July & August 2025 Busine$$ Report BY MARC CAMPBELL

Ruiz-Branch: Potential Medicaid, SNAP cuts could derail IL education system ***– June 22, 2025***
By Guest Author for Judith Ruiz-Branch Illinois News Connection and Distributed Online By IASA through Eye on Education Email listserv at; https://wcmspi.com/2025/06/22/ruiz-branch-potential-medicaid-snap-cuts-could-derail-il-education-system/

As Congress considers federal cuts to Medicaid and SNAP food assistance, groups advocating for Illinois schools are speaking out on how it would affect students across the state and the education system at large.

They said budget cuts would have both direct and indirect effects, from student eligibility to school reimbursements for things like meals and health screenings, and straining the state budget as well.

Jessica Handy, executive director of Stand for Children Illinois, highlighted the importance of students having access to health care and food, linking it to issues like chronic absenteeism, which has recently spiked in Illinois.

“These things really are all interconnected,” Handy explained. “It’s not that kids can show up to school hungry, show up to school with some severe chronic health issues and not have treatment and then be able to sit there and learn as if those things didn’t happen.”

She stressed implementing stricter qualifying requirements for Medicaid would reduce the number of students with health coverage and school funding from Medicaid reimbursements.

Handy pointed out changes in school-based Medicaid reimbursements like expanding coverage to include therapy services and vision screenings are now a significant funding source for schools. Illinois’ “trigger law” could also lead to over 700,000 adults losing Medicaid coverage if federal reimbursement rates drop below 90%, potentially affecting school staff.

“If the Legislature comes back into session and wants to change that trigger law, then we have another really expensive budget pressure that leaves fewer flexible dollars to fund our schools,” Handy observed.

Handy noted potentially shifting SNAP benefit costs to states could also jeopardize school funding. Although Illinois’ 2025 legislative session has adjourned, she emphasized lawmakers would have to come back this year if federal budget cuts are implemented to rework the state budget, with the uncertainty further compounding matters.

“Schools can’t budget and plan effectively for programs throughout the school year when they’re not sure what the impact’s going to be,” Handy added. “It leaves everybody in a kind of gray area that’s not good for stability and not good for really being able to focus on programs, instead of on logistics and keeping the doors open.”

Gov. Pritzker says Illinois needs to address 'property tax problem' in coming years *– June 29, 2025*
Written by; JJ Bullock for Peoria Journal Star and Distributed Online by IASA through Eye on Education Email Listserv at; https://www.pjstar.com/story/news/state/2025/06/29/jb-pritzker-says-illinois-needs-to-address-property-tax-problem-education-funding/84387872007/

Illinois Gov. JB Pritzker said enacting property tax relief across the state is a legislative priority as he seeks a third term in office.

Pritzker said during a campaign stop in East Peoria that property tax reform is big in his purview.

"We need to address the property tax problems that face people across Illinois," Pritzker said Thursday. "That takes a lot of work because it's not just a one-time solution, it's something that requires us to increase investment in education, that is the biggest problem. You get your property tax bill, most of that is paying for education locally."

Pritzker then blamed high property taxes on a lack of education investment in Illinois in years past.

"We were last in the nation when I became governor at funding education from the state of Illinois," Pritzker said. "Now, we went from 24% funding to 40% funding. We've got a little ways to go to be the best in the country, but I'd like to just be average. We went from being last — being average would mean getting to 46%. So that's a big deal, we're going to keep working on that and that's something that would require getting reelected."

Illinois has the second worst effective property tax rate in the nation, according to Rocket Mortgage, ranking just one spot ahead of New Jersey. A study from SmartAsset specifically tabbed Peoria as the city with the highest property taxes in the nation relative to median home value.

State Rep. Jehan Gordon-Booth, D-Peoria, said she agrees with Pritzker that the state is in need of property tax reform but said it is a "very, very complex issue" that will take years to untangle.

Gordon-Booth has been part of a House working group that's been working on an omnibus property tax reform bill for months. The bill, which was approved in a bipartisan vote that saw just one House member vote against it, will be in front of the Senate during the veto session this fall, Gordon-Booth said.

While the bill addresses some property tax relief measures supported by both sides of the aisle, Gordon-Booth said it is just the first small step in what will need to be a multi-year dive into reforming property taxes.

"Our constituents expect and deserve property tax relief — they deserve it and they expect it," Gordon Booth said. "What we have worked on in this last four to five months, is this one bill going to offer enough relief where we can go to our constituents and say 'we have fixed property taxes'? Absolutely not. That's not what we're saying here today."

A majority of property tax revenue goes toward funding education. In Peoria, roughly 57 to 58 cents of every property tax dollar levied goes toward education, City Manager Patrick Urich said. If the state does pursue property tax reform that includes more state-aid to education, Urich said that is a plan that should be up for discussion.

"We've as a state, Illinois has relied on property taxes to fund education for many, many years, and if there is an opportunity to reduce that reliance through other means, I think that is certainly something to be discussed," Urich said.

Urich also said high property taxes statewide can be a barrier for economic development if businesses are choosing to locate in places where property taxes are lower.

Locally politicians in Peoria, led by Mayor Rita Ali, have put an emphasis on building new housing and widening the city's property tax base. Last week the Peoria City Council approved a plan to buy the Peoria Exposition Gardens, where it hopes to entice a developer to build 110 to 150 homes, generating an estimated $1.5 to $1.6 million in new property tax revenue annually.

"Our focus is definitely on trying to grow our economy, our tax base, the number of people that live here, that's very important to us," Urich said. "If businesses are making a decision where to invest and our property tax rates are causing them to think elsewhere, to look elsewhere, then certainly from an economic development standpoint it makes sense to look at how we can get more competitive."

The challenge with reducing property taxes, or rather one of the many challenges that lies within the issue, is how to reduce the taxes without also cutting the things they fund, such as schools, libraries and parks, Gordon-Booth said. And with state revenues shrinking, the wiggle room gets even smaller.

"Revenue growth is shrinking, so when you're dealing with a scenario and revenues are slowing up and you begin to contemplate, well how do we then contend with the property tax issue, which ultimately will require money coming from somewhere else, that is a very real issue that we have to figure out," Gordon-Booth said. "We have not yet figured it out, and it's going to take a lot of work it is not going to happen overnight."

When cities begin to lose the things property taxes fund, Gordon-Booth said communities become "less vibrant" but added "we cannot allow this thing to continue to spiral."

"What happens is, communities where property taxes get out of control, those communities shrink, those communities become less and less livable," Gordon-Booth said. "I definitely feel like we are in a space where there is far more focus right now on the issue of property taxes across the caucus, across the branches of government, you're starting to see it far, far more."

How would Trump's FY 26 budget plan reshape special education? *- June 30, 2025*
Written by; Kara Arundel for K-12DIVE and Distributed by Online by IASA through Eye on Education Email Listserv at: *https://www.k12dive.com/news/FY26-federal-special-education-funding-consolidation-White-House/750989/*

The White House says its IDEA budget proposal would be less complex and more effective. Critics worry about cuts and reduced accountability.

A White House plan to consolidate pockets of special education funding in fiscal year 2026 has critics concerned that vital programs will be cut or loosely absorbed into remaining special education allocations.

Supporters, however, see the budget restructure not just as an opportunity to maintain spending levels for federal special education grants, but to simplify and effectively distribute the money that educates and supports the nation's 8.4 million infants, toddlers, children and young adults with disabilities.

Overall, the FY 26 budget proposal that was released in stages in April and May provides level funding for the Individuals with Disabilities Education Act at $15.5 billion.

However, the Trump administration said it wants to consolidate some grants that serve different purposes so states and districts have more spending flexibility. Those opposed to the plan say this design would remove guaranteed funding for certain programs because it would be each state's decision to fund those.

Specifically, the budget plan would consolidate the smaller IDEA, Part B preschool grants to states and IDEA, Part D funding for technical assistance and teacher preparation into the larger Part B, school-age program. The proposed funding for the preschool grant and Part D programs equals $677.6 million, which is the exact amount of increase recommended in the budget proposal for the overall Part B program.

"We're not cutting any of the IDEA funding. It is staying intact, and so the president really has a commitment to make sure that that funding does get into the states," said U.S. Education Secretary Linda McMahon to a Senate appropriations subcommittee on June 3 in Washington, D.C.

But critics say the budget plan would reduce special education funding, not increase it. They also denounce the merging of grant programs. The Council of Administrators of Special Education, a professional organization of special education directors, said the various IDEA funding programs are designed to work together as a continuum of supports and services.

“Reducing the components of the law to one block grant, without the guarantee that each part would be funded, is a serious disservice to children and youth with disabilities, their families, and the educators that serve them,” CASE said in an email to K-12 Dive.

