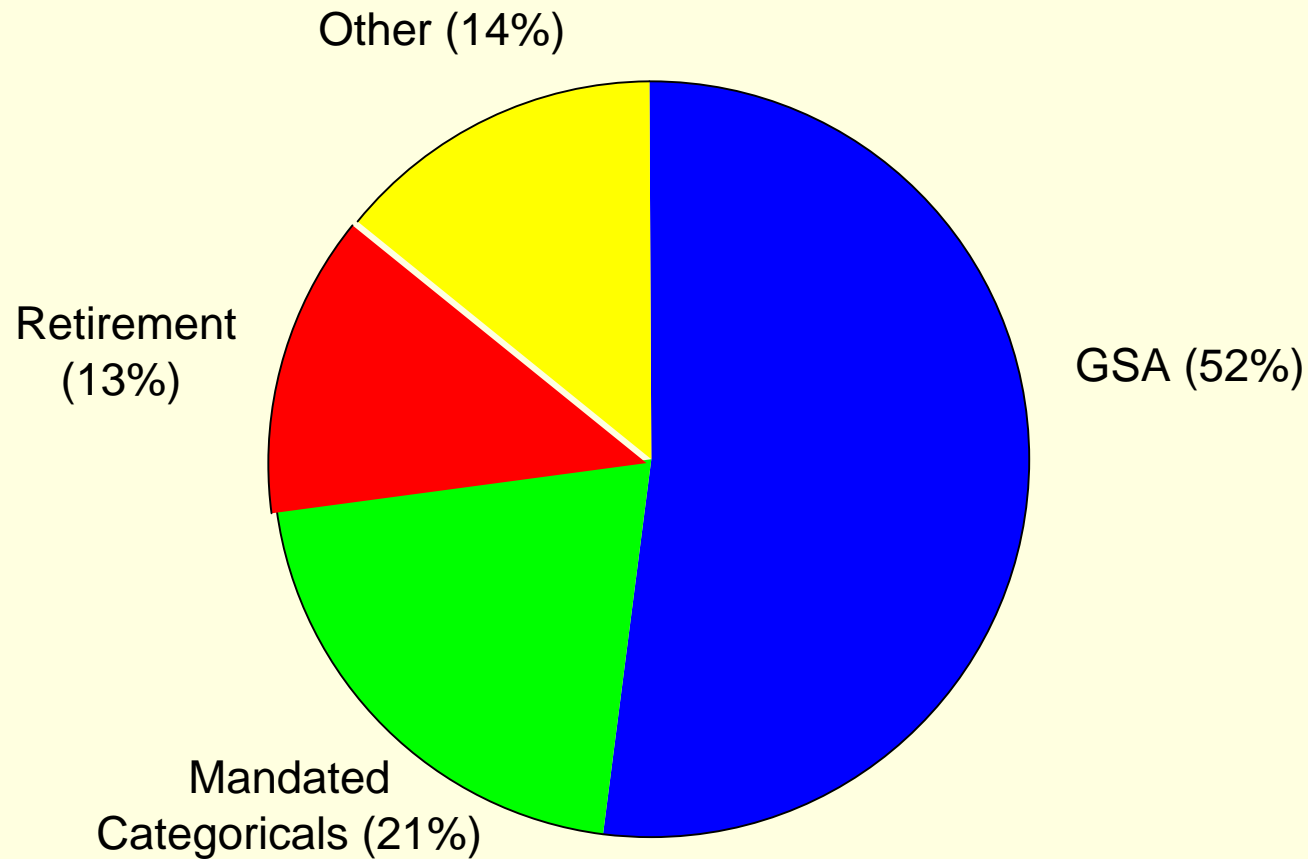




*The Illinois
General State Aid Formula*

*Illinois School Code
Section 18-8.05*

*FY2001 General Funds Appropriations
for Elementary and Secondary Education*





Objective of General State Aid

The objective of General State Aid is to provide unrestricted grants-in-aid to Illinois school districts in an equitable manner.

