

Report: Illinois schools won't be 'adequately funded' by 2027 – May 15, 2024

Written By: Samantha Smylie for Chalkbeat and Distributed by IASA Online through Eye on Education Email Listserv at:
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Illinois will not be able to adequately fund public schools by a 2027 state deadline, according to a new report.

Due to inflation and state lawmakers holding K-12 funding flat in 2020 during the height of the COVID pandemic, districts would not be adequately funded until 2034 if the state continues to only add \$350 million to the evidence-based funding formula, according to a report from the Center for Tax and Budget Accountability.

But lawmakers could adequately fund schools by 2030 if they provide an additional \$500 million a year, the report said.

However, state budget officials are predicting a decrease in revenue in the next year. Federal COVID-19 relief money, which boosted school budgets the past few years, is also set to run out.

"I think school districts will have to make some tough financial decisions in the next coming years," said Elaine Gaberik, one of the co-authors of the report. "This goes back to showing how important the state funding is going to be in these next couple years."

In February, Gov. J.B. Pritzker proposed adding an additional \$350 million for public schools and \$150 million for early childhood education to the state budget for the next fiscal year, which covers the 2024-25 school year.

Hundreds of Chicago Public Schools educators are going to Springfield on Wednesday to ask for more state funding. They maintain that the district is underfunded by \$1.1 billion. That is the amount Chicago would need to reach adequacy under the state formula. Mayor Brandon Johnson was also in the capitol last week to ask state lawmakers to give more money to Chicago schools.

Elizabeth Todd-Breland, vice president of the Chicago Board of Education, said during the Agenda Review Committee on Wednesday her daughter will be an adult before the state can adequately fund schools.

"Generations of public school students will be deprived of their right to a quality, fully-funded public education and we should all see that as being unacceptable," said Todd-Breland.

Roughly \$2.5 billion of Chicago Public Schools' \$9.4 billion budget comes from state funding. Of the \$2.5 billion in state money, \$1.7 billion comes from the state's evidence-based funding formula. Seven years ago, before the state changed its funding formula, CPS received about \$1.9 billion from the state.

Illinois' evidence-based funding formula calculates how much money a public school district needs based on the needs of the students the district serves and how much local revenue a school district can raise. A district could receive additional state funding if they have a larger amount of students from low-income families, English learners, or students with disabilities. Districts in areas with less property wealth are also prioritized for more state funding, while richer districts with higher value property get less.

Since the formula was created, state funding for K-12 schools has grown by more than \$3 billion, with the majority of the new money going to districts that need it most.

The Center for Tax and Budget Accountability, which helped design the evidence-based funding formula in 2017, looked at four possible scenarios state lawmakers could take action on. Each scenario takes into account how much money it would take to fully fund schools, estimates the amount of time, and includes other factors, such as inflation.

The report mentions other possibilities for lawmakers to weigh as they put together the budget. If the state decided that it wanted to reach the 2027 funding goal, the report estimates that it would take at least \$1.1 billion a year starting in 2025. Another possibility is to continue to add \$300 million to the evidence-based funding, but add more funding based on the rate of inflation. However, inflation rates can drastically change. As noted in the report, inflation rose to 5% in 2022 and 8% in 2023.

Gaberik, one of the co-authors of the report, told Chalkbeat that one of the best things the evidence-based formula did for public schools was to change the ratio of local funding to state funding.

Before the formula was put into use, school districts relied heavily on property taxes, which created inequities in educational opportunities for students across the state, according to Gaberik.

When the state's General Assembly created the evidence-based funding formula in 2017, the goal was to adequately fund all schools by 2027. During negotiations, there was a bipartisan promise to continue to add at least \$350 million a year to public schools every year until every district reached its "adequacy target."

State lawmakers committed to this promise every year, except in 2020 when they agreed to keep funding flat due to the coronavirus pandemic.

Since then, education advocates have been pushing lawmakers to increase K-12 funding by at least \$550 million annually in order to get all school districts to adequacy more quickly. But lawmakers have continued to add \$350 million annually in the years since.

Chicago Teachers Union push for \$1B in state funds as some lawmakers call the ask 'outrageous' – May 15, 2024
Written By; Jessica D'Onofrio for WLS and Distributed by IASA Online through Eye on Education Email Listserv at;
<https://abc7chicago.com/post/chicago-public-schools-teachers-to-lobby-for-1b-in-state-funds-springfield-with-union-after-brandon-johnson/14818583/>

CHICAGO (WLS) -- Hundreds of Chicago Public School teachers went to Springfield in hopes to sway lawmakers to hand over more than \$1 billion.

Teachers wore red as they left from the Chicago Teachers Union's headquarters in West Town.

CPS gave the teachers a paid day off to go lobby in Springfield on what they are calling "day of action."

CPS School Clerk Bessie Watts said that \$1 billion is not enough.

"We may need more than that," Watts said. "There are so many schools that are lacking. There are so many schools that don't have resources. I don't even think \$1 billion would touch the surface."

Mayor Brandon Johnson, who is a former CPS teacher and got a huge boost from the CTU during his campaign, visited Springfield just last week to fight for those state funds.

CTU said the state has failed to fully fund CPS leaving students at a disadvantage.

They want lawmakers to make it a priority in this year's budget.

State Rep. La Shawn Ford, D-Chicago, commended teachers for their lobbying effort, but he said it's not a realistic ask for this year.

"It's hard to get \$1 billion on top of the revenue we're sending to CPS in one budget cycle," he said.

This comes at a time when the city is about to begin negotiations with the Chicago Teachers Union on a new contract.

Teacher's demands were scoffed on Wednesday at by some lawmakers from suburban districts. They said the funding scales have been tipped in CPS' favor over the years.

"For the mayor and now his minions in the Chicago Teacher's Union to come down here and try to bully lawmakers into more money they claim they are being shortchanged is absolutely outrageous," State Sen. Don DeWitte said.

Lawmakers miss self-imposed deadline, still ironing out details on budget - May 23, 2024

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<https://www.wcia.com/news/local-news/lawmakers-miss-self-imposed-deadline-still-ironing-out-details-on-budget/>

SPRINGFIELD, ILL. (NEXSTAR) — Lawmakers will stay in the State Capitol longer than they originally expected.

Legislators published a calendar with an adjournment date of Friday months ago. Neither the House nor the Senate met the procedural requirements needed to pass a budget by Friday, so lawmakers will be working either over Memorial Day weekend or possibly into next week to get a deal done.

The state legislature has until the end of May to pass a budget, or the vote thresholds needed to pass a budget (or any other bill) increase for the rest of the calendar year.

When Governor Pritzker proposed his version of the budget back in February, he balanced it using \$1.1 million dollars in tax adjustments to get the numbers to line up. But some of the proposals have not gotten full support from Democrats, who hold a supermajority.

Representative LaShawn Ford (D-Chicago) said following a House Democratic Caucus Thursday that while neither chamber has filed a budget yet, he is confident that there will be an agreement before May ends.

"I think we definitely won't be here like the Rauner years, or the Quinn years, or the Blagojevich years," Ford said. "I think we will finish up before the 31st."

Senate Democrats send \$53.1B spending plan to House – May 26, 2024

Written by; Jerry Nowick for Capital News Illinois and Distributed by IASA Online through Eye on Education Email Listserv at;
<https://capitolnewsillinois.com/news/senate-democrats-send-531b-spending-plan-to-house>

Two days after the General Assembly was scheduled to adjourn its spring session, Democrats in the Illinois Senate advanced a \$53.1 billion budget to the House Sunday night, where leaders expect it to pass without changes.

The fiscal year 2025 spending plan, which came together over a stretch of late nights and closed-door dealmaking, spends \$400 million more than what Gov. JB Pritzker proposed in his February budget address.

Despite controlling the governor's mansion and both chambers of the legislature, Democrats had a rocky time coming to an agreement, as evidenced during floor debate of the bill. In a rare move, a few Democrats publicly aired their disappointment with their party's budget priorities before ultimately voting for it, while a pair of Democrats quietly voted no.

"I wish this were a perfect budget," lead budget negotiator Sen. Elgie Sims, D-Chicago, said before the vote. "I've been here many years and I have yet to see one. But...this budget is fair, it's balanced, and it provides certainty for us investing in our future."

The budget, which is set to take effect on July 1, would increase spending by 5 percent from last year's enacted budget, but just 1.6 percent when factoring in supplemental spending for the current year. It also reduced spending in several areas from Pritzker's February budget proposal by a total of about \$73 million, according to Sims, although Democrats did not provide a list of the cuts.

The spending plan directs a \$350 million increase for K-12 education and full funding for year two of Pritzker's "Smart Start" plan aimed at adding 5,000 preschool seats across the state and providing workforce grants. The plan would send \$198 million to the state's "rainy day" fund and make the full pension payment required by law.

The budget also includes a child tax credit for qualifying children under the age of 12, providing parents a credit of 20 percent of the state's Earned Income Tax Credit in calendar year 2024 and 40 percent in 2025. That would come at a cost of \$50 million in FY25 and \$100 million the following year, up from the \$12 million proposed by Pritzker.

It includes the \$182 million Pritzker committed months ago to provide shelter, health care and other services for recently arrived migrants, many of whom have been bused to the state from Texas. Two programs providing state-funded Medicaid-like benefits to noncitizens would receive \$440 million from the General Revenue Fund, or \$629 million total with other state funds. It's an overall funding increase from what was allocated in this year's budget, although the GRF commitment would be smaller in FY25.

The spending plan on a 38-21 vote, with Democrats Patrick Joyce, D-Essex, and Suzy Glowiak-Hilton, D-Western Springs, joining Republicans in opposition. A third Democrat, Sen. Meg Loughran Cappel, D-Shorewood, later voted against a revenue bill that raised certain taxes.