Programs planned for consolidation into the overall Part B program include parent information centers, which were funded at $33 million in FY 2025. Those centers have exceeded or met performance measures for the past five fiscal years.

The Part B, grants to states for school-aged children ages 3-21, as proposed, would provide an average of $1,944 per student with disabilities. That is about 10.9% of the national average per-pupil expenditure for the additional cost of providing special education and related services. Funding to educate students with disabilities also comes from other federal, state and local coffers.

The budget for IDEA Part C for services to infants and toddlers with disabilities — at a proposed level funding of $540 million — would remain a separate formula grant program.

Comparing IDEA FY 24 and proposed FY 26
The FY 26 budget proposal for special education consolidates the smaller IDEA, Part B preschool grants to states and IDEA, Part D funding for technical assistance and teacher preparation into the larger Part B, school-age program.

Comparative Graph at: https://www.k12dive.com/news/FY26-federal-special-education-funding-consolidation-White-House/750989/

Although supporters say the fiscal redesign would give states more flexibility with spending the Part D dollars, the Trump administration said states would still be required to meet key IDEA accountability and reporting requirements under Parts B and C.

The administration would also phase out discretionary grant competitions previously federally funded under Part D, allowing states to decide whether to continue those activities. States would be required to at least maintain their funding of special education — or send local school districts funding that’s equal to or more than what was provided the preceding school year. This is also known as state maintenance of effort.

Funding for the Institute of Education Sciences, which hosts a center for special education research, would be cut by 67%. The Trump administration is planning to reform the IES to be more “meaningfully supporting and useful to practitioners,” the budget justification said.

Changes already underway
The Trump administration has not waited for the annual appropriations process to reform the federal government, including at the U.S. Education Department and within the special education offices.

The White House and U.S. Education Secretary Linda McMahon have vowed to cut what the administration calls federal waste and fraud and give local school communities and parents more decision-making authority. As part of that, the Education Department has reduced its workforce by about half, canceled more than $1 billion in grant funding, and issued an executive order to begin closing the Education Department, although legal challenges have slowed down those plans.

The administration has also indicated it wants to move special education programming from the Education Department to the U.S. Department of Health and Human Services.

“We’re not cutting any of the IDEA funding. It is staying intact, and so the president really has a commitment to make sure that that funding does get into the states.” Linda McMahon, U.S. education secretary

The Education Department, in an April 28 letter to Sen. Lisa Blunt Rochester, D-Del., said that no employees in the Office of Special Education Programs or the Rehabilitation Services Administration were subject to the March 11 layoffs at the agency.

Staff at the Office of Special Education and Rehabilitative Services, which is the office that oversees OSEP and RSA, who were laid off were involved in policy and administrative functions. Those roles can be reassigned or eliminated to create “a more efficient, cost effective, and accountable organizational structure,” according to the letter, which was signed by Sarah Ursprung, acting assistant secretary for legislation and congressional affairs.

The letter added that OSEP continues to monitor states’ compliance with IDEA and has not made any changes to procedures regarding significant disproportionality, which is the IDEA requirement for determining if a school or district has racial overrepresentation or underrepresentation in special education identifications, placements or discipline. During the first Trump administration, the Education Department tried to rescind the Equity in IDEA regulation but lost a court challenge to do so.

Still, some disability rights advocates and special education administrative groups worry that the federal government’s move to reduce its role in education will harm civil rights protections for students and families and leave schools with fewer resources.

There have been no policy guidance letters issued by OSERS or OSEP since January, and the last annual congressionally mandated report about IDEA was released in March 2024, according to the Education Department’s website. However, OSERS has issued several special education-specific notices for grant applications in recent months. And OSEP released state determinations for IDEA implementation as expected in June.

This crossroads comes at a time when more students are qualifying for special education services, and when expanding private school choice options are putting more pressure on public schools to serve students with disabilities who may not have access to schools of their choice.

One poll, however, found parents had mixed emotions about dismantling the Education Department. When Understood.org, a nonprofit that provides resources to people with learning and thinking differences, asked parents with school-aged children who qualify for IDEA services or services and accommodation under Section 504 of the Rehabilitation Act about the issue, 30% said they were hopeful, 27% were excited, 30% were afraid, 31% were angry and 32% were anxious.

Additionally, 90% of this same group of parents said they were concerned that dismantling the Education Department would impact the quality of their child’s education.

Support and opposition

Since the beginning of the year, several Republican-leaning states have asked for more fiscal flexibility with federal education dollars through consolidated or block grants that carry fewer federal restrictions and requirements. Outside of IDEA funds, the FY 26 budget proposal for the entire Education Department budget recommends consolidating 18 current competitive formula funding grant programs into one $2 billion formula grant program.

Supporters of the move have said states and local districts are in the best position to allocate the federal dollars, because they know the state and local needs and can spend the money more efficiently without onerous federal rules.

The Education Department’s FY 26 budget proposal “lowers federal spending on duplicate and burdensome programs, safeguards critical programs like special education and Title I, and gives states and communities more flexibility and freedom to drive innovation,” said Jeanne Allen, founder and CEO of the Center for Education Reform, an organization supportive of private school choice, in an email to K-12 Dive. “It also respects the role of parents and boosts parental choice programs.”

"I just hope that IDEA doesn't become this political football that gives the Trump administration an excuse to further cut a program that's already underfunded."

But the Council for Exceptional Children, an organization for professionals who work in special and gifted education, said in an email to K-12 Dive that rather than spur flexibility, the FY 26 spending plan "removes vital national support for special education," because it takes away dedicated dollars for addressing educator shortages, providing training and assisting families.

The budget, "makes deep cuts that would negatively impact infants, toddlers, children and youth with disabilities and the professionals who support them," CEC said.

During a May 6 forum held by Democratic senators in Washington, D.C., several members and witnesses spoke about their concerns on restructuring IDEA grant programs.

"I just hope that IDEA doesn't become this political football that gives the Trump administration an excuse to further cut a program that's already underfunded," said Sen. Chris Van Hollen, D-Md., who has sponsored a bill that calls for increasing IDEA funding by 40% of the average per pupil expenditure, or to $69.6 billion by fiscal year 2035.

Kristen Scott, a high school paraprofessional who has worked for Elk River School District 728 in Minnesota for 20 years, worries about what federal spending cuts would mean for her school and says special education programs need more money, not less.

She's not only concerned about cuts to annual appropriations but is also worried about potential reductions to Medicaid benefits. Schools that provide health services for students who qualify for IDEA services can be reimbursed for those costs under the program. Scott's job includes helping students with disabilities with their medical equipment, and with feeding and using the bathroom.

If Medicaid or IDEA funding is reduced or cut, schools will still be legally bound to provide services required by a student's individualized education program, but that means budgets for other educational programs will be squeezed, said Scott, who is also a member of AFSCME Council 65, a labor organization.

"That's just going to put us even further on our back foot and make it harder to provide the services that we need and to keep kids healthy and happy and safe," Scott said.

Trump administration withholds over $6 billion for after-school, summer programs and more – *July 1, 2025*
Written by; Collin Binkley, Bianca Vazquez Toness, Sharon Lurye and Annie Ma and Distributed Online by IASA through Eye on Education Email Listserv at; https://apnews.com/article/trump-education-summer-school-english-language-grants-fac670e8f60fab397fbd68dfed866ea1

WASHINGTON (AP) — Day camp providers and schools are warning that a Trump administration funding freeze could wreck summer for low-income American families and wipe out some after-school programming next year.

The administration is withholding more than $6 billion in federal grants for after-school and summer programs, English language instruction, adult literacy and more as part of a review to ensure grants align with President Donald Trump's priorities.

The move leaves states and schools in limbo as they budget for programs this summer and in the upcoming school year, introducing new uncertainty about when — or if — they will receive the money. It also sets the stage for a clash with Democrats, who say the administration is flouting the law by holding back money Congress appropriated.

Without the money, schools say they won't be able to provide free or affordable after-school care for low-income kids while their parents work, and they may not be able to hire staff to teach children who are learning English. Even classes or camps underway this summer could be in jeopardy.

For instance, the Boys and Girls Clubs of America depend on some of the withheld money to run camps and other summer programming for low-income students. If funding isn't restored soon, the programming may end mid-season, said Boys and Girls Club President Jim Clark.

After-school programming in the fall could also take a hit. "If these funds are blocked, the fallout will be swift and devastating," Clark said. As many as 926 Boys and Girls Clubs could close, affecting more than 220,000 kids, the group said.

Programs that rely on the money were expecting it to be distributed July 1, but an Education Department notice issued Monday announced the money would not be released while the programs are under review. The department did not provide a timeline and warned that "decisions have not yet been made" on grants for the upcoming school year.