The Formula

(Foundation Level - Local Resources per Student)

x

Students

Basic Terms Used in the Formula

- ***FLEVEL*** – *Foundation Level (\$4,425 for FY 2001)*
- ***Available Local Resources***
 - ***ELR*** - *Extension Limitation Ratio*
 - ***GSAEAV*** – *General State Aid Equalized Assessed Value*
 - ***RATE*** - *Calculation Rate*
 - ***CPPRT*** - *Corporate Personal Property Replacement Tax*
- ***ADA*** - *Average Daily Attendance*

Double Whammy Adjustment

Extension Limitation Ratio (ELR) =

1998 EAV x 1998 Limiting Rate

1997 EAV x 1997 OTR

1998 GSAEAV = Smaller of

1997 GSAEAV x ELR

or

1998 Adjusted EAV

GSAEAV Example

- *1997 GSAEAV = \$45,000,000*
- *1998 EAV = \$48,000,000*
- *ELR= 1.05*
- *Extension Limitation EAV =*
$$\$45,000,000 \times 1.05 = \$47,250,000$$
- *GSAEAV = \$47,250,000*

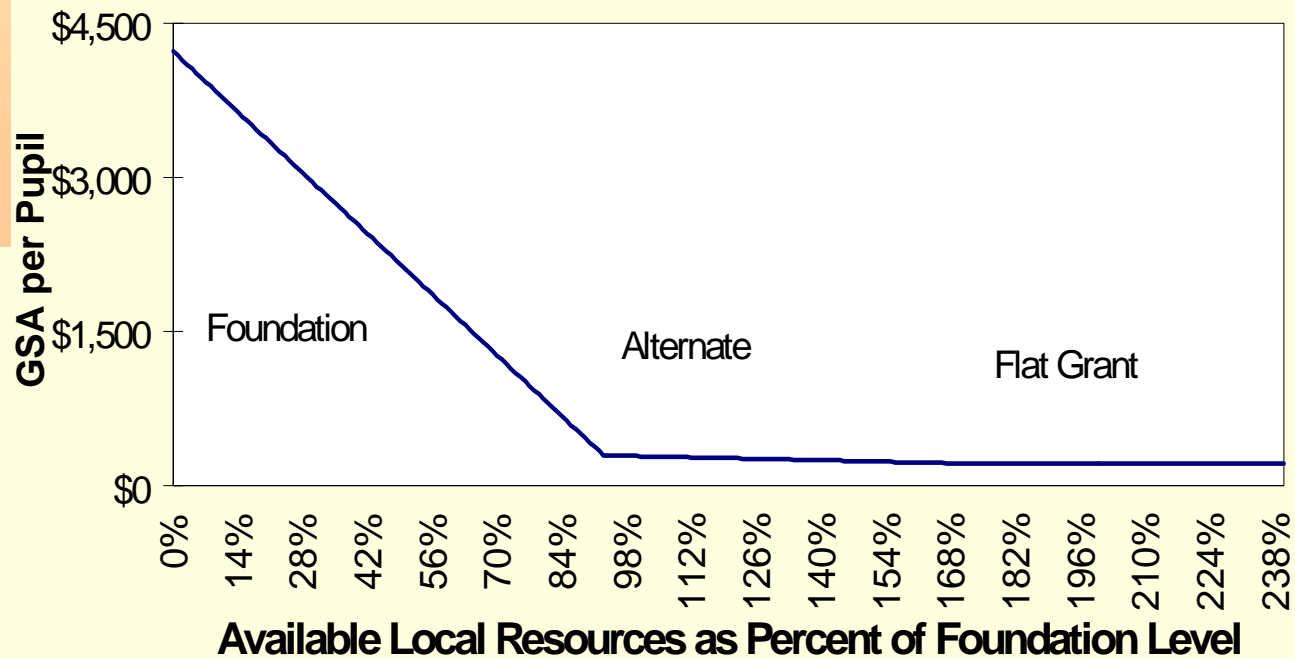
Available Local Resources (ALR)

- $ALR = (GSAEAV \times Rate + CPPRT) / ADA$
 - where Rate = 2.30% for elementary
 - 1.05% for high school
 - 3.00% for unit
- *Local Ratio*
 - $ALR / Foundation Level$