Republicans accused Pritzker of being driven by presidential aspirations and criticized him for growing state spending by about \$13 billion since his first year in office in 2019.

"But today, I'd like to say that Governor Pritzker is keeping his promise," Sen. Sally Turner, R-Springfield, said during floor debate. "He's keeping his promise to raise taxes on Illinois citizens by a billion dollars a year to fund the migrant crisis that he's created."

But the GOP also criticized Democrats for underfunding state and federally mandated programs at K-12 schools by \$135 million from what the state education board requested. And they panned the governor for allocating about 17 percent less than the current year to the Prisoner Review Board.

"I'm a little confused," Sims said during floor debate. "Because I couldn't really understand if you want more spending or less."

Some Democrats also lamented that "finite resources" prohibited greater investments in youth-focused programming.

"While I rise to acknowledge there are incredible things inside of this budget, many good things, I cannot – my conscience won't allow me to sit in this seat and not lift up the fact that we have not gone far enough for a particular group, which are young, poor, Black people and Latinos," Sen. Willie Preston, D-Chicago, said.

The budget includes a \$1 per hour increase in wages for direct service professionals in community-based settings that serve individuals with intellectual and developmental disabilities. Community Care Program workers who serve older adults who can't live independently will see a rate increase as well.

Revenue changes

The budget anticipates \$53.3 billion in revenue for the fiscal year that will begin on July 1, about \$1.2 billion of which comes from various tax code changes.

The revenue plan was part of why the spring legislative session went beyond Democrats' May 24 self-imposed deadline written into the calendar months ago, as powerful Statehouse lobbying groups lined up against some of its components. But ultimately, it tracks closely with the governor's proposal.

"Every session I found has its own rhythm and each budget is its own beast. And this one was a doozy," Senate President Don Harmon, D-Oak Park, said just before the Senate adjourned. "There is no doubt about that."

It extends a cap on corporate net operating losses to generate \$526 million and imposes a new graduated tax on sportsbooks, increasing it from the current 15 percent to a new range between 20 and 40 percent, which is estimated to generate \$200 million next year. The tax rate on Illinois' video gambling industry would also see a 1 percent increase, which goes toward infrastructure spending.

Pritzker had also sought a \$1,000 monthly cap on the "retailers' discount," which was included in the plan. The discount allows retailers to keep 1.75 percent of the sales tax they collect but capping it at \$1,000 monthly would bring in \$101 million for the state's general fund. Third-party "re-renters" of hotel rooms will also be subject to the existing hotel tax under the plan.

To appease retailers, lawmakers included a prohibition that bans financial institutions and credit card companies from charging fees on the sales tax portion of electronic transactions.

The personal income tax was not affected by the law, as the approved budget didn't decrease the standard deduction claimed by millions of Illinoisans, as Pritzker had proposed in February.

The budget package also calls for transferring \$150 million from the state's Road Fund to public transit expenses, freeing up general funds for other purposes in a move that was opposed by the state's road builders.

The revenue proposal would also create a \$5 million tax credit program for news outlets beginning in 2025 and claimable the following year, providing \$15,000 per employee for certain newsrooms and another \$10,000 for new hires. Another \$50 million from the little-used Leaking Underground Storage Tank fund will be directed to public transit spending as well.

Grocery tax authority

The plan would eliminate the state's 1 percent tax on grocery items as sought by Pritzker – a tax that benefits the state's municipalities, rather than state government. Groups like the Illinois Municipal League pushed back against the repeal – though they supported the extra \$85 million in revenue for local governments that would result from the retailers' discount cap.

The grocery tax repeal was also pushed back to Jan. 1, 2026, and the bill allows local governments to implement their own grocery taxes up to 1 percent without a referendum and without requiring state administrative fees. Municipalities with home rule authority would be allowed to increase their sales tax by up to 1 percent without a referendum.

"Only in Springfield are we going to do a victory lap that really just reassigns the blame and responsibility to local municipalities and call it a tax cut," Sen. Andrew Chesney, R-Freeport, said of the measure to increase local taxing authority.

The House is slated to return as early as Tuesday to consider the spending plan and associated measures. In an interview after Sunday evening's spending plan vote, Sims told reporters there was agreement between Democrats in the House and the Senate that there would be no further amendments.

"So I would expect the bill that you just saw us vote on be the budget in the state of Illinois come July 1," he said.

Once again working through the night, lawmakers finalize \$53.1 billion budget – May 28, 2024

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<https://capitolnewsillinois.com/news/once-again-working-through-the-night-lawmakers-finalize-531-billion-budget>

Democrats needed three tries to pass \$1.1 billion revenue plan just before 5 a.m.

After a near-derailment and an all-nighter to wrap up the General Assembly's spring session, supermajority Democrats in the Illinois House gave final legislative approval to the state budget as the sun rose Wednesday morning.

Despite holding 78 seats in the chamber, it took Democrats three tries to reach the 60 votes needed to approve more than \$1.1 billion in revenue increases, including a tax hike on sportsbooks and businesses, to balance the \$53.1 billion spending plan for fiscal year 2025.

The spending plan passed 65-45, with seven Democrats joining Republicans in opposition.

The revenue plan that capped the voting on the budget-related bills was more of a challenge. House Bill 4951 fell one vote short of passage twice after 4 a.m. due to attendance issues. On the third try – after about an hour of procedural maneuvering by Republicans that left Democrats reeling – the bill passed at 4:43 a.m. with the minimum 60 votes necessary.

"You – you passed these rules," Rep. Patrick Windhorst, R-Metropolis, scolded Democrats after the majority party voted to suspend the House rules in order to bring the revenue plan up for a vote a third and final time.

"I think it should be clear to everyone in the state what this supermajority is willing to do to ram a tax increase down the throats of the citizens of Illinois at 4:30 in the morning," he added.

Democrats had earlier highlighted that despite a tight fiscal year, the budget would send \$198 million to the state's "rainy day" fund and make the full payment into the state's pension systems that is required by law.

Rep. Jehan Gordon-Booth, a Peoria Democrat and the lead budget negotiator in the House, pointed to the state's nine credit upgrades of the past four years. And she noted a backlog of unpaid bills that reached nearly \$17 billion seven years ago under Republican Gov. Bruce Rauner has shrunk to a bill payment cycle that lasts "mere days."

"Democrats have set this state on a fiscally responsible course, one that will continue with today's state budget," she said.

Gov. JB Pritzker says he'll sign the plan for the fiscal year that begins July 1, which spends about \$400 million more than what he requested in his February budget address. In a statement after its passage, the governor claimed investments made in the budget will grow Illinois' economy and continue a "track record of fiscal responsibility" while prioritizing working families.

"From expectant mothers and their newborn babies to people with disabilities to veterans to seniors who need our care, we're keeping our promises to all Illinoisans and the most vulnerable among us," Pritzker said.

The budget cleared the General Assembly five days after lawmakers had scheduled their spring session's adjournment, although the May 24 "deadline" was a largely arbitrary date that left a week on the calendar as a contingency plan. Negotiations were complicated by inflation and other spending pressures driving up the expected cost of government, while economists predict the state's economy will slow in the upcoming fiscal year.

Still, Democrats approved the spending plan with several votes to spare but no Republican support – as they’ve done every year in Pritzker’s tenure except the first in 2019.

Republicans argued the pace of spending growth – and the fact that some of the revenues raised to pay for it are temporary – set the state on pace for an even tighter fiscal year 2026.

Overall, state spending grew by about 5 percent from last year’s enacted plan, or about 1.6 percent above expected end-of-year expenditures following a supplemental spending plan’s inclusion in the budget package this week.

Democrats highlighted a \$50 million appropriation for a child tax credit for children under 12 if their household qualifies for the state’s Earned Income Tax Credit. The plan contains \$200 million for after-school and summer youth programs and \$45 million for grants through the Reimagine Public Safety Act aimed at violence reduction.

But Republicans accused Democrats of having misplaced priorities, pointing to hundreds of millions of dollars for programs serving noncitizens.

The budget includes \$182 million to provide shelter, health care and other services for recently arrived migrants, many of whom have been bused to the state from Texas. And it includes \$440 million from the GRF for two programs providing state-funded Medicaid-like benefits to noncitizens, with \$189 million from other state funds as well.

New revenues

More than \$1.1 billion in added revenue was needed to balance the books, so lawmakers extended an expiring cap on corporate net operating losses to ensure that \$526 million in tax dollars wouldn’t disappear in FY25. Another \$25 million will be raised by subjecting “re-renters” of hotel rooms to an existing state hotel tax.

Sportsbooks will see their current 15 percent tax rate on profits increase via a new graduated structure that will tax between 20 and 40 percent, based on profits. The change is projected to bring in about \$200 million to the state’s General Revenue Fund. A 1 percentage point increase to the tax on the state’s video gambling industry would generate an additional \$35 million for infrastructure projects next year.

The revenue plan also caps a tax discount claimed by retailers at \$1,000 monthly, generating \$101 million for state coffers and about \$85 million for municipalities.

To appease retailers, lawmakers included a prohibition on financial institutions and credit card companies charging fees on the sales tax and gratuity portion of electronic transactions beginning July 1, 2025.

The Illinois Retail Merchants Association was also given a \$5 million line item for workforce grants.

Rep. Fred Crespo, D-Hoffman Estates, voted for the budget, but during debate over the revenue proposal, he said he was disappointed that leadership didn’t consider hiring freezes, changes to weight loss drugs covered by state insurance or other spending controls he suggested.

“There’s really only one place you can look at getting these revenues, and that’s taxpayers,” he said before voting against the bill. “And at this rate, ladies and gentlemen, we’re gonna run out of taxpayer dollars to spend.”