"The Department remains committed to ensuring taxpayer resources are spent in accordance with the President's priorities and the Department's statutory responsibilities," Education Department officials wrote in the notice, which was obtained by The Associated Press.

The department referred questions to the Office of Management and Budget, which did not respond to a request for comment.

After-school child care at risk
In Gadsden City Schools in Alabama, officials say they'll have no choice but to shutter their after-school program serving more than 1,200 low-income students if federal funds aren't released. There's no other way to make up for the frozen federal money, said Janie Browning, who directs the program.

Families who rely on after-school programs would lose an important source of child care that keeps children safe and engaged while their parents work. The roughly 75 employees of the district's after-school programs may lose their jobs.

"Those hours between after school and 6 o'clock really are the hours in the day when students are at the most risk for things that may not produce great outcomes," Browning said. "It would be devastating if we lost the lifeline of afterschool for our students and our families."

Jodi Grant, executive director of the Afterschool Alliance, said withholding the money could cause lasting damage to the economy.

Some advocates fear the grants are being targeted for elimination, which could force schools to cut programs and teachers. Trump's 2026 budget proposal called for Congress to zero out all of the programs under review, signaling the administration sees them as unnecessary.

Sen. Patty Murray, D-Wash., pressed the administration to spend the money as Congress intended.

"Every day that this funding is held up is a day that school districts are forced to worry about whether they'll have to cut back on afterschool programs or lay off teachers instead of worrying about how to make sure our kids can succeed," Murray said in a statement.

What the money funds
The six grant programs under review include one known as 21st Century Community Learning Centers. It's the primary federal funding source for after-school and summer learning programs and supports more than 10,000 local programs

nationwide, according to the Afterschool Alliance. Every state runs its own competition to distribute the grants, which totaled $1.3 billion this fiscal year.

Also under review are $2 billion in grants for teachers' professional development and efforts to reduce class size; $1 billion for academic enrichment grants, often used for science and math education and accelerated learning; $890 million for students who are learning English; $376 million to educate the children of migrant workers; and $715 million to teach adults how to read.

These programs account for over 20% of the federal money the District of Columbia receives for K-12 education, according to an analysis by the Learning Policy Institute, a think tank. California alone has over $800,000 in limbo, while Texas has over $660,000.

"Trump is illegally impounding billions of dollars appropriated by Congress to serve students this fiscal year," said Tony Thurmond, California's state superintendent, in a statement. "The Administration is punishing children when states refuse to cater to Trump's political ideology.

The loss of funds could "put several more school districts in extreme financial distress," said Chris Reykdal, superintendent of public instruction in Washington state. Districts have already adopted budgets, planned programming and hired staff, assuming they'd receive the money, Reykdal said.

If the funding freeze remains, children learning English and their parents would be especially affected. Some districts use the money to pay for summer programming designed for English learners, family engagement specialists who can communicate with parents and professional development training for staff. Rural districts would be hit the hardest.

"They're trying to send a message," said Amaya Garcia, who oversees education research at New America, a left-leaning think tank. "They don't believe that taxpayer funding should be used for these children."

Umatilla School District in rural eastern Oregon — with a sizable population of migrant families and students learning English — relies heavily on federal funding for its after-school and summer school programs. Superintendent Heidi Sipe says she is meeting with state officials soon to find out if the district will have to plan an early end to summer school, an option 20% of students are using. Come this fall, if federal money stays frozen, she'll have to lay off staff and eliminate after-school programs attended by around half the district's students.

"It's an essential service in our community because we don't have any licensed child care centers for school-age children," she said.

Sipe said it's particularly frustrating to deal with these funds being put into limbo because the school district was in the middle of a five-year grant period.

"It feels preventable," she said, "and it feels as though we could have done a better job planning for America's children."

Illinois schools chief denounces Trump administration decision to withhold federal education funds *– July 2, 2025*
By Samantha Smylie for ChalkBeat Chicago and Distributed Online by IASA through Eye on Education Email Listserv at: https://www.chalkbeat.org/chicago/2025/07/02/illinois-superintendent-tony-sanders-responds-to-trump-withholding-education-funds/

Illinois schools chief Tony Sanders called the Trump administration's decision to withhold almost $7 billion in federal education funds "deeply disruptive" for the state's 1.9 million public school students.

The U.S. Department of Education notified states on Monday about the hold on funds, Sanders, the state superintendent of education, said in a weekly message Tuesday. According to news reports, most of the funding was to support English learners and children of migrant workers, while a smaller part was supposed to go to afterschool programs, teacher training, and enrichment programs.

The funds were approved by Congress earlier this year and were expected to go out by July 1. However, the Trump administration claimed that the money was being used to “subsidize a radical leftwing agenda” and ordered a halt, pending a review.

Sanders said the administration’s move “forces local districts to deal with unnecessary uncertainty and places an undue burden on teachers, administrators, and families alike at the exact moment when they should be focused on preparing for the next school year.”

The Illinois State Board of Education hasn’t said how much federal funding it was expecting to receive on July 1. The board expected to receive a total of over $1.8 billion in federal funding for the year, mostly through Title I, a grant program meant to support schools with a large percentage of students from low-income families.

Afterschool advocates have also voiced concerns about the withholding of federal funds for afterschool and summer programs. Susan Stanton, executive director of the ACT Now Coalition, said in a statement on Tuesday that the decision was a “profound and direct attack on children.”

“It is a cold, calculated move to rip away the vital network of high-quality services from diverse communities,” Stanton said. “We can’t hold hostage the safety and future of our children in the name of partisan politics.”

School districts around the state already have to deal with tighter budgets for the coming school year since federal COVID relief dollars have expired. The state’s overall education budget increased slightly, with $307 million going to the state board’s evidence-based funding formula to support K-12 schools. However, school advocates have been asking for the state to put in $550 million to help schools reach “adequate funding” sooner.

Without more state funding, and with federal funding at risk, school districts will have to adjust to a new fiscal reality. Chicago Public Schools recently reported having a $734 million budget deficit. The district has so far decided to lay off about 161 employees, including many crossing guards, and will not fill over 200 vacant positions. More cuts could be in store.

A district spokesperson said CPS does not yet know the impact of the federal funds being withheld. For the last school year, CPS was expecting to receive at least $90 million in the federal funding streams that the state said are currently on hold, according to CPS’s website.

8 major tax changes in the One Big Beautiful Bill Act *– July 7, 2025*
Written by; Andrew Seifert and presented online by WIPFLI at; https://www.wipfli.com/insights/articles/8-major-tax-changes-in-the-one-big-beautiful-bill-act

On July 4, President Trump signed the One Big Beautiful Bill Act (OBBB) into law after it narrowly passed the House of Representatives and Senate on party-line votes. The OBBB implements the Trump administration’s tax and spending goals, including sweeping changes to tax and energy policy and major cuts across certain government assistance programs.

The OBBB will no doubt have wide-ranging implications for your organization. Here’s a closer look at what’s in the law from a tax perspective, along with ideas for how you can take advantage of opportunities and safeguard against potential risks.

1. Restored: Accelerated depreciation and 100% expensing rules

The OBBB permanently reinstates 100% expensing (using bonus depreciation) to fully deduct the cost of qualified property acquired beginning January 20, 2025. Additionally, the OBBB expands the scope of "qualified assets" to cover manufacturing buildings beginning January 20, 2025.

Planning considerations:
Property owners should strategically plan the timing of capital expenditures. Prioritize investments that qualify for larger or faster deductions and maximize tax savings through immediate or front-loaded deductions.

2. Ending: Wind and solar tax credits
Time is now running out for the Clean Electricity Production Credit (Section 45Y) and the Clean Electricity Investment Credit (Section 48E). This is a major change that will affect construction companies, real estate firms, property owners, designers and energy-focused businesses.

1. Wind and solar projects that began or will begin construction by July 4, 2026, do not face a placed in-service deadline for ITC or PTC eligibility.

2. Wind and solar projects that begin construction after July 4, 2026, must be placed into service before December 31, 2027, to be eligible for Section 48E ITCs or Section 45Y PTCs, the technology neutral ITC and PTC.

3. With the introduction of an anti-abuse rule, lessor-owned solar water heating and wind property that would qualify for the section 25D residential credit if owned by a lessee no longer qualifies for the technology neutral ITC or PTC. This applies to taxable years beginning after July 4, 2025.

4. Accelerated depreciation for wind or solar energy property is terminated for property where construction begins after December 31, 2024.

Planning considerations:
Prepare to substantially speed up any planned investments in clean energy tax credits. New wind and solar projects must begin construction by July 4, 2026, to claim existing wind or solar tax credits before they end.

However, from a tax perspective, the "beginning of construction" isn't as simple as just putting a shovel in the ground. Talk to your tax advisor to assess what you need to do to qualify.