Three Formulas

- *Foundation (Less than .93)*
 - $(FLEVEL - ALR) \times ADA$
- *Alternate Method (.93 to 1.75)*
 - $7\% \text{ to } 5\% \text{ of } FLEVEL \times ADA$
- *Flat Grant (Greater than 1.75)*
 - $\$218 \times ADA$

GSA Distribution



Formula Calculation

Foundation Example

■ *Elementary District*

- *2.30% Rate*
- ***GSAEAV = \$30,000,000***
- *ADA = 1,000*
- *CPPRT = \$100,000*

■ *ALR*

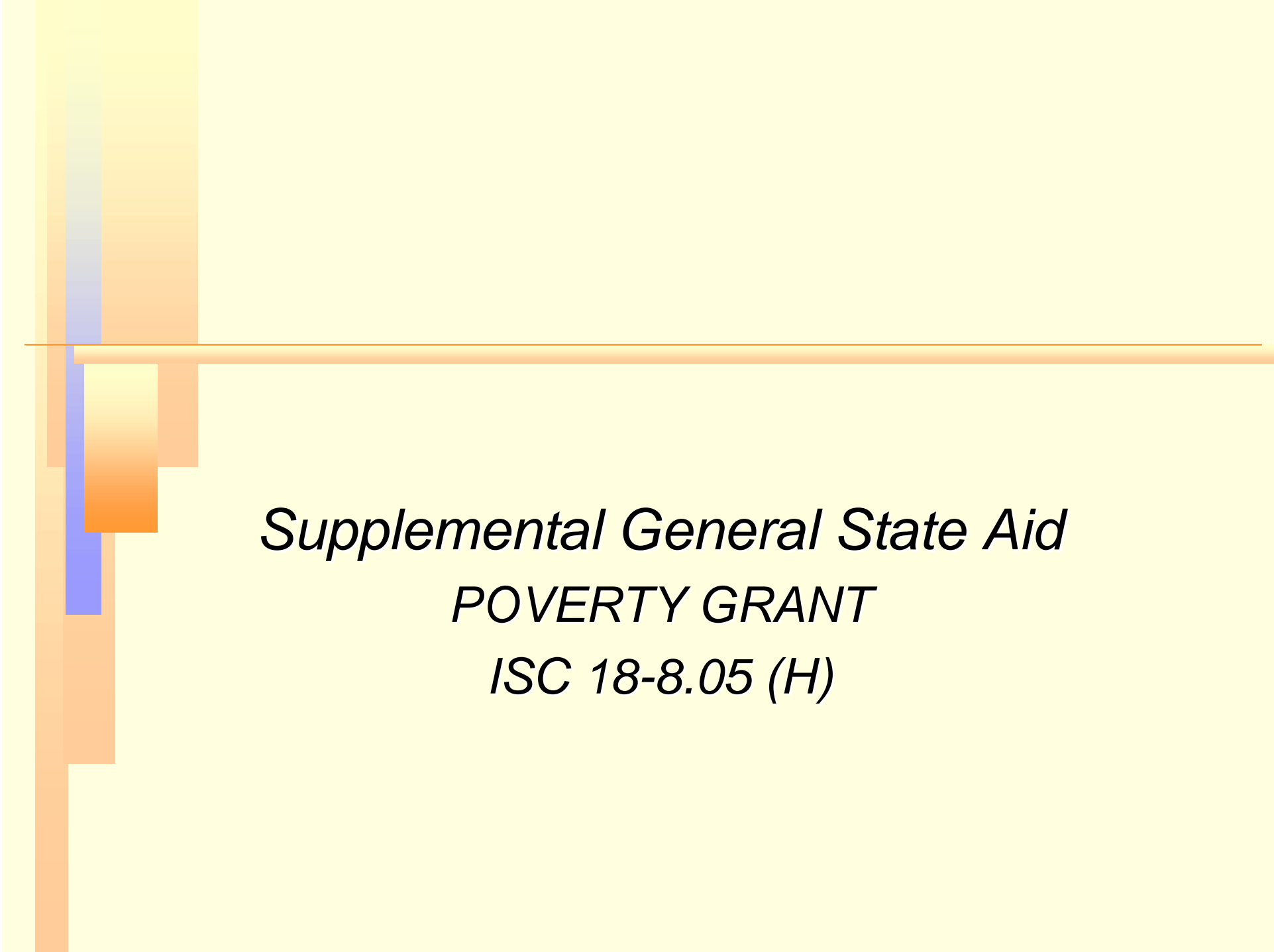
- $(30,000,000 \times .023 + 100,000) / 1,000$
- $= \$790$