The budget package also freed up about \$200 million in revenue by redirecting \$150 million from the Road Fund and \$50 million from the Leaking Underground Storage Fund to public transit. The move was opposed by organized labor because it diverts Road Fund money to the state’s discretionary spending fund, but Democrats promised it would only happen in the upcoming fiscal year.

“I can go through this list of tax increases that you’re using to say that you’re being good fiscal stewards of the state’s money,” Rep. C.D. Davidsmeyer, R-Jacksonville, said in a committee hearing Tuesday evening before the early morning

vote. “Meanwhile, I’m hearing about making sure that there’s Democrat pork projects, to make sure that you can get the votes for your budget.”

Davidsmeyer contended Democratic senators were each given the authority to request \$3 million in district-specific infrastructure projects in the budget, while Democratic members of the House got about \$1.5 million each. Republicans were shut out of requesting their own member initiatives.

District-specific projects have been used time and again to incentivize members to vote for the budget, with the Chicago Tribune tracking at least \$150 million in infrastructure spending for lawmaker-led initiatives in the current-year budget. No spokespeople would confirm or deny the amount allocated for lawmaker initiatives.

The final roughly 80 pages of the budget bill contain a long list of projects, most of them ranging from \$50,000 to \$1 million sums to various specifically named businesses, local governments and other entities.

Infrastructure and more

Despite the diversion of money from the Road Fund, the budget includes \$3.5 billion for infrastructure – about \$500 million more than what Pritzker had outlined in his February budget proposal.

That includes \$500 million to support the development of a regional quantum information science and technology campus, allocated from a specific economic-development focused bond fund known as Build Illinois.

Another bill allowing the Department of Commerce and Economic Opportunity to designate “quantum campuses” also lays out infrastructure and business incentives to lure developers of new-age higher-speed computing technology to the state. That measure also expands and extends several other popular tax credit programs, such as the Reimagining Energy and Vehicles Act and the Economic Development for a Growing Economy, or EDGE, program.

The state’s municipalities, meanwhile, will get another \$400 million for local road projects, a measure that helped neutralize their opposition to a part of the budget plan that eliminates one of their sources of revenue – the statewide 1 percent grocery tax.

But the grocery tax repeal won’t happen until 2026, and local governments will be given authority to enact their own grocery tax up to 1 percent without a referendum. Home rule jurisdictions will be able to increase their sales tax by up to 1 percent without a referendum as well.

Other spending items include:

- Funding for a 5 percent pay hike for lawmakers’ base salary to \$93,712. State law sets lawmakers’ pay to increase annually with inflation, and lawmakers took no action to stop it from occurring in FY25.
- The annual \$350 million increase in K-12 education funding, called for by a 2017 law that overhauled Illinois’ school funding formula.
- A 2 percent – or \$30 million – increase for community colleges and public universities.
- A \$10 million increase to Monetary Award Program grants for lower-income college students.
- Full funding for Pritzker’s “Smart Start” plan aimed at adding 5,000 preschool seats across the state and providing workforce grants.
- \$14 million to launch the newly created Department of Early Childhood, which Pritzker has promised would streamline services currently provided by three different state agencies.
- \$45 million for a teacher vacancy pilot program to help underserved districts with teacher retention.
- A \$1 hourly increase for direct service professionals who serve individuals with intellectual and developmental disabilities in community-based settings.
- An increase totaling \$70 million for Community Care Program workers serving older adults who can’t live independently.
- \$5 million for a tax credit program for news outlets beginning in 2025 and claimable the following year.

- \$10 million for the governor's plan to erase \$100 million in total medical debt for Illinoisans through a partnership with the nonprofit Undue Medical Debt. House Bill 5290 laid out that applicants must earn 400 percent of the federal poverty level or less.
- \$900 million for renovation at state prisons, including a possible tear down and rebuild of Stateville and Logan Correctional Centers.
- \$4 million to create a statewide maternal health plan and distribute grants to community-based reproductive health care providers.
- \$155 million for safety net hospitals.
- A \$90 million increase for Home Illinois, a program created last year to address homelessness, bringing total funding to \$290 million.

IASA Advocacy in Action Capital Watch – Legislative Session Wrap Up – May 29, 2024

Written by; Emily Warnecke and Madeline McCune for IASA and Distributed via IASA Capital Watch Email

Although we had heard members of the 103rd General Assembly (GA) expected to be finished up early Sunday morning, unfortunately, that was not the end result for the Spring 2024 session. In order for that to happen, all bills would have needed to be filed by Friday evening, and although an initial version of the budget bill was filed, both chambers adjourned late into the evening without filing a budget implementation bill or several of the expected omnibus bills.

Ultimately, all of the final bills were filed on Saturday and Sunday in the Senate. Due to the procedural requirements for the timing and quantity of times each bill must be read into the record in each chamber, the Senate was able to work through the day on Sunday before adjourning for the final time that evening.

The House needed two additional days to complete the work of concurring with the final bill packages, so the chamber adjourned late on Saturday evening, and returned on Tuesday and Wednesday to wrap up the 103rd General Assembly's Spring 2024 session. And even though the budget deal was agreed to before the Senate passed it on Sunday, there was some excitement in the House on Wednesday morning when it came time for the revenue bill to be called. The first vote included only the minimum threshold - 60 votes - and Republicans challenged the roll call alleging that some members were not physically present for the vote. Their challenge was successful, and only after two additional roll call votes were there enough votes for the bill's passage. The House wrapped up its business around 5:00 am Wednesday morning after the excitement.

Below are some highlights from the FY25 Budget, Budget Implementation Bill, and a general wrap-up for the Spring session.

FY25 Budget

The budget bill was filed on a shell of [SB 251](#) around 5:00pm on Friday night. That would not be the final iteration of the bill, however, as we saw a second amendment filed at 3:00am Sunday morning, and eventually a third amendment with the final budget document ([Senate Amendment 3](#)) later that day. The FY 25 budget provided an additional \$528 million dollars in General Revenue Funds (state dollars) for K12 education which totals the state's contribution for education at \$10.8 billion dollars for the upcoming fiscal year.

Evidence Based Funding

Education's major funding source, the Evidence-Based Funding line item, received its expected \$350 million increase - \$300 million of which will flow into the formula via tier money, and \$50 million being allocated for another round of Property Tax Relief Grants. The FY25 increase in EBF funding marks an impressive \$2.3 billion added to public education funding since the passage of the formula in 2017.

Mandated Categoricals (MCATS)

Additionally, there was a \$32.7 million dollar increase to Mandated Categoricals (MCATS). The final budget mostly mirrored the Governor's recommendation, with a \$30M increase for special education transportation, a \$2 million

increase for regular education transportation, flat funding for special education private tuition, and an increase of \$700,000 for orphanage reimbursement. These funding levels are \$133 million shy of what the Illinois State Board of Education had requested, marking another year of significant proration ahead for district MCAT funding.

Early Childhood Education

The goal of Smart Start Illinois is to eliminate early childhood (or preschool) deserts for 3 and 4 year old children by 2027. FY 2025 will build on the FY 2024 goal of adding 5,000 preschool seats by adding an additional 5,000 seats through the Early Childhood Block Grant with a \$75 million increase, or 11.1 percent, over the FY 24 funding amount.

Teacher Vacancy Grant Pilot Program

The Teacher Vacancy Grant Pilot Program which addresses acute and chronic teacher shortages by providing the state's most understaffed districts with resources to attract, hire, support, and retain teachers was funded for a second year at \$45 million dollars. According to ISBE and the Governor's Office, the grant has allowed 170 school districts to hire more than 5,300 teachers, created 166 pathway programs to prepare new teachers, and established retention initiatives focused on more than 10,000 current teachers.

After School Programs

In January 2024, Senator Villivalam introduced [SB 2943](#) to support community learning centers and community schools. This bill aimed to allocate \$50 million in state funds to the Illinois State Board of Education (ISBE) for grants under the 21st Century Community Learning Centers program. Although the legislation did not advance, an additional \$50 million was included in the FY25 budget specifically for after-school programs. The final FY25 budget not only maintains the initial \$25 million allocation for after-school programs but also adds another \$50 million, bringing the total funding for these programs to \$75 million for next fiscal year.

Highlights of FY25 Education Budget Increases Over FY24 Funding Levels:

- \$350 million Evidence-Based Funding
- \$75 million Early Childhood Block Grant
- \$50 million After School Programs
- \$32.7 million Mandated Categorical Programs
- \$10 million Career Technical Education
- \$3 million Agency Capacity
- \$3 million Implementation of the Illinois Comprehensive Literacy Plan
- \$3 million Digital Education Programming
- \$2.5 million REACH
- \$2 million Student Care Department
- \$2 million Crisis Mapping
- \$1.9 million Dolly Parton Imagination Library
- \$1 million Affinity Groups
- \$1 million SEL Hubs
- \$1 million After School Matters
- \$800,000 Agricultural Education
- \$670,000 Summer EBT
- \$300,000 Breakfast After the Bell
- \$250,000 Adversity Index
- \$150,000 P-20 Council

FY25 Budget Implementation Bill (BIMP)

The BIMP was filed as Amendment 2 to SB 2665 on Saturday afternoon, and refiled as [Senate Amendment 2](#) to [HB 4959](#) on Sunday in the Senate. It was passed late in the evening on Sunday and sent to the House for concurrence when they returned during the week.

Included in the language is an extension for the program that allows retirees to return to work full-time in subject shortage areas without impairing their retirement. The program was set to sunset in June of 2024, and we had requested an extension through June of 2029 via [HB 4662](#) (Rep. Elik; R-Alton / Sen. Lewis; R-Carol Stream). The final language extended the program through 2027, and although the original bill did not pass, we appreciate the assistance of both legislators in helping ensure this critical program received an extension before it expired in June.