Moving forward, your business will also need to consider whether certain renewable energy projects still make financial sense and look for alternative funding or state-level incentives.

3. Ending: Certain green energy residential, commercial and vehicle tax credits
The OBBB accelerates the expiration of multiple clean energy tax credits from their original 2032 end date to much earlier dates in 2025 or 2026.

Affected clean energy credits that property owners, construction firms and designers should be aware of include:

- Energy-Efficient Home Improvement Credit (Section 25C): Terminates for property placed in service after December 31, 2025.
- Residential Clean Energy Credit (Section 25D): Terminates for expenditures made after December 31, 2025.
- Used Clean Vehicle Credit (Section 25E): Terminates for property acquired after September 30, 2025.
- Alternative Fuel Vehicle Refueling Property Credit (Section 30C): Terminates for property placed in service after June 30, 2026.
- New Clean Vehicle Credit (Section 30D): Terminates for property acquired after September 30, 2025.
- Energy Efficient Home Credit (Section 45L): Terminates for homes acquired after June 30, 2026.
- Commercial Clean Vehicle Credit (Section 45W): Terminates for property placed in service after September 30, 2025.

- Energy Efficient Commercial Buildings Deduction (Section 179D): Terminates for property beginning construction after June 30, 2026.

Planning considerations:
You may need to accelerate any projects or investments that rely on any of these tax credits for financial feasibility. Your tax advisor can help you understand the full implications and make sure you qualify when possible.

Want to learn more? Sign up to attend our free July 11 webinar, “The future of energy tax credits: How the One Big Beautiful Bill impacts incentives.” Register here to reserve your spot.

4. Added: New fossil fuel incentives
The new law will grant the oil, gas, geothermal and coal industries expanded access to federal lands and resources. The text includes sections that will streamline leasing processes, lower regulatory barriers and offer additional financial incentives.

Planning considerations:
The fossil fuel incentives offer opportunities for traditional energy sectors while posing risks for organizations with strong ESG commitments. Affected businesses should work to understand the new regulatory environment along with related reputational risks; other sectors should prepare for potential shifts in energy costs.

5. Affected: International tax provisions (GILTI and FDII adjustments)
Under 2017’s Tax Cuts and Jobs Act (TCJA), the effective rate on GILTI was set to rise from 10.5% to 13.125% in 2026 and on FDII from 13.125% to 16.406%, also in 2026. Under the OBBB, taxpayers subject to GILTI (now referred to as “Net CFC Tested Income”) and FDII (now referred to as “Foreign Derived Deduction Eligible Income”) will see their Section 250 deduction reduced, thereby raising their respective effective U.S. tax rates to approximately 14%.

Planning considerations:
Multinational firms should review international structures, transfer pricing formulas and implement repatriation strategies to maximize benefits.

6. Increased: Estate and gift tax exemption
Beginning in 2026, the OBBB will permanently raise the federal estate, gift and GST exemptions to $15 million per individual and $30 million for married couples. The new law also makes annual adjustments for inflation that start in 2027.

Planning considerations:
Business owners should be aware that this expanded exemption window could be closed or reversed by future legislation. If you are affected, you may want to expedite wealth transfer strategies to act while it is available.

7. Revised: Research and development (R&D) tax credit regulations
Under the TCJA, businesses were required to capitalize and amortize R&D expenditures over five years, starting in 2022. The OBBB allows for a permanent reinstatement of immediate expensing for domestic R&D expenditures, which reverses the TCJA’s five-year amortization requirement. It also provides for retroactive relief (2022-2024) for businesses with average annual gross receipts under $31 million.

Planning considerations:
Firms — especially those in the technology, software and manufacturing sectors — should reevaluate qualifying activities and expenditures to maximize benefits under the potential broader eligibility rules.

8. Also changed: Significant provisions in the OBBB affecting individuals
The OBBB makes additional changes to tax law that may affect you as an individual. Key changes include:

- The TCJA's individual income tax rates are now permanently extended.
- The 20% qualified business income deduction for pass-through income is now permanent.
- The standard deduction will increase for all taxpayers.
- There is now an additional standard deduction (through 2028) of $6,000 for taxpayers over 65. This deduction phases out for taxpayers with modified adjusted gross income over $75,000 for single filers or $150,000 for joint filers.
- Auto loan interest is deductible (without having to itemize) up to $10,000 on new "U.S assembled passenger vehicles" subject to an income phaseout of $100,000 for single filers or $200,000 for joint filers.
- The maximum (increased) child tax credit at $2,200 per qualifying child has been permanently extended with expanded phaseout ranges.
- The cap on the state and local tax (SALT) deduction is raised from $10,000 to $40,000 for taxpayers earning $500,000 or less.
- Overtime or tips will no longer be taxed, although this is subject to an income limitation.
- The "qualified small business stock provision" of Section 1202 is amended to expand the benefit of owning Section 1202 stock.
- Starting in 2026, non-itemizers will be able to deduct charitable contributions of up to $1,000 (single filers) or $2,000 (married filing jointly). Itemizers can only deduct itemized deductions that exceed 0.5% of their adjusted gross income.
- Health Saving Account (HSA) contribution limits are now increased. However, this is also subject to an income limitation.

Planning considerations:
Work with your tax advisor to assess how you may be affected by the individual tax provisions of the OBBB and create a plan to move forward.

School districts grapple with 'budgetary chaos' in wake of federal funding freeze *– July 11, 2025*
Written by: Kara Arundel for K12-DIVE and Distributed by IASA Online through the Eye on Education Email Listserv at;
https://www.k12dive.com/news/school-districts-federal-funding-freeze-afterschool-English-learners/752848/

Programs at risk due to the funding hold include English learner services, academic supports, after-school programming and professional development.

The U.S. Department of Education's withholding of $6.2 billion in federal K-12 grants has local and state school systems scrambling to figure out how to make up for the budget shortages. It has also caused a swell of advocacy from families, lawmakers, educators and others across the nation.

The withheld funds for fiscal year 2025 were expected to be released by the Education Department July 1. Programs at risk due to the funding hold include English learner services, academic supports, after-school programming and professional development.

The frozen funds represent at least 10% or more of states' overall K-12 federal revenues if the money is not distributed, according to the nonpartisan Learning Policy Institute.

At the local level, superintendents and principals are voicing concern about how the funding freeze will impact their school services, particularly those that serve English learners, homeless students and students from low-income families.

Chase Christensen, principal and superintendent of the 80-student Sheridan County School District #3 in rural Clearmont, Wyoming, said his district was expecting $30,000 in Title II and IV funding that is being withheld.

The district had nearly finalized its roughly $4 million budget for the upcoming school year when it learned of the federal funding freeze. It then adjusted the budget to remove those federal funds and is making up the difference by leaving a staffing position vacant.

Although the budget adjustment means student services under those title programs can continue, Christensen said “every dollar of federal funding for education is impactful” at the individual student level.

“When these funds are pulled, especially this late in the game for budget planning and everything else, students are going to be the ones that lose out,” Christensen said.

Nationally, bigger districts have the largest funding gaps, according to a New America analysis of data from 46 states that had available funding figures. Those districts include Los Angeles Unified School District ($82 million), Florida’s Dade County School District ($38 million), and Nevada’s Clark County School District ($22 million).

Advocacy groups and policymakers are calling on the Trump administration to restore the funds. The Boys and Girls Clubs of America, a nonprofit that supports afterschool programs, said the impact of the blocked funds will be “swift and devastating,” in a statement from President and CEO Jim Clark.

Clark said 926 Boys and Girls Clubs across the country could close, and 5,900 jobs would be lost if the funding is not released. “Afterschool and summer learning programs are cornerstones of academic success, public safety, and family stability for millions of young people — but right now, we stand at a dangerous tipping point,” Clark said.

The National English Learner Roundtable, a coalition of more than a dozen national and state-based organizations supportive of English learner services, said in a Thursday statement, “This unprecedented move by the Department has blindsided schools that have always been able to rely on these funds to support the start of the school year, and has created budgetary chaos for nearly every K-12 school district.”

On Thursday, 150 Democratic House lawmakers sent a letter to U.S. Education Secretary Linda McMahon and White House Office of Management and Budget Director Russell Vought demanding the title funds be released.

”This late-breaking decision, which provided no timeline for which states can expect a final decision, is leaving states financially vulnerable and forcing many to make last minute decisions about how to proceed with K12 education in this upcoming school year,” the letter said.

The funding hold has already led to staff layoffs, program delays and cancellations of services, the House members said.

Spending under review

The withheld funds were appropriated by Congress and approved by President Donald Trump earlier this year. States expected to gain access to the monies starting July 1, as routine. But the day before, on June 30, the Education Department told grantees not to expect the funds while it conducts a review and referred questions to OMB.