■ *Local Ratio*

- $\$790 / \$4,425$
- $= .1785$

■ *Foundation*

- $= (\$4,425 - \$790) \times 1,000$
- $= \$3,635 \times 1,000$
- $= \$3,635,000$



Supplemental General State Aid
POVERTY GRANT
ISC 18-8.05 (H)

Poverty Formula (2000-2001)

- *Low Income Concentration Level*
 - *Low Income Count divided by ADA*
- *Less than 20% -- \$ 0*
- *20% to 35% -- \$ 800 x Low Income*
- *35% to 50% -- \$1,273 x Low Income*
- *50% to 60% -- \$1,640 x Low Income*
- *More than 60% -- \$2,050 x Low Income*

Preliminary Poverty Grant (2000-2001)

■ <u>Category</u>	<u>#</u>	<u>ADA</u>	<u>Count</u>	<u>Grant</u>
■ < 20%	708	1,172,666	79,657	\$ 0
■ 20% - 35%	138	206,970	52,378	\$ 41,902,400
■ 35% - 50%	35	419,900	182,175	\$231,908,775
■ 50% - 60%	6	3,569	1,879	\$ 3,081,560
■ >= 60%	<u>9</u>	<u>13,799</u>	<u>12,061</u>	<u>\$ 24,725,050</u>
■	896	1,816,904	328,150	\$301,617,785

Preliminary Poverty Grant (2000-2001)

	Census Count	<i>Pct. of Total</i>	1999-00 Poverty	<i>Pct. of Total</i>	Preliminary 2000-01 Poverty	<i>Pct. of Total</i>
Chicago	162,752	49.6%	\$202.3	68.6%	\$207.2	68.7%
Other Cook	26,529	8.1%	\$9.7	3.3%	\$9.7	3.2%
Collar	22,442	6.8%	\$4.8	1.6%	\$4.8	1.6%
Downstate	<u>116,427</u>	<u>35.5%</u>	<u>\$78.1</u>	<u>26.5%</u>	<u>\$79.9</u>	<u>26.5%</u>
TOTAL	328,150	100.0%	\$294.9	100.0%	\$301.6	100.0%

General State Aid

Foundation + Poverty

or

Alternate + Poverty

or

Flat Grant + Poverty

Preliminary GSA (2000-2001)

by Formula Type

	Districts	<i>Pct.</i>	GSA	<i>Pct.</i>	ADA	<i>Pct.</i>
Foundation	706	73.3%	\$2,868.1	95.8%	1,422,967	78.2%
Alternate	145	15.1%	\$96.5	3.2%	340,229	18.7%
Flat Grant	45	4.7%	\$11.8	0.4%	53,708	2.9%
Lab/Alt/Safe	67	7.0%	\$16.9	0.6%	3,827	0.2%
TOTAL	963	100.0%	\$2,993.3	100.0%	1,820,731	100.0%

Formula Type by Region

	Foundation	Alternate Method	Flat Grant	Labs Alt / Safe	Total
Chicago	1	0	0	0	1
Other Cook	59	67	17	3	146
Collar Counties	70	55	20	5	150
Downstate	<u>576</u>	<u>23</u>	<u>8</u>	<u>59</u>	<u>666</u>
TOTAL	706	145	45	67	963

Preliminary GSA (2000-2001) by Region

	Districts	<i>Pct.</i>	GSA	<i>Pct.</i>	ADA	<i>Pct.</i>
Chicago	1	0.1%	\$726.9	24.3%	370,970	20.4%
Other Cook	146	15.2%	\$340.2	11.4%	338,265	18.6%
Collar	150	15.6%	\$453.2	15.1%	454,309	25.0%
Downstate	666	69.2%	\$1,473.1	49.2%	657,187	36.1%
TOTAL	963	100.0%	\$2,993.4	100.0%	1,820,731	100.0%

