating the retreatment process. A few years ago we were provided estimates by Main State Theater which were: RMS/Madison = $35,300 and DHS $50,500. The purchase is an allowable HLS expense. As a timeline for the Board:
    - ***January 2026*** – Initial notification
    - ***February 2026*** – Board approval of HLS Amendment
    - ***March 2026*** – Conduct a Bid
    - ***April 2026*** – Board approval of bid
- ***Food Service Contract Renewal:*** Each year around this time two food service related events take place. One is the renewal of our FSMC (Food Service Management Company) contract renewal. The process is governed and directed by ISBE following the guideline of the National School Lunch Program. This renewal is Board approved and must be submitted to ISBE by May 15th. We anticipate the renewal for the April Board meeting. The second event is the Community Eligibility Provision (CEP) analysis. This is the process in which the district can apply for all

school meals to be free to all students. When the analysis tool becomes available by ISBE, administrion will work through the process and provide the Board with the results.

- ***Data Wrangler:*** Administration has been looking in to a company known as Data Wrangler. They have proprietary software that links into eletrical meters and HVAC contol systems to compile usage data and work to lower electrical cost. Peak rates make up more than 50% of our electrical costs and this program can identify the peak times and provide solutions to avoiding these rate spikes. Our HVAC control system upgrades been done throug our 10-Year HLS work provides us with an opportunity to utilize this technology. The return on investment is currently projected at one year, but we are still working with the company on some more detailed and accurate estimates. This will work with our solar platform as well. Feel free to check out the program at: datawrangler.clocworks.com. As a timeline, we will provide more information this month and have a more detailed presentation in March.

Countywide Sales Tax

The District again continues to see strong CFST revenues. The table below represents strong receipts for October 2025. The CFST receipts are three months in arrears, so the funds received in February represent the taxes paid by consumers in October. The $215,000 received represents a six-month stretch of the largest amounts received since the creation of the program and is a 37.0% increase over FY 25. October 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.

Countywide Sales Tax Revenues					
					Difference
	FY 23	FY 24	FY 25	FY 26	FY 25 v. 26
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	$0.00	$0.00
December	$167,486.45	$178,755.19	$201,004.74	$0.00	$0.00
January	$134,425.96	$141,195.76	$179,547.38	$0.00	$0.00
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	$850,061.99	$162,009.98

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.