The specific grant funding being withheld includes:

- Title II-A for professional development: $2.2 billion.
- Title IV-A for student support and academic enrichment: $1.4 billion.
- Title IV-B for 21st Century Community Learning Centers: $1.3 billion.
- Title III-A for English-learner services: $890 million.
- Title I-C for migrant education: $375 million.

On Thursday, in a statement to K-12 Dive, OMB said no funding decisions have been made and that it is conducting a “programmatic review of education funding.”

The office also said, ”initial findings show that many of these grant programs have been grossly misused to subsidize a radical leftwing agenda.”

OMB and the Education Department have not indicated a timeframe for the review of the frozen federal funds.

The Trump administration has said it is scrutinizing spending across all federal agencies to ensure there is no waste, fraud or abuse of taxpayer dollars. Republican leaders have said they want to reduce the scope of the federal government to give states and districts more financial decision-making.

Additionally, since Trump’s inauguration in January, the Education Department has sought to lay off about half its staff, temporarily withheld federal COVID-19 emergency funding, scaled back education research, and promised to shut down the agency.

Supplement, not supplant concerns
All the turmoil is taking a toll on school and district education leaders, said the Center on Reinventing Public Education in a recent post. To support districts, CRPE recommends that state education agencies provide clarity about funding rules and help districts craft innovative solutions for budget shortages.

Finding funding efficiencies such as potential district consolidations may also need to be considered, CRPE said.

Christensen, the Wyoming principal and superintendent, said clarification and guidance from his superintendent networks and the National Association of Secondary School Principals has been helpful to him during this moment of funding uncertainty. Christensen was named Wyoming’s 2025 Secondary Principal of the Year by the Wyoming Association of Secondary School Principals earlier this year.

AASA, The School Superintendents Association, meanwhile, is telling its members that the ”supplement, not supplant” rule for federal funding — the practice of using federal funds to replace state or local funds — should not be a concern at this time.

AASA points to a 2013 Education Department letter that said if a district needs to to use local dollars to make up for a funding shortfall in federal money, but then later receives the federal funding, this scenario would not trigger a “supplement, not supplant” concern because the local dollars were being loaned or fronted to fill that federal funding gap.

The 2013 letter also recommends districts document if they use local funds to fill in federal funding shortages.

Unfrozen: White House releases remaining $5B for K-12 programs - *July 25, 2025*
Witten by; Kara Arundel for K-12 DIVE and Distributed by IASA Online through Eye on Education Email Listserv at; https://www.k12dive.com/news/trump-administration-release-5-billion-for-k-12-English-learners-academic-supports/754130/

The hold on the funds had drawn widespread rebukes from educators, lawmakers, parents and organizations — along with two lawsuits.

The Trump administration will release the remaining fiscal year 2025 K-12 grant funds that it had frozen — nearly $5 billion — to states and districts, the Office of Management and Budget confirmed Friday.

The funding for student academic supports, English learners, immigrant students and teacher training was supposed to be available July 1, but was not released pending a “programmatic review” by OMB, the White House’s budget arm.

That review was to ensure the grants align with Trump administration policies and priorities, OMB told K-12 Dive earlier this month. The office had said initial findings showed “many of these grant programs have been grossly misused to subsidize a radical leftwing agenda.”

On Friday, a senior administration official told K-12 Dive in an email, “Guardrails are in place to ensure these funds will not be used in violation of Executive Orders or administration policy.”

Earlier this week, OMB began releasing $1.3 billion it had withheld for after-school and summer programming under the 21st Century Community Learning Centers grant, according to the Afterschool Alliance.

The remaining funds to be released are:

- $2.2 billion for Title II-A for professional development.
- $1.4 billion for Title IV-A for student support and academic enrichment.
- $890 million for Title III-A for English-learner services.
- $375 million for Title I-C for migrant education.

Education officials, Republican and Democratic lawmakers, education organizations, parents and nonprofits had all urged OMB to release the funds that were approved by Congress in an appropriations bill that President Donald Trump signed in March. They said the weekslong delay in accessing the money was already causing “budgetary chaos” for schools, which began cancelling contracts, laying off staff and eliminating programs when the funds didn’t arrive as scheduled.

The disruption also spurred two lawsuits.

A survey by AASA, the School Superintendents Association, found that nearly 30% of districts said they needed access to the withheld funds by Aug. 1 to avoid cutting programs and services for students. By Aug. 15, survey respondents said they would have to notify parents and educators about the loss of programs and services. The survey was conducted earlier this month and drew responses from 628 superintendents in 43 states.

On Friday, David Schuler, AASA’s executive director, said in a statement that he was pleased the “critical” funds would now be available to schools.

Sen Patty Murray, D-Wash., vice chair of the Senate Appropriations Committee, said in a statement Friday, “There is no good reason for the chaos and stress this president has inflicted on students, teachers, and parents across America for the last month, and it shouldn’t take widespread blowback for this administration to do its job and simply get the funding out the door that Congress has delivered to help students.”

Randi Weingarten, president of the American Federation of Teachers, addressed the news during a keynote speech Friday at the Together Educating America’s Children conference in Washington, D.C., according to a press release.

”Today, they backed down: our lobbying, our lawsuits, and our advocacy for why these funds matter to kids, it worked.” Weingarten said.

Becky Pringle, president of the National Education Association, said in a Friday statement, “These reckless funding delays have undermined planning, staffing, and support services at a time when schools should be focused on preparing students for success.”

Communicate budget uncertainty early and often, district leaders advise *- August 12, 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/k-12-budgets-communication-federal-funding/757362/

Two school district leaders shared how they're navigating a fast-changing federal policy landscape in a recent TNTP webinar.

Family engagement and early public communication about school budgets are becoming especially crucial as schools navigate a fast-evolving federal funding policy landscape.

For instance, school districts nationwide recently had to reckon with a sudden, disruptive pause of more than $6 billion in federal grants that was lifted in late July.

The U.S. Department of Education has also pushed for new priorities with federal discretionary grants, including more support for evidence-based literacy, school choice expansion, giving states more control over education dollars, and the advancement of artificial intelligence in schools. Meanwhile, the Trump administration is still working to shutter the Education Department.

Another potential federal change that districts should monitor is Congress' pending decision on its budget for fiscal year 2026, said Jim Larson, a partner at education nonprofit TNTP, during an Aug. 7 webinar about the changing K-12 federal funding landscape. Districts should also keep an eye on which states opt into the new federal private school choice tax credit program approved in the "One Big, Beautiful Bill," he said.

Federal cuts to SNAP and Medicaid enacted in that same legislation could also have implications for school-based health services and school meal programs for students, Larson said.

Other lingering budget questions for districts, he said, may include: How will the Education Department grant states flexibility from certain requirements in the Elementary and Secondary Education Act? And to what extent will ESEA waivers impact how states get K-12 federal funds?

While school leaders continue to pivot their budget plans amid this political uncertainty and brace for what awaits them in the coming months, it's important that districts remain committed to their students, staff and school communities, said Toni Williams, vice president of finance at TNTP during the Thursday webinar.

But what does that look like in action? Two district leaders shared with attendees how they're prioritizing their students, staff and broader community as they keep a close eye on potential federal funding changes.

Communicating early, often

Detroit Public Schools Community District is already rolling out its budget development planning and forecasting for next school year, said Jeremy Vidito, the district's chief financial officer. Normally that process would start in November or December, he said.

By informing the community about the district's budget expectations earlier, Vidito said, it should hopefully give the public more time to weigh in and provide feedback.

Because of the complicated pending changes with federal funding this year, it's even more important that districts engage with their communities — especially when it's likely the district will have to make budget cuts as a result, Vidito said.

Districts should also regularly inform their staff about upcoming budget expectations and should not assume that staff understand every detail of the budgeting process, said Kyle Dare, superintendent of Rolla Public Schools in Missouri.

"Educate your people, but don't sensationalize. Don't make threats," Dare said. "Just be honest and direct, and it's OK if you don't know [the] answers. I think our public needs to know this is the information we have."

Community buy-in is key

Public education has faced “attacks” lately in many different ways, Dare said, but what gives him hope is that there are organizations, community members and local officials that want to help.

School leaders should lean on those communities and partners that want to help advocate for the district, he added.

Rolla Public Schools recently launched a Citizens Academy to engage and educate local business leaders, with the ultimate goal being to spread the district’s messaging and curb any potential misinformation in the community. Regarding the budget, the district hopes to educate the public more about the decisions they’re making, why they’re “being pushed into those decisions” and the long-term ramifications, Dare said.

Most of all, the budget process this year will require “bringing everybody to the table,” Dare said, adding that community buy-in is key.