Provisions of GSA Formula

- *Fixed Foundation Levels thru FY 2001*
 - *\$4,225 - \$4,325 - \$4,425*
 - *Continuing Appropriation thru FY 2001*
- *Unweighted ADA used as Pupil Count*
- *Calculation Rates*
 - *3.00% - 2.30% - 1.05%*
- *Alternate Formula (7% to 5%), Flat Grant (\$218)*
- *Separate Poverty Formula thru FY 2001*

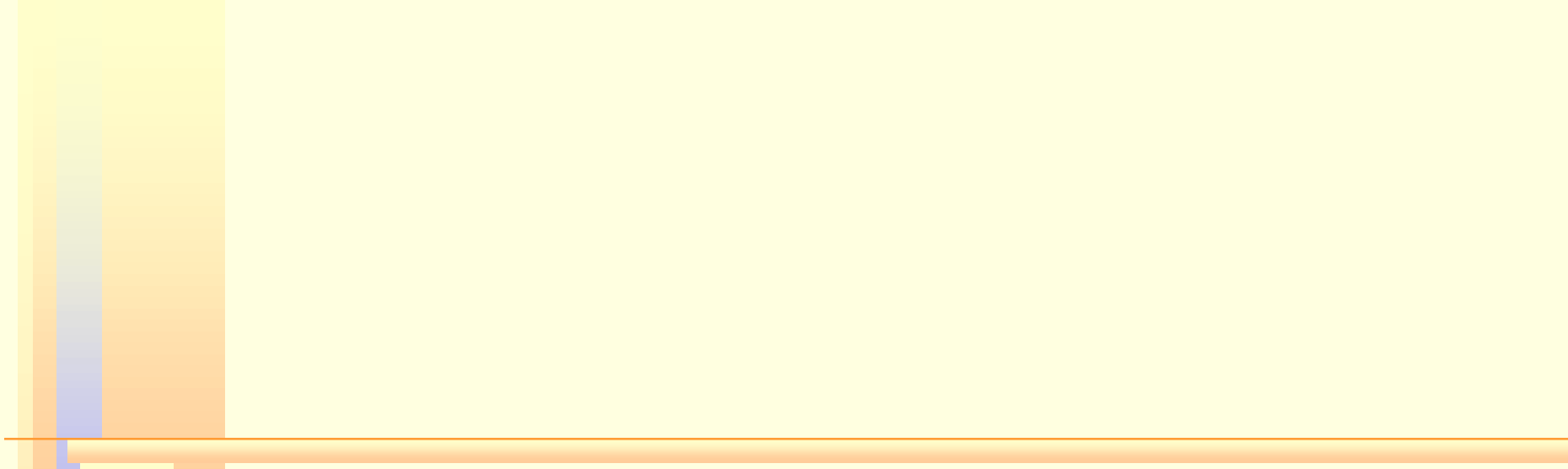
General State Aid by Region

(in Millions)

	1997-98	<i>Pct.</i>	1998-99	<i>Pct.</i>	1999-00	<i>Pct.</i>	Preliminary 2000-01	<i>Pct.</i>
	GSA	<i>of Total</i>	GSA	<i>of Total</i>	GSA	<i>of Total</i>	GSA	<i>of Total</i>
Chicago	\$568.1	23.0%	\$677.7	23.3%	\$712.7	24.0%	\$726.9	24.3%
Other Cook	\$268.6	10.9%	\$290.5	10.0%	\$321.1	10.8%	\$340.2	11.4%
Collar	\$304.6	12.3%	\$405.0	13.9%	\$421.0	14.2%	\$453.2	15.1%
Downstate	<u>\$1,327.8</u>	<u>53.8%</u>	<u>\$1,532.8</u>	<u>52.7%</u>	<u>\$1,508.8</u>	<u>50.9%</u>	<u>\$1,473.1</u>	<u>49.2%</u>
TOTAL	\$2,469.1	100.0%	\$2,906.0	100.0%	\$2,963.6	100.0%	\$2,993.4	100.0%