The final version of the bill included language that would allow for transportation reimbursement for state-authorized charter schools. The state budget accounted for the cost of adding these 10 schools by allocating an additional \$2 million to the MCAT Regular Transportation line. However, it's important to note that we opposed this decision and advocated for these schools to have a separate line item for transportation funding.

Language was also included that will add dental and vision insurance to the health benefits available to TRS benefit recipients and dependent beneficiaries starting January 1, 2025. For the first year of the program, the premiums for the additional coverages may not exceed \$7.11 per month per benefit recipient and \$28.43 for each dependent beneficiary.

A Fleet Electrification Incentive Program was established through language included in the BIMP, which provides that the Environmental Protection Agency shall establish the program. School districts are eligible for grants under the program for electric school buses for 65% of the base amount of the bus. \$70 million was appropriated in the FY25 budget for electrification projects, but it remains unclear if any of that allocation will be directed towards this program.

Sunset Extension Omnibus

The annual omnibus bill that extends certain legislative allowances that were on the cusp of sunset was filed on Saturday and passed by the Senate Sunday evening. [Senate Amendment 2](#) on [HB 4615](#) includes an extension through June 30, 2026 for interfund transfers for one-time, non-recurring expenses. This extension mirrors the timeline for the allowance of interfund transfers to the fund in most need.

Brushing off concerns of overspending, Pritzker signs \$53.1 billion state budget – June 5, 2024

Written by; Andrew Adams, Jerry Nowicki & Hannah Meisel for Capital News Illinois and Distributed by IASA Online through Eye on Education Email Listserv at: <https://capitolnewsillinois.com/news/brushing-off-concerns-of-overspending-pritzker-signs-531-billion-state-budget>

CHICAGO – Gov. JB Pritzker on Wednesday signed the state’s \$53.1 billion spending plan for the upcoming fiscal year, the largest in state history.

The signing caps months of work – and tension – among top Democratic leaders in Springfield and within the governor’s office.

Pritzker said Wednesday the budget is a demonstration of “fiscal responsibility,” pointing to the \$198 million that will head to the state’s “rainy day” fund, bringing it to a record balance of over \$2.2 billion. It will also make the full payment into the state’s pension systems that is required by law.

House Speaker Emanuel “Chris” Welch, D-Hillside, and Senate President Don Harmon, D-Oak Park flanked Pritzker at the signing alongside Democrats’ chief budget negotiators in the state’s downtown Chicago office building.

Sen. Elgie Sims, D-Chicago, the lead budget negotiator for the Senate, pointed to several programs that he said will benefit vulnerable Illinoisans, including a tax credit for low-income families and increased wages for those who work with disabled people.

That tax credit will cost \$50 million. Qualifying families with children under age 12 will receive a credit of 20 percent of the state's Earned Income Tax Credit in calendar year 2024 and 40 percent in the following year, which is projected to cost \$100 million. Pritzker had proposed such a credit for children up to age three, but lawmakers expanded the credit.

But even some of the budget's strongest boosters hinted at the contentious process that produced it.

"This, by no means, was an easy budget, but this is a good budget that invests in families all over the state of Illinois," Rep. Jehan Gordon-Booth, D-Peoria, said Wednesday.

Democrats who control the General Assembly pushed the budget package over the finish line last week after a marathon all-night session in the Illinois House that highlighted internal strife within the majority party.

Upon Pritzker's signing of the budget, Republicans were quick to criticize it, echoing initial opposition shared last week. The Senate's top Republican, Sen. John Curran, R-Downers Grove, denounced the budget's use of state funds to provide health care benefits for noncitizen residents of the state, calling the situation "grossly unfair" in a Wednesday statement.

The budget includes \$629 million – including \$440 million general funds – for that health care program, as well as \$182 million to provide shelter, health care and other services for recently arrived migrants, many of whom have been bused to the state from Texas.

Republicans uniformly voted against the budget package with the exception of a measure that does away with the state's 1 percent tax on groceries, but even some Democrats balked at the budget and voted against either the spending or revenue plans last week.

Though they ultimately voted for the budget, a few Democrats took time during the Senate's debate on the budget package to express mild disappointment with spending priorities, saying they wished the state had more resources for youth employment programs and public universities.

But while a trio of Democrats' 'no' votes on the spending and revenue bills had no bearing on the budget's passage in the Senate, a bloc of opposition in the House nearly derailed its budget vote in the wee hours of the morning last Wednesday.

Amid attendance issues as the night wore on, it took Democratic leaders three tries – and a temporary waiving of the chamber's own rulebook – to get the minimum 60 votes needed to pass the bill containing new taxes. Earlier in the evening, the spending bill passed by a narrow margin.

During debate over the revenue bill, State Rep. Fred Crespo, D-Hoffman Estates, lamented that leadership didn't consider spending controls he'd suggested earlier this spring in his role as chair of the House's committee on appropriations for general services.

Those suggestions included a hiring freeze for state workers and only giving state agencies 95 percent of the funds they said they'd need for the fiscal year – allowing them the opportunity to lobby for the remaining 5 percent next May if the money ended up being truly needed.

He warned about a looming fiscal cliff before voting against the bill, saying, "at this rate, ladies and gentlemen, we're gonna run out of taxpayer dollars to spend."

Asked about Crespo's comments for the second time on Wednesday, Pritzker pushed back, claiming "most Democrats" wouldn't agree with Crespo's ideas. The governor's criticism followed social media posts from two of his top deputies aimed at Comptroller Susana Mendoza, who earlier this week told Quincy-based TV station WGEM that she'd have liked to see "perhaps some more cuts across the board."

The governor also painted Mendoza's suggestions as more in line with Republicans than the pair's shared party.

"Well, I want to remind all of you that across-the-board budget cuts – this idea is not an idea that Democrats believe in," Pritzker said Wednesday. "This idea that you can just go across the board and cut 5 percent of the budget and not have a very deleterious effect on people all across the state."

Revenues and taxes

While more than \$1.1 billion in added revenue was needed to balance the books, the final revenue plan – which Pritzker did not sign on Wednesday but said he planned to without changes – doesn't include any personal income tax increases for Illinoisans.

The final plan did not slow the increase of the state's standard deduction, a sum millions of Illinoisans subtract from their taxable income each year. It will grow to \$2,775 after lawmakers scrapped Pritzker's plan to cap it at \$2,550.

But businesses claiming previous-year losses on their taxes will be on the hook for another \$526 million collectively after lawmakers voted to extend an expiring cap on corporate net operating losses. The cap will actually increase from \$100,000 in the current fiscal year to \$500,000, but the move is considered revenue-generating because without the change in law, there would be no such cap in place for FY25.

Other revenue measures include:

- \$200 million raised by increasing the tax rate on sportsbooks from 15 percent to a graduated rate of 20 percent to 40 percent based on revenues.
- \$101 million raised by capping a tax discount claimed by retailers at \$1,000 monthly.
- \$200 million raised by redirecting \$150 million from the Road Fund and \$50 million from the Leaking Underground Storage Tank Fund to public transit, freeing up that amount in general revenue spending.
- \$25 million raised by subjecting "re-renters" of hotel rooms to an existing state hotel tax.
- \$35 million in infrastructure funding raised by increasing the tax on video gambling revenues by one percentage point.
- An associated budget bill that is yet to be signed eliminates the state's grocery tax beginning in 2026, but it gives municipalities the authority to install their own such tax without a referendum to make up for the revenue lost from the state's tax.

Education

Pritzker's plan included several increases for K-12 and higher education, including the annual \$350 million bump in K-12 education funding, called for by a 2017 law that overhauled Illinois' school funding formula. Other increases include:

- Another \$32.7 million increase for transportation and special education reimbursements for schools.
- Full funding for Pritzker's "Smart Start" plan aimed at adding 5,000 preschool seats across the state and providing workforce grants. That includes \$75 million in additional Illinois Early Childhood Block Grant funding, about \$200 million to stabilize operational funding for child care providers and \$5 million to expand a Department of Human Services home visiting program.
- \$14 million to launch the newly created Department of Early Childhood, which Pritzker has promised would streamline services currently provided by three different state agencies.
- \$45 million for a teacher vacancy pilot program to help underserved districts with teacher retention.
- A 2 percent – or \$30.6 million – increase for community colleges and public universities.
- A \$10 million increase to Monetary Award Program grants for lower-income college students.

- \$575 million for deferred maintenance and construction at higher education facilities, including \$450 million for universities and \$125 million for community colleges.

Health care and human services

The budget also allocated \$10 million to erase more than \$1 billion in medical debt for an estimated 300,000 Illinoisans through partnership with the nonprofit Undue Medical Debt. House Bill 5290, which has not yet been signed, laid out that applicants must earn 400 percent of the federal poverty level or less. Other health and human services funding include:

- A \$1 hourly increase for direct service professionals who serve individuals with intellectual and developmental disabilities in community-based settings.
- An increase totaling \$70 million for Community Care Program workers serving older adults who can't live independently.
- \$4 million to create a statewide maternal health plan and distribute grants to community-based reproductive health care providers.
- A \$70 million increase for safety net hospitals.
- A \$90 million increase for Home Illinois, a program created last year to address homelessness, bringing total funding to \$290 million.
- \$1 million for a low-income diaper program.
- \$13 million for the Mental Health Early Action on Campus Act grants – a line-item Pritzker had proposed drastically cutting but lawmakers ultimately funded in full.
- \$50.3 million to the Department of Children and Family services aimed at increasing staff size by 392 positions and providing “rate reform” for the providers that partner with the state.