The uncertainty with federal dollars is a reminder that remaining flexible and not overreacting to changes is crucial for districts, Dare said. “We’re going to have to pivot,” he said, “but we can do it.”

At minimum, Vidito said he expects the federal government to cut Title III funds, which benefit English language learners. He also foresees funding cuts to Title II for resources supporting teachers and school leaders, and potentially parts of Title I.

“So I’m going to build a plan for a conservative budget so we can make sure that we are investing in those core areas,” said Vidito, adding that doing so would help avoid getting into a “last-minute” situation where the district needs the money but doesn’t have it. “If I’m wrong and we get the extra money, great. We add the services back.”

Additionally, Vidito said, districts need to communicate how any federal cuts to public education will impact students and could translate to larger class sizes, salary stagnation for teachers, school building closures or delays for facility maintenance projects.

“I think we do a disservice if we just say, ‘Oh, we’re going to lose $20 million. Everything will be OK,’” Vidito said. “We can’t do that.”

Economic News Briefs…

- ***Market and Economic Highlights: July 2025***
  - The S&P 500 and NASDAQ both hit new highs in June
  - Treasury prices rose as 2-year and 10-year yields declined
  - The Fed’s June meeting showed a growing split on whether to cut rates
  - Markets are now pricing in more than 50 basis points of Fed rate cuts in 2025
  - Tariffs, trade, the reconciliation bill and geopolitics all made big headlines

    Source: Bloomberg, FactSet
- ***Drivers of Bond Yields:*** Term premium is the additional compensation investors require to hold longer-dated bonds and it is a primary driver of the upward-sloping yield curve. Treasury rates, considered the risk-free benchmark for each maturity, typically reflect the average expected federal funds rate over that period plus the term premium for bearing duration risk. In the years following the Great Financial Crisis, term premiums were persistently negative, as investors saw limited risk for higher short-term rates or inflation. However, term premiums have turned mostly positive in recent years. This shift is indicative of renewed investor focus on risks including inflation, government debt levels and dollar strength. *Sources: Bloomberg, FactSet*

  Taken from the ISDLAF+ Market Update July 2025 prepared by PMA Asset Management, LLC

- ***Market and Economic Highlights: August 2025***
  - The S&P 500 and NASDAQ both hit new highs on easing trade tensions
  - Markets interpreted the Fed as hawkish in the July meeting due to inflation uncertainty
  - However, two Fed members dissented from the decision to not cut rates, preferring a rate cut as political pressure remained high

- Strong start to the 2nd quarter earnings season
- Despite trade deals, the effective tariff rate is about 7 times the level at the start of the year

  Source: Bloomberg, FactSet

- ***Rates Fluctuate on Divergent Data:*** The 2-year U.S. Treasury yield, a commonly used indicator of market expectations of the fed funds rate, moved higher in July. This occurred as markets pushed back expectations for Fed rate cuts. Contributors to higher yields included somewhat lower than expected Core CPI, stronger labor market data and larger growth in retail sales. This climb largely reversed on August 1st as the July employment report displayed a much weaker job picture. The U.S. economy added a smaller than expected 73,000 jobs in July. Moreover, revisions to prior reports revealed only 33,000 combined jobs added in May and June. As of August 1st, markets are almost fully pricing in a September rate cut and two total cuts in 2025. *Sources: Bloomberg, FactSet*

  Taken from the ISDLAF+ Market Update August 2025 prepared by PMA Asset Management, LLC

DPS Business Department Briefs…

- ***ComEd Grant/Rebate:*** On the Madison wing above the Tech area, a HVAC air conditioning rooftop unit went bad. This unit was over 20 years old. Working with the electrical contractor we were able to access a savings through a ComEd Rebate program. The total cost of the project was $26,950. The grant we received equates to $10,500 saving from the Com Ed rebate program for installation of newer higher efficiency HVAC equipment.
- ***Supreme Court Ruling Upholds Universal Service Fund – June 2025. E-RATE Online Email*** *On Friday, the U.S. Supreme Court ruled to uphold the constitutionality of the Universal Service Fund (USF), ensuring the future of broadband access for millions of students, library patrons, and community members around the country in both rural and urban areas. "Today's Supreme Court ruling marks a significant victory in our efforts to close the digital divide," said Joseph Wender, Executive Director of SHLB (Schools, Health & Libraries Broadband Coalition). "This decision protects the broadband connections that students, veterans, job seekers, healthcare providers, and rural families rely on every day." Justice Kagan delivered the opinion of the Court: "For nearly three decades, the work of Congress and the Commission in establishing universal service programs has led to a more fully connected country. And it has done so while leaving fully intact the separation of powers integral to our Constitution."*
- ***Evidence-Based Funding (EBF):*** DPS will remain a Tier II EBF District. Tier I districts receive the greatest percentages of new funding. In FY 26, Chicago Public Schools moved from a Tier II to a Tier I school district. CPS received $40 million new dollars by moving tiers. DPS will receive an additional $178,888.39 moving our total allocation from $7,047,162.95 to $7,218,051.34. DPS adequacy funding level is 77% with the Tier I cutoff being 75%. This was an identified threat in June with the amended budget presentation and is now a weakness for FY 26.
- ***Driveway at TJD:*** The District is starting to work with GRP on the construction of a driveway at TJD. This is the last step in the overall construction and setup of TJD. The current drive is inadequate to get larger buses through and is in poor condition. GRP is a performance contractor which we have used in the past as part of the major renovation from 2018. Admin will present to the Board the findings and will continue working through the 10-year plans. This will be one of the recommendations as part of the 10-year plan but requires 6 to 8 months of planning.

Countywide Sales Tax

The District again continues to see strong CFST revenues. The table below represents strong receipts for both March and April 2025. The CFST receipts are three months in arrears, so the funds received in July and August represent the taxes paid by consumers in March and April. 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 since FY 22 with a comparison of FY 24 vs. FY 25.

Countywide Sales Tax Revenues					
					Difference
	FY 22	**FY 23**	**FY 24**	**FY 25**	**FY 24 v. 25**
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	$171,171.84	$3,169.94
December	$173,545.72	$167,486.45	$178,755.19	$201,004.74	$22,249.55
January	$120,886.90	$134,425.96	$141,195.76	$179,547.38	$38,351.62
February	$116,109.65	$123,815.53	$141,802.17	$164,559.27	$22,757.10
March	$148,860.94	$154,850.14	$165,591.32	$187,252.74	$21,661.42
April	$151,074.10	$159,801.14	$168,718.21	$198,100.75	$29,382.54
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	$1,789,688.73	$147,391.89

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

Corporate Personal Property Replacement Tax (CPPRT):

Taken from: https://tax.illinois.gov/localgovernments/personal-property-replacement-tax.html
Statutory Reference 30 ILCS 115/12

What are personal property replacement taxes?

- *Personal property replacement taxes (PPRT) are revenues collected by the state of Illinois and paid to local governments to replace money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away.*
- *These taxes resulted when the new Illinois Constitution directed the legislature to abolish business personal property taxes and replace the revenue lost by local government units and school districts. In 1979, a law was enacted to provide for statewide taxes to replace the monies lost to local governments.*

Who pays PPRT?

- *Corporations (Form IL-1120, Corporation Income and Replacement Tax Return, filers), partnerships (Form IL-1065, Partnership Replacement Tax Return, filers), trusts (Form IL-1041, Fiduciary Income and Replacement Tax Return, filers), S corporations (Form IL-1120-ST, Small Business Corporation Replacement Tax Return, filers), and public utilities pay these taxes*

This year's CPPRT estimate for DPS is shown below. The total estimated increase over FY 25 is 2%.

ESTIMATE FOR PERSONAL PROPERTY REPLACEMENT TAX FY2026

STATE FISCAL YEARS BEGIN JULY 1 AND END JUNE 30 OF EACH YEAR

DISTRICT NAME	DISTRICT NUMBER	2026 FISCAL YEAR ESTIMATE	2025 FISCAL YEAR PAYMENT TOTALS	VENDOR NUMBER
DIXON UNIT SCH 170	0527221700	2,939,369.00	2,880,025.78	005271700
Total		**2,024,506,464.00**	**1,983,633,651.60**	

https://tax.illinois.gov/localgovernments/replacementtaxestimate.html

Property Casualty & Workers Compensation Information:

DPS #170 has utilized the Workers Compensation Self-Insurance Trust (WCSIT) and the Illinois School District Agency (ISDA) for property/casualty coverage since at least 1988. Both programs were created by the Illinois Association of School Boards (IASB) and are sponsored by the Illinois Association of School Administrators (IASA).

The District is required to carry a variety of different types insurance coverages. These include workers' compensation, property/casualty coverage, additional umbrella coverage, student accident coverage, and School Board legal liability coverage.