GSA Increases and Decreases by Region

	97- 98 to 98 - 99		98 - 99 to 99 - 00		99 - 00 to 00 - 01	
	Increases	Decreases	Increases	Decreases	Increases	Decreases
Chicago	1	0	1	0	1	0
Other Cook	78	65	123	20	119	24
Collar	80	65	101	44	115	30
Downstate	<u>519</u>	<u>88</u>	<u>231</u>	<u>376</u>	<u>178</u>	<u>429</u>
TOTAL	678	218	456	440	413	483



Supplementary Grants in Aid
HOLD HARMLESS
ISC 18-8.05 (J)

Hold Harmless

- *Base is 1997-98 GSA + Hold Harmless*
- *\$55.8 Million in 1998-1999 (261)*
- *\$48.0 Million in 1999-2000 (261)*
- *\$64.3 Million in 2000-2001 (315)*
- *Subject to Continuing Appropriation*

Hold Harmless by Region

	97-98			98-99			99-00			Preliminary 00-01		
	HH	Pct. of Total	#	HH	Pct. of Total	#	HH	Pct. of Total	#	HH	Pct. of Total	#
Chicago	\$0.0	0.0%	0	\$0.0	0.0%	0	\$0.0	0.0%	0	\$0.0	0.0%	0
Other Cook	\$1.6	3.6%	23	\$23.5	42.0%	66	\$14.5	30.3%	55	\$12.8	19.9%	49
Collar	\$6.3	14.3%	51	\$12.9	23.1%	69	\$9.9	20.7%	58	\$8.8	13.7%	50
Downstate	\$36.3	82.1%	380	\$19.5	34.9%	126	\$23.5	49.1%	148	\$42.7	66.4%	216
TOTAL	\$44.2	100.0%	454	\$55.9	100.0%	261	\$47.9	100.0%	261	\$64.3	100.0%	315



*GSA Data Components
by Region*

Change in Equalized Assessed Valuation

1993 — 1998

1998 Data is Preliminary



EA V Highlights

- 26% increase
- 23% Cook/Collar Growth
- 34% Downstate Growth
- 62 Counties (>35% increase)
- 17 Downstate counties increased over 50%
- 2 Counties decreased (power plant impacts)

Change in EAV by Region

(in Billions)

	1995	1996	<i>Pct.</i>	1997	<i>Pct.</i>	Preliminary	1998	<i>Pct.</i>
	EAV	EAV	<i>Chg.</i>	EAV	<i>Chg.</i>		EAV	<i>Chg.</i>
Chicago	\$30.39	\$30.73	1.1%	\$33.36	8.5%		\$33.95	1.8%
Other Cook	\$38.45	\$40.40	5.1%	\$40.48	0.2%		\$42.71	5.5%
Collar	\$48.03	\$50.96	6.1%	\$53.89	5.7%		\$57.07	5.9%
Downstate	<u>\$37.55</u>	<u>\$39.74</u>	5.8%	<u>\$42.11</u>	6.0%		<u>\$44.80</u>	6.4%
TOTAL	\$154.42	\$161.84	4.8%	\$169.84	4.9%		\$178.53	5.1%

Change in Average Daily Attendance 1994—1995 to 1999—2000

1999—2000 Data is Preliminary



ADA Highlights

- 6.2% Increase
- 11% Increase in Cook/Collar (64% ADA)
- 1.1% Decrease downstate (36% ADA)
- 75 Counties decreased
- 8 Counties decreased 10% or more

Change in ADA by Region

	96-97	97-98	<i>Pct.</i>	98-99	<i>Pct.</i>	Preliminary	99-00	<i>Pct.</i>
	ADA	ADA	<i>Chg.</i>	ADA	<i>Chg.</i>		ADA	<i>Chg.</i>
Chicago	356,770	363,069	1.8%	368,918	1.6%		370,970	0.6%
Other Cook	324,759	329,514	1.5%	332,247	0.8%		337,747	1.7%
Collar	415,963	428,350	3.0%	438,378	2.3%		454,073	3.6%
Downstate	<u>666,896</u>	<u>661,037</u>	-0.9%	<u>656,524</u>	-0.7%		<u>654,113</u>	-0.4%
TOTAL	1,764,388	1,781,969	1.0%	1,796,066	0.8%		1,816,904	1.2%