State government and infrastructure

The budget included funding for a 5 percent pay hike for lawmakers’ base salary to \$93,712, as well as salary increases for constitutional officers, such as the governor, comptroller and treasurer. State law sets the pay for those individuals to increase annually with inflation, and lawmakers took no action to stop it from occurring in FY25. Pritzker, a billionaire, does not take a state salary.

The budget also included \$5.3 billion in appropriations and bonding authority for road and bridge projects, with over \$3.5 billion in new bonding authority for other infrastructure. Some of that funding includes:

- \$900 million for renovation at state prisons, including a possible tear down and rebuild of Stateville and Logan Correctional Centers.
- \$500 million to support the development of a regional quantum information science and technology campus. Another bill allowing the Department of Commerce and Economic Opportunity to designate “quantum campuses” also lays out infrastructure and business incentives to lure developers of new-age higher-speed computing technology to the state.
- \$157 million for additional funding to support construction of the new Illinois Department of Public Health laboratory in the Chicago area and rehabilitation of the Carbondale laboratory.

State budget includes hefty taxes, but not on ‘everyday ordinary taxpayers,’ Democrats say – June 17, 2024

Written by: John O’Connor for Associated Press and Distributed by IASA Online through Eye on Education Email Listserv at: <https://apnews.com/article/illinois-budget-sports-betting-60e0b68684447408475e64c370cb43be>

SPRINGFIELD, Ill. (AP) — The \$53.1 billion state budget that Illinois Gov. J.B. Pritzker signed into law this month is notable for its increased spending, something Republican critics were quick to point out.

But Pritzker and the legislative Democrats who sent him the fiscal plan for the year that begins July 1 maintain it's balanced and responsible. Although it brings in about \$1.2 billion in new taxes, proponents say the taxes don't severely hit individual pocketbooks.

"There weren't tax increases or revenue enhancements against everyday ordinary taxpayers," said Chicago Democratic Sen. Elgie Sims, a budget negotiator. "What you saw was a recognition of, particularly as it relates to the sports betting industry, the explosion of the industry and some parity."

Sims also pointed out the budget's tax breaks. The income tax personal exemption will increase from \$2,425 to \$2,775 for 2024. The 1% sales tax on groceries will be eliminated in 2026. And there's a new child tax credit for low-income families. Those with at least one child under 12 are eligible for the credit, which is 20% of the Earned Income Tax Credit and 40% next year.

Sports wagering tax — \$200 million

Taxes increase on sportsbooks from a flat 15% to a graduated scale. There are now five different levels, ranging from 20% on adjusted gross revenue of less than \$30 million, to 40% on gross revenue exceeding \$200 million.

Sportsbooks representatives have raised the possibility of leaving the state rather than succumb to the increased fees, but Pritzker cast doubt on that possibility when questioned in Chicago. The tax in New York, he said, tops out at 51%.

"They're not leaving New York, and they're not leaving the other states," Pritzker said. "We had a much lower tax rate than many of the largest of those markets. And we're just kind of bringing ourselves more in line, but at a lower rate."

Business operating loss capped — \$526 million

Businesses will be limited to \$500,000 in the amount of operating losses they can write off for tax purposes in a given year. However, they are allowed to deduct those losses over a period of 15 years.

The provision expires in three years, but that's little comfort to business. Six years ago, budget-makers initiated the plan, although with a \$100,000 cap. It, too, was a three-year plan, as was the three-year plan that replaced it.

"It's \$500,000. That's better than 100,000. But we wish it were unlimited," said Mark Denzler, president and CEO of the Illinois Manufacturers' Association. "We wish we could go back to where we were."

Video gambling tax increase — \$35 million

Income from video gambling terminals had been taxed at 34%, with 29% going to the state to be used on capital construction projects and 5% going to local municipalities. The new law increases the tax to 35%, with the 1% difference boosting state construction.

Remote seller sales tax — \$400 million

This is a boon for local cities and counties that charge their own sales tax.

When a retailer that is fulfilling a remote — typically online — order must ship from somewhere out of state, the retailer must now collect not only the 6.25% state sales tax, but any local option tax that applies at the shipper's destination.

"You pay it on Main Street; you might as well pay it when you click to purchase from home," said Brad Cole, CEO of the Illinois Municipal League.

Nearly 500 local communities charge a local sales tax — on average, about 2%.

Retailers' discount capped — \$101 million

Retail store operators must collect the state's 6.25% sales tax, along with local taxes, on purchases. They're allowed to keep 1.75% to cover administrative costs. The new law caps this discount at \$1,000 per month starting Jan. 1, 2025.

In exchange, lawmakers limited the amount of fees credit card companies may charge on the sales tax portion of transactions — which most stores pay for the customer — and expanded the types of treatments and vaccinations that can be administered by pharmacists.

Re-renters hotel tax — \$25 million

Online hospitality retailers that buy blocks of hotel rooms, sometimes at a discount, and resell them at a markup will now have to collect state hotel tax on the difference. Previously they paid tax only on the price the hotel originally charged.

Lease stream — \$20 million

Leasing property will now carry a sales tax. Those taxes were paid when the person bought the property they intended to lease under the old law. The new provision exempts some cases in Chicago that are subject to a local lease tax enacted prior to 2023.

Economic News Briefs...

• Market and Economic Highlights:

- U.S. stocks and bonds moved higher in May
- Big tech drove equity gains
- Fed spoke leaned hawkish with patience a key theme
- CPI moved lower in April following three months of firmer data
- Economic data was somewhat softer overall in May

Source: FactSet

- **Corporate Earning Support Markets:** With the first quarter corporate earnings season complete, S&P 500 companies reported a blended growth rate of 5.9%. The level was well ahead of market expectations and the strongest since the first quarter of 2022. The breadth of earnings beats was also strong, with the percentage of companies exceeding earnings growth expectations above average. However, those exceeding revenue estimates were below average. Furthermore, after excluding seven large tech companies (the "Magnificent 7"), the earnings growth rate for S&P 500 companies was -1.8% for the quarter. These softer datapoints align with somewhat softer economic data in May. Weaker retail sales and spending data contribute to worries about rising stress on lower-income consumers. *Sources: FactSet*

Taken from the ISDLAF+ Market Update June 2024 prepared by PMA Asset Management, LLC

DPS Business Department Briefs...

- Over the past couple of months the District was a participating member of another \$15 million CFI Grant application. Our goal is to build out a public school charging network so we can refuel our electric buses/vehicles during sporting events and activities. Our consortium did not earn the grant award for this round. However, yesterday, the Federal Highway Administration announced the opening of round 2. Within this round, \$521 million is reserved for previous applications. Although there are no guarantees, our application was rated RECOMMENDED, therefore the groups plan is to resubmit our project for consideration. We anticipate winners to be announced in September/October.
- Property tax bills for Tax Year 23 have gone out to property owners. Most property owners saw an increase in their property taxes of between 7%-10%. It is important to note that the school district did not raise taxes. We lowered them! The tax year 2022 school district rate was \$4.9177 and the tax year 2023 went down \$.02 to a rate of \$4.8974. The increase in the taxes paid is due to an increase in the assessed value of the property. The school district does not have anything to do with the assessed value of the property, that goes through the Lee County Assessor Office.
- Working Cash Transfer: Previously administration stated that at the end of the year there could be a need for a working cash transfer to pay for construction pay applications for the Dempsey renovation project. This is not part of the agenda this month, simply from a timing perspective. The contractors provided pay application which are

part of the accounts payable report and are being asked for approval in the consent agenda. Certainly the contractors have done work since the processing of those payment applications, but request for payment has not been made. As a result, the capital projects fund (Fund 60), remained positive for the year, as indicated on the Treasurer Report thru May. All payments made out of the fund moving forward will be applied to FY 25.

Countywide Sales Tax – Around this time of the year, the ROE provides a summary of the total fiscal year cash receipts for CFST. As a matter of procedure, the ROE is the financial processor of this program. As tax revenues are generated, the receipts are provided to the ROE who then disburses the funds based on student enrollment. The official amount for FY 24 (March 2023 thru February 2024) was \$1,986,213.22. February FY 24 receipts were \$141,000 (received in June). This amount was strong in comparison to FY 23 with an increase of \$18,000 (14.5%). The CFST receipts are three months in arrears so the funds received in June represent the taxes paid by consumers in February. Traditionally, February is one of the lower months as it represents a time directly after the holiday season spending. Also, it is important to remember that these funds cannot be spent on anything other than facilities improvement. The summary below outlines a summary of the receipts over the life of the program with a comparison of FY 23 vs. FY 24.

Countywide Sales Tax Revenues					
	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	Difference
					FY 23 v. 24
July	\$121,288.35	\$154,600.29	\$167,736.37	\$166,297.20	-\$1,439.17
August	\$115,594.84	\$151,914.91	\$157,646.19	\$171,178.89	\$13,532.70
September	\$116,334.97	\$147,769.08	\$160,407.90	\$175,220.50	\$14,812.60
October	\$112,275.12	\$149,779.51	\$162,719.99	\$165,535.70	\$2,815.71
November	\$106,429.79	\$151,772.24	\$157,766.14	\$168,001.90	\$10,235.76
December	\$128,684.07	\$173,545.72	\$167,486.45	\$178,755.19	\$11,268.74
January	\$111,992.06	\$120,886.90	\$134,425.96	\$141,195.76	\$6,769.80
February	\$99,477.24	\$116,109.65	\$123,815.53	\$141,802.17	\$17,986.64
March	\$148,655.02	\$148,860.94	\$154,850.14	\$0.00	-\$154,850.14
April	\$143,327.16	\$151,074.10	\$159,801.14	\$0.00	-\$159,801.14
May	\$156,683.58	\$176,921.12	\$182,291.57	\$0.00	-\$182,291.57
June	<u>\$159,221.58</u>	<u>\$179,688.24</u>	<u>\$181,283.06</u>	<u>\$0.00</u>	<u>-\$181,283.06</u>
	\$1,519,963.78	\$1,822,922.70	\$1,910,230.44	\$1,307,987.31	(\$602,243.13)

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be an interest payment in July 2024. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in January 2025, 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.