Summary of Expenses:

5-Year Cost Summary for PC & WC Insurance						
	FY 26	**FY 25**	**FY 24**	**FY 23**	**FY 22**	**FY 21**
Workers Compensation	$ -	$ 107,777.00	$ 89,575.00	$ 77,431.00	$ 67,239.00	$ 62,635.00
Umbrella	$ 17,862.00	$ 10,151.00	$ 9,427.00	$ 8,365.00	$ 6,194.00	$ 6,408.00
School Board Legal Liability	$ 17,158.00	$ 16,676.00	$ 15,606.00	$ 13,005.00	$ 12,382.00	$ 11,525.00
Student Accident Coverage	$ 18,954.00	$ 19,024.00	$ 19,575.00	$ 20,342.00	$ 19,540.00	$ 20,645.00
Property Casualty Renewal	$ 652,479.00	$ 621,081.00	$ 553,973.00	$ 534,888.00	$ 330,458.00	$ 275,671.00
Total Insurance Cost	$ 706,453.00	$ 774,709.00	$ 688,156.00	$ 654,031.00	$ 435,813.00	$ 376,884.00

For FY 26 PC insurance increased by $31,000 (5.06%) and has increased approximately 2.5 times since FY 21. The significant increase took place from FY 22 to FY 23 as the result of a comprehensive property appraisal. This had not been completed for over a decade. The appraisal resulted in a significantly higher property valuation which resulted in increased coverage payments.

In accordance with Dixon Unit School District #170, Board of Education Policy 4:100, Insurance Management, the Board is required to maintain all insurance programs that provide the broadest and most complete coverage available at the most economical cost, consistent with sound insurance principle.

Should the District decide to pursue other vendors for insurance services a formal bid process would be required. The bidding process is governed by law Public Act 095-0990 - 105 ILCS 5/10-20.21 and has very specific steps including; public notification, ample time for bidders to prepare, a public opening of the bids, and public addendums for changes and questions from vendors. Additionally, insurance renewal is not subject to the bidding process. The District can continue to renew with our current provider. However, to change we are required to initiate a bidding process and while there is some discretion in the acceptance of the bid, opening the bidding process will require the awarding of a bid to a vendor, based on lowest cost and meeting the designated specifications. (We have not received the WC renewal. Our agent is working to lower the rates. This will be added once received.)

Insurance Information Summary – June 2025

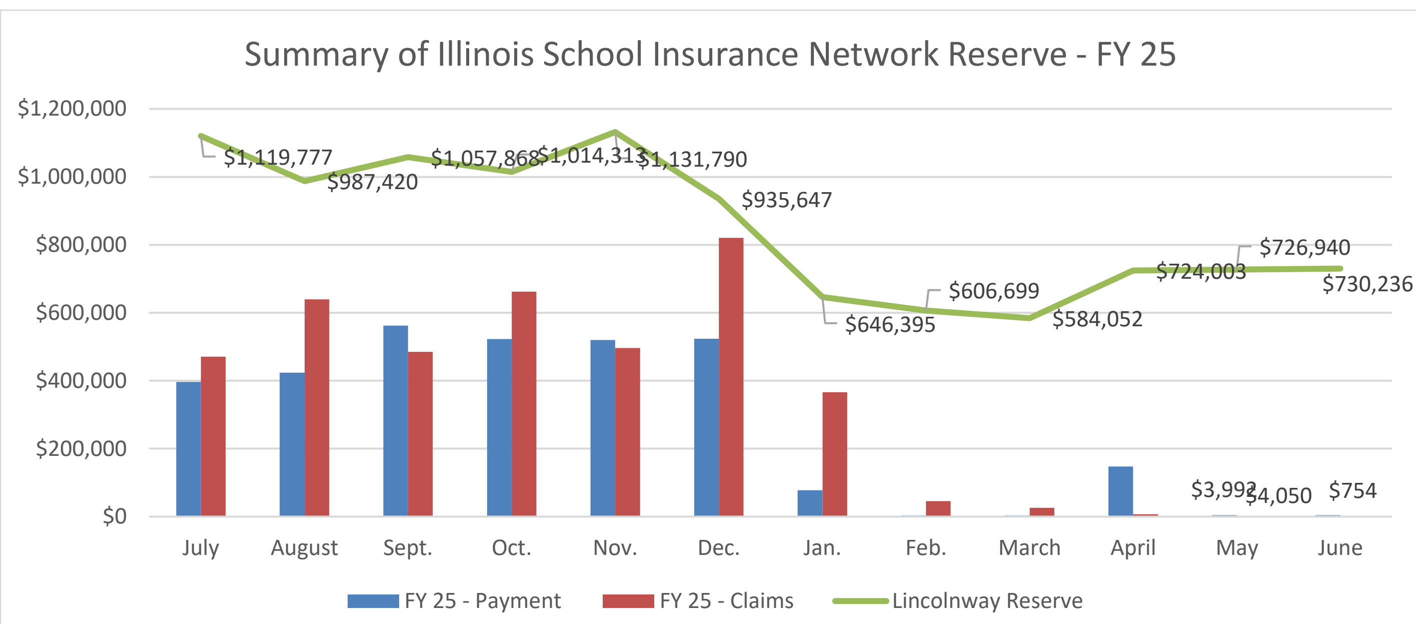
MMA our insurance agent has provided us with our renewal rate percentages. These are key points of information for the Board.

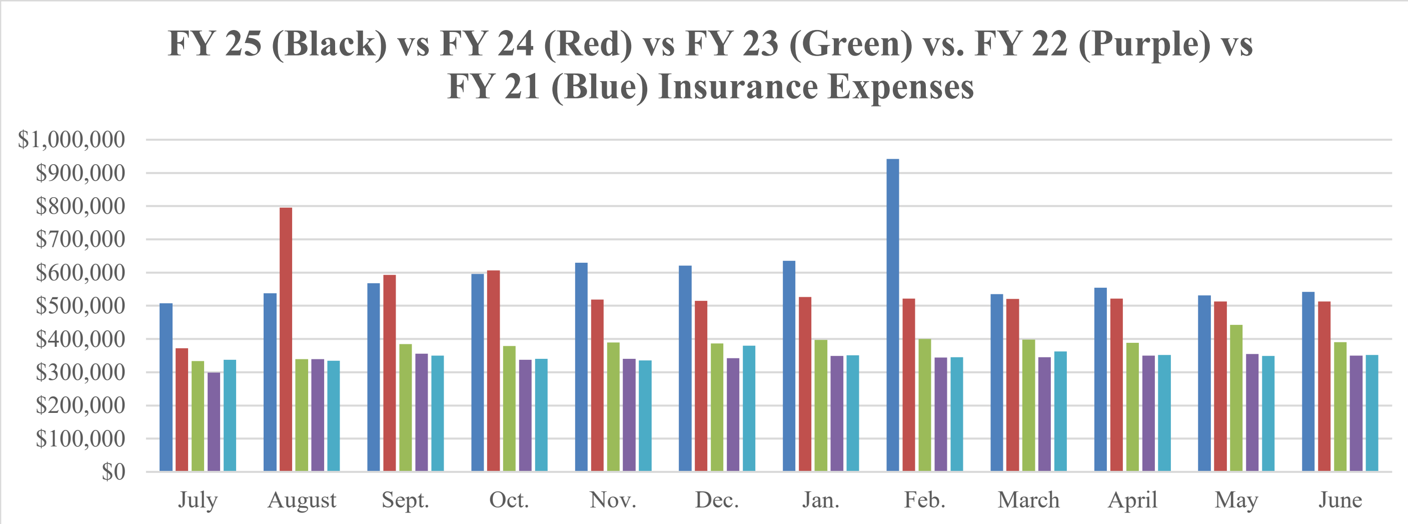
- Premium rate of increase for both Tier II & III PPOs = 8.5% (effective January 1, 2026)
- While not fully in place the HDHP increase = 7.75% (over previously stated premiums, effective January 1, 2026)
- In April 2025, the District had claims of $953,000 (approximately $500,000 over expected). This justifies the movement from self-insured to fully insured.
- The ISIN Cooperative member Districts have received increases ranging from 7.75% to 9.75%.
- This information will be presented to the Insurance Committee at the next meeting.

Effective Premium 1/1/26	***Single***	***Employee +1***	***Family***
Tier 2 – PPO	$1,215.00	$2,808.00	$3,182.00
Tier 3 – PPO	$1,171.00	$2,682.00	$3,067.00
HDHP	$854.00	$2,075.00	$2,432.00

The *Summary of Lincolnway Affiliation Insurance Reserve – FY 25* graph provides three key pieces of information.