Change in EAV per ADA by Region

	1995	1996	Pct.	1997	Pct.	Preliminary	
	EAV / ADA	EAV / ADA	Chg.	EAV / ADA	Chg.	1998	Pct.
						EAV / ADA	Chg.
Chicago	85,181	84,643	-0.6%	90,420	6.8%	91,510	1.2%
Other Cook	118,392	122,603	3.6%	121,844	-0.6%	126,464	3.8%
Collar	115,467	118,968	3.0%	122,930	3.3%	125,685	2.2%
Downstate	<u>56,309</u>	<u>60,125</u>	6.8%	<u>64,142</u>	6.7%	<u>68,487</u>	6.8%
STATE AVERAGE	87,521	90,818	3.8%	94,563	4.1%	98,260	3.9%



*GSA and Data Components
by District Type*

General State Aid by District Type

(in Millions)

	1997-98		1998-99		1999-00		Preliminary 2000-01	
	GSA	<i>Pct. of Total</i>	GSA	<i>Pct. of Total</i>	GSA	<i>Pct. of Total</i>	GSA	<i>Pct. of Total</i>
Elementary	\$457.7	18.5%	\$562.3	19.4%	\$581.5	19.6%	\$595.0	19.9%
High School	\$178.2	7.2%	\$142.6	4.9%	\$164.9	5.6%	\$166.4	5.6%
Unit	\$1,825.5	73.9%	\$2,187.0	75.3%	\$2,201.7	74.3%	\$2,214.9	74.0%
Lab/Alt/Safe	\$7.6	0.3%	\$13.9	0.5%	\$15.5	0.5%	\$16.9	0.6%
TOTAL	\$2,469.0	100.0%	\$2,905.8	100.0%	\$2,963.6	100.0%	\$2,993.2	100.0%

GSA Increases and Decreases by District Type

	97- 98 to 98 - 99		98 - 99 to 99 - 00		99 - 00 to 00 - 01	
	Increases	Decreases	Increases	Decreases	Increases	Decreases
Elementary	291	93	233	151	225	159
High School	10	93	91	12	57	46
Unit	<u>377</u>	<u>32</u>	<u>132</u>	<u>277</u>	<u>131</u>	<u>278</u>
TOTAL	678	218	456	440	413	483

Formula Type by District Type

	Foundation	Alternate Method	Flat Grant	Labs Alt / Safe	Total
Elementary	255	95	34	0	384
High School	64	33	6	0	103
Unit	387	17	5	0	409
Lab/Alt/Safe	<u>0</u>	<u>0</u>	<u>0</u>	<u>67</u>	<u>67</u>
TOTAL	706	145	45	67	963

Hold Harmless by District Type

	97-98			98-99			99-00			Preliminary 00-01		
	HH	Pct. of Total	#	HH	Pct. of Total	#	HH	Pct. of Total	#	HH	Pct. of Total	#
Elementary	\$9.7	22.0%	174	\$6.8	12.2%	111	\$7.9	16.5%	104	\$10.9	16.9%	113
High School	\$3.5	7.9%	42	\$39.8	71.3%	97	\$23.9	49.9%	76	\$25.5	39.6%	79
Unit	\$30.9	70.1%	238	\$9.2	16.5%	53	\$16.1	33.6%	81	\$28.0	43.5%	123
TOTAL	\$44.1	100.0%	454	\$55.8	100.0%	261	\$47.9	100.0%	261	\$64.4	100.0%	315

Change in EAV by District Type

(in Billions)

	1995	1996	<i>Pct.</i>	1997	<i>Pct.</i>	Preliminary	1998	<i>Pct.</i>
	EAV	EAV	<i>Chg.</i>	EAV	<i>Chg.</i>		EAV	<i>Chg.</i>
Elementary	\$72.56	\$76.41	5.3%	\$78.45	2.7%		\$82.69	5.4%
High School	\$72.45	\$76.28	5.3%	\$78.27	2.6%		\$82.66	5.6%
Unit	\$81.96	\$85.56	4.4%	\$91.57	7.0%		\$95.87	4.7%