CTE Renovation Summary

- Below is a summary of the work completed by Ringland Johnson to date.

Dixon Unit School District #170									
CTE Renovation Project DHS									
For the School Year 23/24 (FY 24) into SY 24/25 (FY 25)									
Bid Package #1									
	Ringland Johnson			Original	Complete #1	Complete #2	Total Complete	Remaining	%
	Contract Amount	\$ 1,672,600.00	Insurance & Bonds	\$ 36,797.00	\$ 36,797.00	\$ -	\$ 36,797.00	\$ -	0.00%
	Pay App #1	\$ 101,181.00	Design Builder's Fee	\$ 130,167.00	\$ 29,288.00	\$ 29,288.00	\$ 58,576.00	\$ 71,591.00	55.00%
	Contract Amount Remaining: 5/6/24	\$ 1,571,419.00	General Requirements	\$ 111,537.00	\$ 25,096.00	\$ 25,096.00	\$ 50,192.00	\$ 61,345.00	55.00%
			Mobilization	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00	\$ -	0.00%
	Pay App #2 - 5/24/24	\$ 78,099.00	Demolition	\$ 73,893.00	\$ -	\$ -	\$ -	\$ 73,893.00	100.00%
	Contract Amount Remaining: 5/24/24	\$ 1,493,320.00	Concrete	\$ 61,329.00	\$ -	\$ -	\$ -	\$ 61,329.00	100.00%
			Misc. Metals	\$ 104,534.00	\$ -	\$ -	\$ -	\$ 104,534.00	100.00%
			Doors & Frames	\$ 77,541.00	\$ -	\$ -	\$ -	\$ 77,541.00	100.00%
			Carpentry	\$ 79,136.00	\$ -	\$ 26,350.00	\$ 26,350.00	\$ 52,786.00	66.70%
			Specialties	\$ 45,481.00	\$ -	\$ -	\$ -	\$ 45,481.00	100.00%
			Major POS & Subcontracts						
			Masonry	\$ 183,600.00	\$ -	\$ -	\$ -	\$ 183,600.00	100.00%
			Flooring	\$ 63,810.00	\$ -	\$ -	\$ -	\$ 63,810.00	100.00%
			Acoustical Ceiling	\$ 40,910.00	\$ -	\$ -	\$ -	\$ 40,910.00	100.00%
			Painting	\$ 79,150.00	\$ -	\$ -	\$ -	\$ 79,150.00	100.00%
			Glazing	\$ 110,700.00	\$ -	\$ -	\$ -	\$ 110,700.00	100.00%
			Gypsoum Board	\$ 65,000.00	\$ -	\$ -	\$ -	\$ 65,000.00	100.00%
			Plumbing	\$ 113,620.00	\$ -	\$ -	\$ -	\$ 113,620.00	100.00%
			Electrical	\$ 210,395.00	\$ -	\$ -	\$ -	\$ 210,395.00	100.00%
			Contingency	\$ 75,000.00	\$ -	\$ -	\$ -	\$ 75,000.00	100.00%
				\$ 1,672,600.00	\$ 101,181.00	\$ 80,734.00	\$ 181,915.00	\$1,490,685.00	89.12%

Dempsey School Contractor Bid Summary Update: Below is a summary of the payments for the Dempsey school bids for HVAC, Electrical, and Plumbing.

Dixon Unit School District #170										
Nachusa Property Contractor Payment Renovations										
For the School Year 23/24 (FY 24)										
Bid Package #1										
	Helm Electric			Original	Complete #1	Complete #2	Complete #3	Total Complete	Remaining	%
	Contract Amount	\$ 285,890.00	General Conditions	\$ 18,783.00	\$ 9,391.50	\$ 5,634.90	\$ 1,878.30	\$ 16,904.70	\$ 1,878.30	10.00%
	Pay App #1	\$ 103,979.52	Demolition Labor	\$ 4,820.00	\$ 4,338.00	\$ 482.00	\$ -	\$ 4,820.00	\$ -	0.00%
	Contract Amount Remaining: 3/31/24	\$ 181,910.48	conduit Rough In	\$ 70,840.00	\$ 46,046.00	\$ 10,626.00	\$ 14,168.00	\$ 70,840.00	\$ -	0.00%
	Pay App #2	\$ 75,880.89	Wire Pull/Terminations	\$ 39,340.00	\$ 3,934.00	\$ 27,538.00	\$ -	\$ 31,472.00	\$ 7,868.00	20.00%
	Contract Amount Remaining: 3/31/24	\$ 106,029.59	Distribution Installation	\$ 18,233.00	\$ 1,823.30	\$ 12,763.10	\$ -	\$ 14,586.40	\$ 3,646.60	20.00%
	Pay App #3	\$ 25,140.33	Projected Materials	\$ 118,874.00	\$ 50,000.00	\$ 27,268.10	\$ 11,887.40	\$ 89,155.50	\$ 29,718.50	25.00%
	Contract Amount Remaining: 5/17/24	\$ 80,889.26	contract Allowance	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00	100.00%
				\$ 285,890.00	\$ 115,532.80	\$ 84,312.10	\$ 27,933.70	\$ 227,778.60	\$ 58,111.40	20.33%
Bid Package #2										
	Helm Electric			Original	Complete #1	Complete #2	Complete #3	Total Complete	Remaining	%
	Contract Amount	\$ 276,335.00	General Conditions	\$ 18,500.00	\$ 4,625.00	\$ 8,325.00	\$ 2,775.00	\$ 15,725.00	\$ 2,775.00	15.00%
	Pay App #1	\$ 52,342.65	Power conduit Installation	\$ 85,000.00	\$ 46,750.00	\$ 12,750.00	\$ 12,750.00	\$ 72,250.00	\$ 12,750.00	15.00%
	Contract Amount Remaining: 3/31/24	\$ 223,992.35	Power Wire Pull/Terminatins	\$ 67,835.00	\$ 6,783.50	\$ 40,701.00	\$ 10,175.25	\$ 57,659.75	\$ 10,175.25	15.00%
	Pay App #2	\$ 71,798.40	Fire Alarm System Installation	\$ 90,000.00	\$ -	\$ 18,000.00	\$ 27,000.00	\$ 45,000.00	\$ 45,000.00	50.00%
	Contract Amount Remaining: 3/31/24	\$ 152,193.95	Allowance	\$ 15,000.00	\$ -	\$ -	\$ -	\$ -	\$ 15,000.00	100.00%
	Pay App #3	\$ 47,430.23		\$ 276,335.00	\$ 58,158.50	\$ 79,776.00	\$ 52,700.25	\$ 190,634.75	\$ 85,700.25	31.01%
	Contract Amount Remaining: 5/17/24	\$ 104,763.72								
Bid Package #2										
	Most Plumbing - Plumbing			Original	Complete #1	Complete #2	Complete #3	Total Complete	Remaining	%
	Contract Amount	\$ 172,000.00	Concrete Work	\$ 14,460.00	\$ 14,460.00	\$ -		\$ 14,460.00	\$ -	0.00%
	Pay App #1	\$ 75,802.50	Rough-in Material	\$ 24,500.00	\$ 18,375.00	\$ 6,125.00		\$ 24,500.00	\$ -	0.00%
	Contract Amount Remaining: 3/31/24	\$ 96,197.50	Rough-in Labor	\$ 61,880.00	\$ 46,410.00	\$ 15,470.00		\$ 61,880.00	\$ -	0.00%
	Pay App #2	\$ 23,917.50	Plumbing Fixtures	\$ 29,000.00	\$ -	\$ -		\$ -	\$ 29,000.00	100.00%
	Contract Amount Remaining: 5/20/24	\$ 72,280.00	Insulations	\$ 9,960.00	\$ 4,980.00	\$ 4,980.00		\$ 9,960.00	\$ -	0.00%
	Pay App #3	\$ -	Allowance	\$ 15,000.00	\$ -	\$ -		\$ -	\$ 15,000.00	100.00%
	Contract Amount Remaining: 5/20/24	\$ 72,280.00	P&O	\$ 17,200.00	\$ -	\$ -		\$ -	\$ 17,200.00	100.00%
				\$ 172,000.00	\$ 84,225.00	\$ 26,575.00	\$ -	\$ 110,800.00	\$ 61,200.00	35.58%
Bid Package #2										
	Most Plumbing - HVAC			Original	Complete #1	Complete #2	Complete #3	Total Complete	Remaining	%
	Contract Amount	\$ 563,000.00	Allowance	\$ 15,000.00	\$ -	\$ -		\$ -	\$ 15,000.00	100.00%
	Pay App #1	\$ 235,346.89	HVAC Duct Material	\$ 47,486.00	\$ 37,988.80	\$ 4,748.60		\$ 42,737.40	\$ 4,748.60	10.00%
	Contract Amount Remaining: 3/31/24	\$ 327,653.11	HVAC Duct Labor	\$ 95,237.00	\$ 71,427.75	\$ 14,285.55		\$ 85,713.30	\$ 9,523.70	10.00%
	Pay App #2	\$ 94,848.88	Bowman & Associates	\$ 34,047.00	\$ -	\$ 17,023.50		\$ 17,023.50	\$ 17,023.50	50.00%
	Contract Amount Remaining: 5/20/24	\$ 232,804.23	Brucker	\$ 8,430.00	\$ 8,430.00	\$ -		\$ 8,430.00	\$ -	0.00%
			Connor Companyu	\$ 51,000.00	\$ 51,000.00	\$ -		\$ 51,000.00	\$ -	0.00%
			Premier insulation	\$ 86,000.00	\$ 64,500.00	\$ 21,500.00		\$ 86,000.00	\$ -	0.00%
			Mech. Test & Balance	\$ 14,800.00	\$ -	\$ -	\$ -	\$ -	\$ 14,800.00	100.00%
			ECS Controls	\$ 154,700.00	\$ -	\$ 30,940.00		\$ 30,940.00	\$ 123,760.00	80.00%
			P&O	\$ 56,300.00	\$ 28,150.00	\$ 16,890.00		\$ 45,040.00	\$ 11,260.00	20.00%
				\$ 563,000.00	\$ 261,496.55	\$ 105,387.65	\$ -	\$ 366,884.20	\$ 196,115.80	34.83%