- The Blue bar represents the amount paid to the affiliation. This amount is based on industry standards and premium rates based on the number of employees enrolled in the program.
- The Red bar represents actual Medical and Pharmaceutical Claims paid in the month, not necessarily occurring in the month. A medical claim can take three months to be processed.
- The Green line represents a reserve of funds paid by DPS over the amount of expenses. The reserve amount is on a spend down starting January 1, 2025. As of the end of June, the amount of expense claims hitting the reserve should be minimal. As a result, the reserve balance of $730,236 is an amount owed to Dixon. This payment would be made per the bylaws to Dixon in January 2026. **WIPFLI has advised on this process and plans to create a prepaid expense on the balance sheet to represent the amount owed. Note that this amount is expensed in the ledger and in the budget, but it represents an over expenditure amount.**





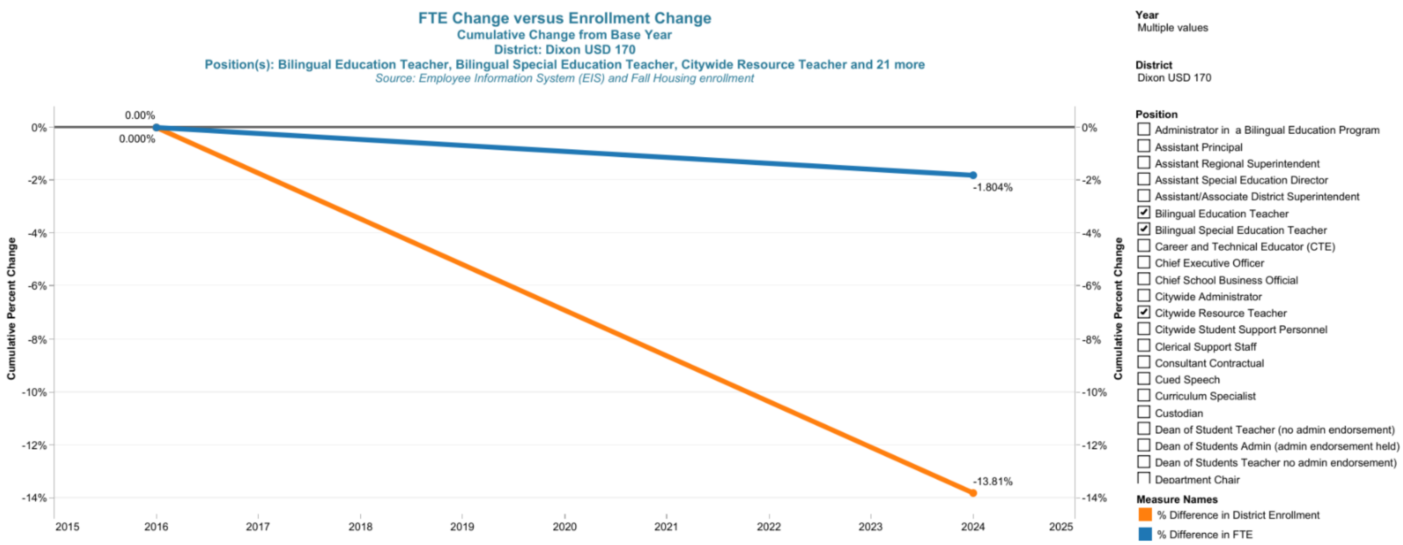
In looking at the graph above, the Blue bar represents insurance costs paid in each of the months vs. the previous four years. Month over month the claims for FY 25 have been higher than the previous years. It is challenging to dissect the years against each other as the number of claims paid, the number of individuals and families on the plan changes, the types of claims paid is entirely different, as well as a significant inflationary component in FY 25.

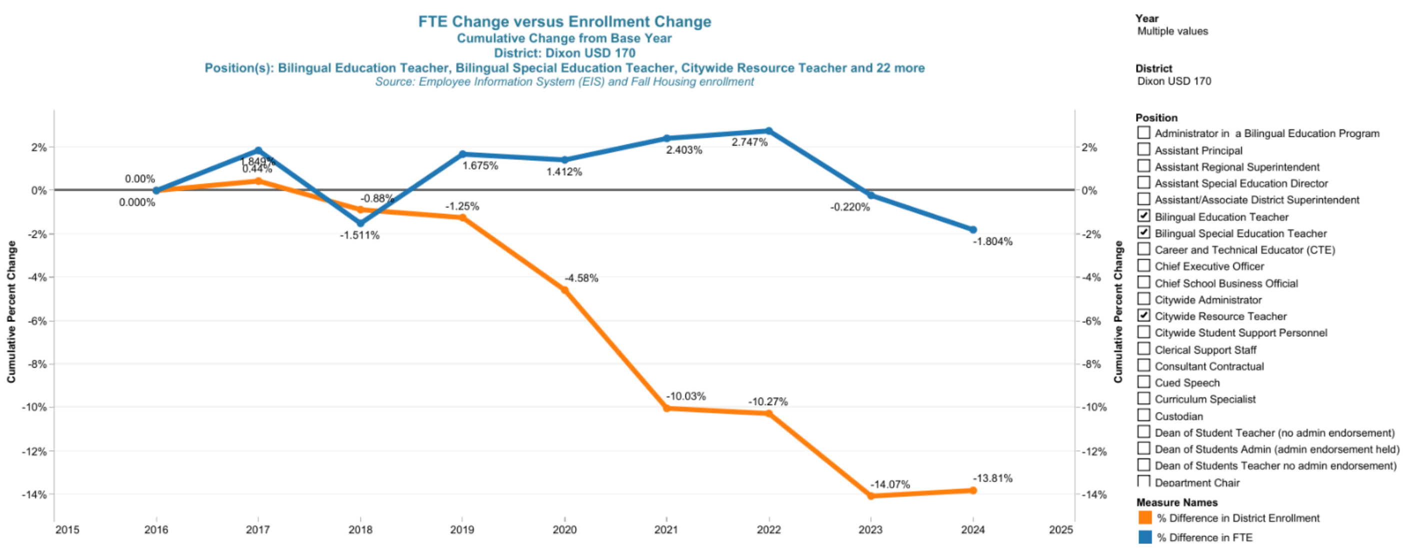
Considering the information, the following are key points of information and decisions to be made in the near future.

1. *Being Self-Insured is probably no longer the best interest of the District. By being a full participating member of the Lincolnway Affiliation, the District could insulate itself again large claim years and significant premium increases.* In April/May, the ISIN Board and the DPS Board approved full membership status for Dixon. **The implementation of fully-insured status began January 1, 2025.**
2. *Each year, the District renews insurance premiums around this time of the year. We have experienced significant increases in the premium amounts over the past couple of years. This is a yearly Board approval item.* In June 2024, the Board approved the recommendation of increasing the Health Insurance premium rate by 20%. **The ISIN Board and Marsh-McClennon have been working to finalize the premium change for FY 26. The ISIN Board of Trustees has approved increases between 7.75% and 9.5%. Dixon's increase for PPO will be 8.5% and 7.5% for the HDHP and will go into effect January 1, 2026. This will be finalized in the next couple of weeks and will be a Board approval item in September 2025, after review from the insurance committee.**
3. Increasing Health Insurance costs continue to be an issue for the District. The implementation of the Tier III plan was a strong start to the process. Negotiations need to continue regarding the final implementation of the Health Saving Account Plan (HSA).
4. **Note that dating back to October 2024, the District received a 5-year health insurance cost projection $9.1 million in 2029. That same projection table provided a 2025 cost of $6.0 million. Actual FY 25 costs are $6.45 million, not including June 2025. These increases over time are unfunded costs that are not offset by new or additional revenues. This information was shared at the insurance committee meeting.**
5. **Currently the estimated FY 26 Health Insurance cost is projected at $6.4 million, given same number of employees, same plan, no changes.**

Dixon USD #170 is and has been self-insured for over 30 years. The plan utilizes excess reimbursement coverage for claimants who exceed $350,000 per year for higher individual claim costs. Note that in September 2019 we transitioned to Lincolnway Co-op for claims processing and management. Their involvement has continued in FY 24. Please remember that the financial information disclosed on the Self-Insurance Reports represent financial information through February 2024 but due to the monthly receipt of information from Lincolnway Area Affiliation, the information provided in this summary is through January 2024. During the 23/24 SY Lincolnway Area Affiliation changed the name to Illinois School Insurance Network (ISIN).

The two graphs below are the same representation. The Blue line represents teachers including social workers, SLPs, guidance counselors. The orange line represents student enrollment. The data represents a comparison of the two data points from 2016 to 2024. The first graph represents the data as two points in time 2016 and 2024. The second graph provides the data points for each year in between.





Key points of note.

- Student enrollment has declined 13.8% from 2,351 to 2,728.
- Full Time Equivalent staff has declined 1.8% from 148 to 145.