Bond/Debt Repayment: FY 25

Below is a summary of the outstanding debt (bond) obligations for the District. Each July the District makes an interest only payment and each January the District makes a principal and interest payment. In July interest payments will be made to the outstanding bonds totaling \$641,490. In January, the District will make payments of \$3,161,490 for principal and interest. The funds for these payments are generated from two different sources. The Alternate Revenue Bond payments are paid from monthly County Facility Sales Taxes and the General Obligation Bonds are paid from property tax revenues. The payment of the bonds will be part of the consent agenda in August 2024, but per the Spending Resolution approved in June 2024, the bond payments will be made in July 2024.

Summary of the FY 25 Bond Payments:

Bond	July 2024 Payment	January 2025 Payment	Payments FY25
GO Bond 2014 \$3,700,000	Interest Payment: \$0.00	Principal Payment: \$0.00 Interest Payment: \$0.00 Total: \$0.00	Total for FY 25: \$0.00 Paid with Tax Levy Final payments at the end of FY 25
GO Bond 2016 \$2,300,000	Interest Payment: \$24,000	Principal Payment: \$385,000 Interest Payment: \$24,000 Total: \$409,000	Total for FY 25: \$433,000 Paid with Tax Levy Final payments at the end of FY 28
GO Bond 2017 \$21,390,000	Interest Payment: \$357,100	Principal Payment: \$835,000 Interest Payment: \$357,100 Total: \$1,192,100	Total for FY 25: \$1,549,200 Paid with Tax Levy Final payments at the end of FY 37
GO Bond 2019B \$2,460,000	Interest Payment: \$29,200	Principal Payment: \$260,000 Interest Payment: \$29,200 Total: \$299,200	Total for FY 25: \$328,400 Paid with Tax Levy Final payments at the end of FY 29
Refunding Bond 2023 \$650,000	Interest Payment: \$8,946	Principal Payment: \$360,000 Interest Payment: \$8,946 Total: \$368,946	Total for FY 25: \$377,892 Paid with Tax Levy Final payments at the end of FY 25
Alternate Revenue Bonds: GO Bond 2018A \$10,650,000	Interest Payment: \$154,944	Principal Payment: \$485,000 Interest Payment: \$154,944 Total: \$639,994	Total for FY 25: \$794,888 Paid with CFST Final payments at the end of FY 38
Alternate Revenue Bonds: GO Bond 2019A \$4,215,000	Interest Payment: \$67,300	Principal Payment: \$195,000 Interest Payment: \$67,300 total \$262,300	Total for FY 25: \$329,600 Paid with CFST Final payments at the end of FY 36
Total Obligations	Interest: \$641,490	Interest: \$641,490 Principal: \$2,520,000 Total: \$3,161,490	Interest: \$1,282,980 Principal: \$2,520,000 Total: \$3,802,980

June 2024 Legislation Update

On Friday June 7th, the Governor signed HB 4582 (Public Act 103-0591) which, among other things, made several changes that can offer new opportunities for School Districts in the issuance of debt.

First, it **exempts all voted bonds from debt limit** beginning with the November 2024 election. Currently, the School Code includes 45 different specific exemptions that the legislature approved individually to allow districts to issue bonds that their constituents approved at referendum exceeding their statutory debt limit. This will **eliminate the need for districts to seek further legislative approval following a successful referendum if the approved borrowing amount exceeds the statutory debt limit**. Further, the law also **allows bonds issued for capital purposes to be retired over 30 years** rather than the current 20 years, thus providing an opportunity for lower annual bond payments. Bond issues exceeding the normal statutory debt limit will still be subject to the applicable hearing requirements.

Second, the law **exempts new bonds issued for school fire prevention and safety purposes from PTELL**. Many districts in tax-capped counties have struggled to find funds to pay for required fire prevention and safety work due to the lack of sufficient Debt Service Extension Base (DSEB). This provision of the law now allows districts to issue Life/Safety bonds, regardless of DSEB. Issues must still meet the various Life/Safety Bond requirements, are subject to the district's overall debt limit, and can also be structured over 30 years.

Finally, as of September 1, 2024, the law **eliminates the need for a referendum for the purchase or construction of a school building that will result in an increase in Pre-K and/or Kindergarten classroom space**. As the new law does not provide for funding for these facilities, a referendum might still be required to fund the facility, assuming the district does not have sufficient funds available to do so. School boards are also required to pass a resolution certifying that the project will provide the additional Pre-K and/or Kindergarten classroom space.

These changes will take effect July 1, 2024, except as noted above.

Illinois Department of Revenue: May 2024 PPRT Statement

Effective July 2023, IDOR adjusted its tax processing system to more accurately estimate future reallocations of Personal Property Replacement Tax (PPRT) and Local Government Distributive Fund (LGDF) distributions as required by statute. Due to the timing of the tax processing system update, it was expected that the reconciliation of payments and returns for tax year 2022 would result in a similar reallocation as occurred in 2021. However, due to a substantial quantity of amended tax returns, the reconciliation of tax year 2022 resulted in a greater reallocation than in tax year 2021.

The reallocation of tax year 2021 and 2022 receipts was caused by tax policy changes, such as the federal government enacting the State and Local Tax (SALT) deduction cap, the State of Illinois creation of the Pass-Through Entity Tax (PTE), and large increases in business income tax receipts.

The reallocation in fund distributions, which state statutes require, resulted in an increase in FY'24 LGDF allocations and a reduction in FY'24 PPRT allocations to taxing districts. The same will occur for the upcoming FY'25. **This reallocation will result in a PPRT reduction for FY'25 of \$1.021 billion compared to the \$818 million reduction that occurred in FY'24.**

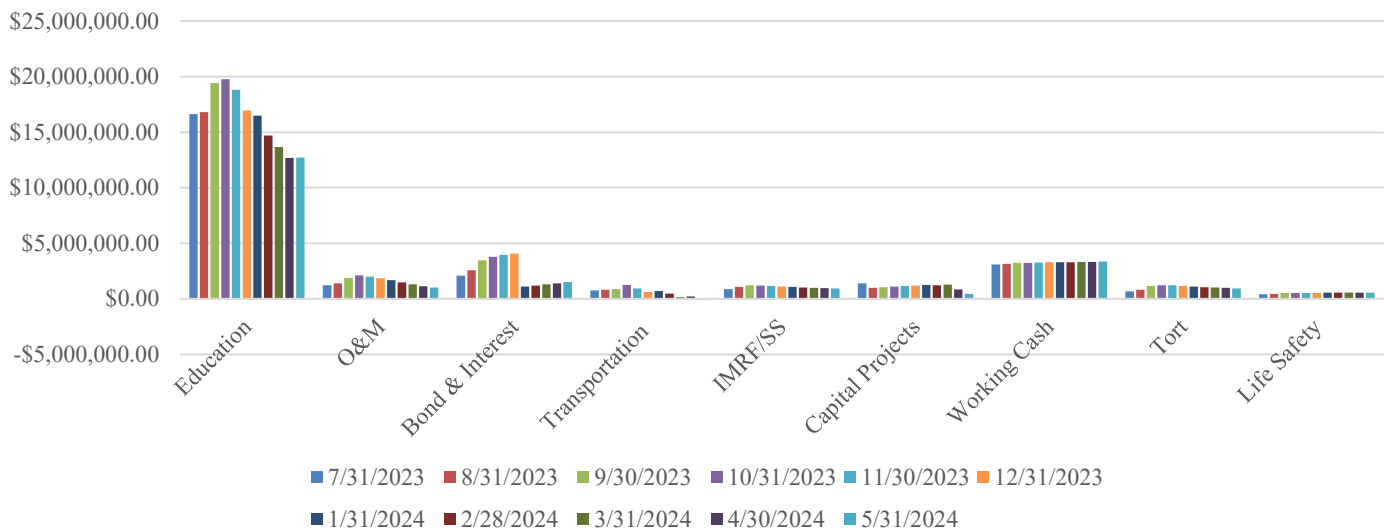
May 30, 2024

<https://tax.illinois.gov/localgovernments/localtaxallocation/may-2024-pprt-statement.html>

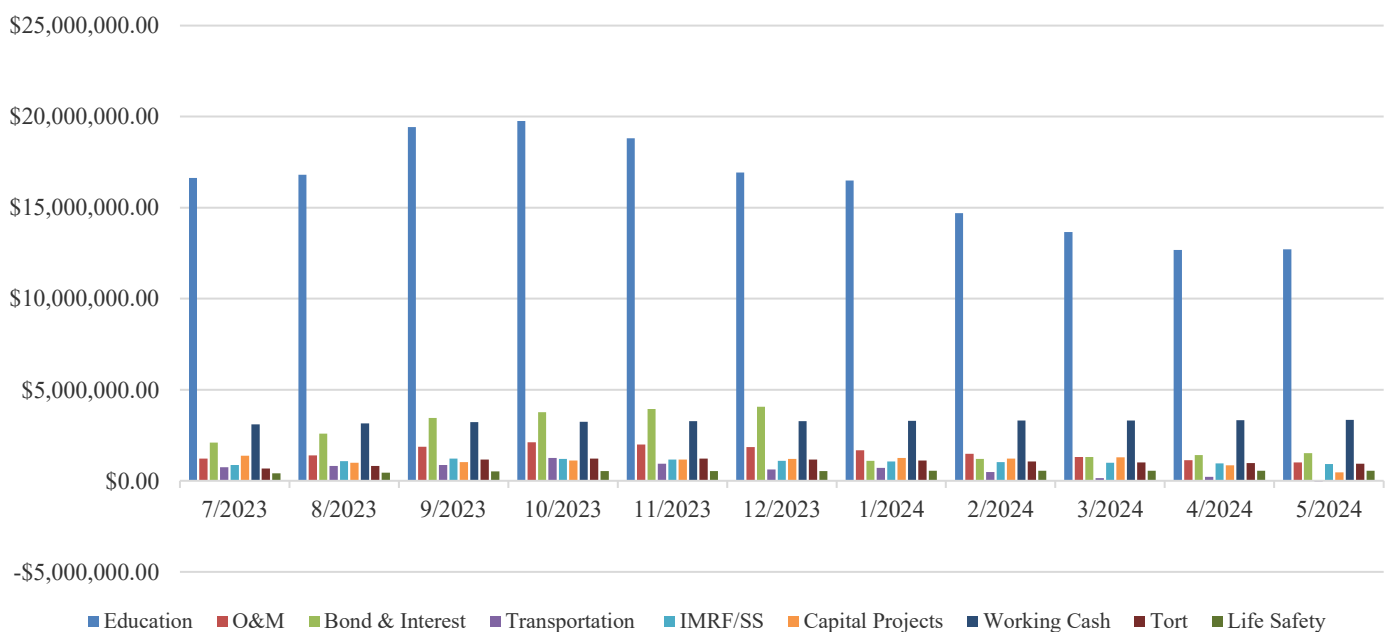
Treasurer's Report – May 2024

In your Board Packet, you will find the Treasurer's Reports for May 2024. The summary graphs represent FY 24 fund balances through May 2024. Balances for the funds for the first two quarters of each year reach their highest balances due to property tax revenue receipts. During the second half of the year, cash flow and revenue are traditionally low, while expenses for salaries and basic operations remain consistent throughout the year. This month saw a total decrease in fund balances of \$1.45 million primarily due to standard operation of the District. The operating funds decreased by \$725,000 million while Fund 60 decreased \$400,000. Cash flow is strong as we have finished the third quarter and moving through May. Large grant reimbursements, specifically \$720,000 in ESSER-III received in May, created a small increase in the Education Fund.

FY 24 Fund Balances by Fund Monthly



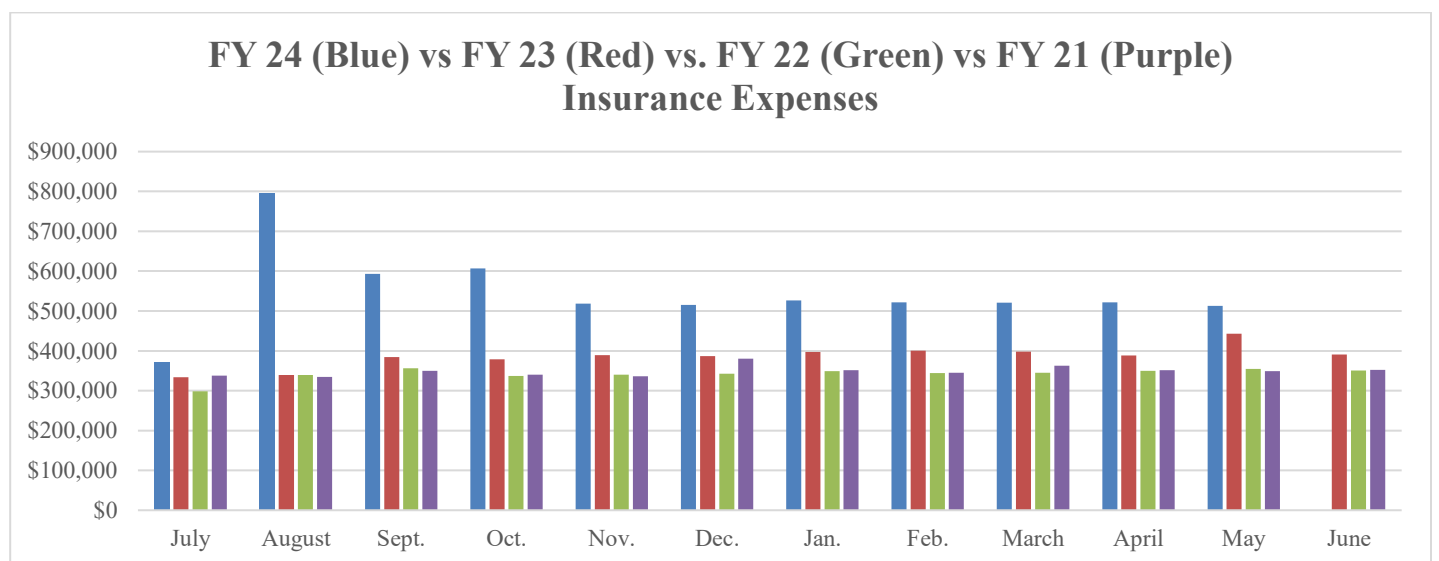
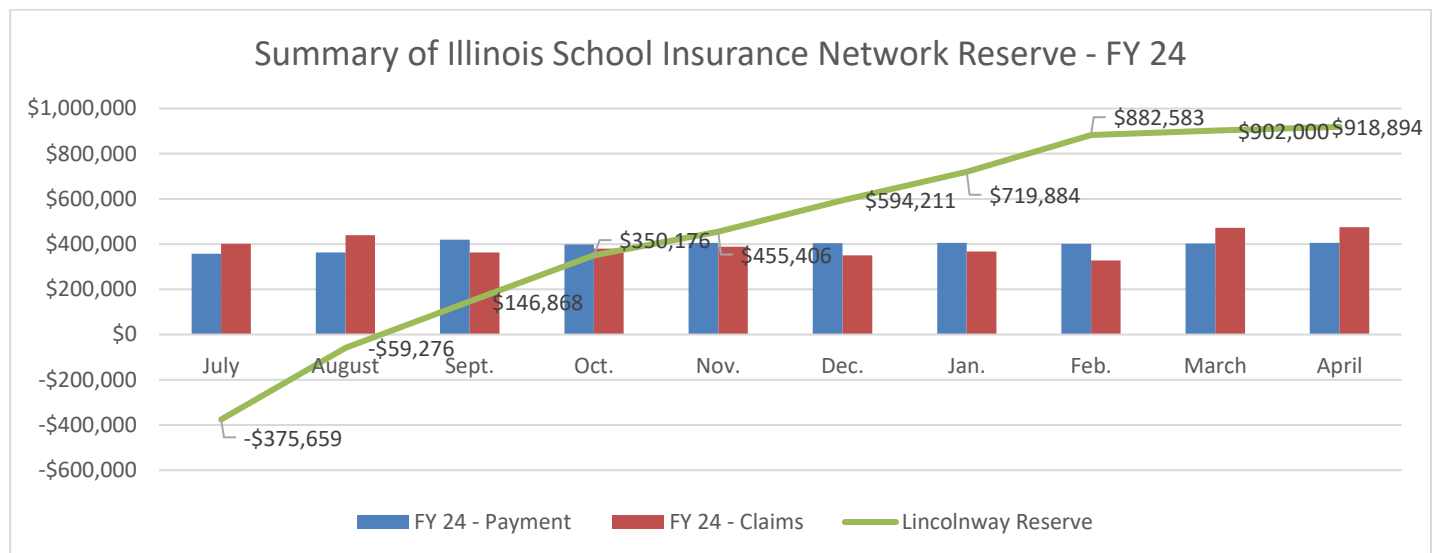
FY 24 Fund Balances - Treasurers Reports



Insurance Information Summary – April 2024

The *Summary of Lincolnway Affiliation Insurance Reserve – FY 24* 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. A good reserve amount should be approximately three months of actual claims. For DPS the average monthly claims amount is approximately \$450,000 per month, indicating a good reserve would be equal to \$1.3 million. Currently the reserve is at \$918,894 as of April 30, 2024 and it has increased by \$1.23 million (394%) since the beginning of the year. This is due to additional reserve payments being made by the district above the premium rate.
- In April 2024, the reserve increased by \$16,000. Looking at the graph the Red bar represents the claims paid vs. the Blue bar which represents the bill paid by the District. The District is billed a per person/family premium amount. This difference represents that the plan is being used (or claims are being made) in excess of the premium being billed.



In looking at the graph above, the Blue bar represents insurance costs paid in each of the months vs. the previous three years. Month over month the claims for FY 24 have been higher than the previous two 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 24.

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 against large claim years and significant premium increases. In April/May, the ISIN Board and the DPS Board approved full membership status for Dixon.*
2. *Each year, the District renews insurance premiums around this time of the year. We are anticipating a significant increase in the premium. This is a yearly Board approval item. In June, the Board will take action on the recommendation of approving a Health Insurance premium rate of 20%.*
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. As DEA and DESPA contracts start renegotiations in the future, the implementation of a Health Saving Account Plan (HAS) needs to be considered.

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).