Change in ADA by District Type

	96-97	97-98	<i>Pct.</i>	98-99	<i>Pct.</i>	Preliminary	99-00	<i>Pct.</i>
	ADA	ADA	<i>Chg.</i>	ADA	<i>Chg.</i>		ADA	<i>Chg.</i>
Elementary	460,553	469,427	1.9%	475,478	1.3%		481,598	1.3%
High School	201,556	202,914	0.7%	202,241	-0.3%		206,473	2.1%
Unit	1,102,280	1,109,628	0.7%	1,118,347	0.8%		1,128,833	0.9%

Change in EAV per ADA by District Type

	1995	1996	<i>Pct.</i>	1997	<i>Pct.</i>	Preliminary	<i>Pct.</i>
	EAV / ADA	EAV / ADA	<i>Chg.</i>	EAV / ADA	<i>Chg.</i>	EAV / ADA	<i>Chg.</i>
Elementary	\$157,550	\$162,773	3.3%	\$164,992	1.4%	\$171,699	4.1%
High School	\$359,453	\$375,923	4.6%	\$387,014	3.0%	\$400,343	3.4%
Unit	\$74,355	\$77,107	3.7%	\$81,880	6.2%	\$84,928	3.7%

How Does EAV Change Affect GSA?

Example for a UNIT Foundation District

Example 1 -- EAV Increase

- *Formula Rate = 3.00%*
- *Actual Tax Rate = 4.00%*
- Assume GSAEAV INCREASED by \$1,000,000
- GSA DECREASE = \$30,000
- Property tax revenue GAIN = \$40,000

How Does ADA Change Affect GSA?

Example for a Foundation District

Example 2 – ADA Decrease

- Year 1 -- ADA = 1,000 – Foundation Level = \$4,325
- Year 2 -- ADA = 970 – Foundation Level = \$4,425
- **GSA Change in Year 2 =**
 - 970 x \$100 (existing kids get \$100 increase) -
 - 30 x \$4,325 (lose foundation level for lost kids)
- = -\$32,750

*What Happens to GSA if the EAV
Increases and ADA Decreases?*

Example for a UNIT Foundation District

Example 3 -- EAV Up & ADA Down

- *Year 1 -- \$4,325*

GSAEAV=\$50,000,000 ADA=1,000 CPPRT=\$50,000

- *Year 2 -- \$4,425*

GSAEAV=\$54,000,000 ADA=970 CPPRT=\$50,000

- ***Change Due to EAV Increase***

\$4,000,000 x .03 = \$120,000 (loss)

- ***Change Due to ADA Decrease***

Previous Example = \$32,750 (loss)

- ***Total Change = \$152,750 (loss)***

Example 3 -- Continued

- *Year 1 -- \$4,325*

GSAEAV=\$50,000,000 ADA=1,000 CPPRT=\$50,000

- *Year 2 -- \$4,425*

GSAEAV=\$54,000,000 ADA=970 CPPRT=\$50,000

- ***GSA Formula in Year 1***

$$(\$4,325 \times 1,000) - (\$50,000,000 \times .03 + \$50,000) = \$2,775,000$$

- ***GSA Formula in Year 2***

$$(\$4,425 \times 970) - (\$54,000,000 \times .03 + \$50,000) = \$2,622,250$$

- ***Formula Difference = \$152,750 (loss)***

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Past School Funding Studies

Task Force on School Finance

- *Legislative Task Force*
- *28 Months - Final Report January 1993*
- *New Formula*
 - *Adequacy Level of \$3,898*
 - *Reduced grade level weightings*
- *Restructure of Permissive Tax Rates*
- *Property Tax Relief based on Education Fund Tax Rate*

Governor's Commission

- *Business/Education Task Force*
- *10 Months - Final Report March 1996*
- *New Formula*
 - *Adequacy Level of \$4,225*
 - *No grade level weightings*
- *\$1.5 Billion in Property Tax Relief*
 - *Tax Rate Roll Back*
- *\$2.1 Billion Income Tax Increase*
- *Constitutional Amendment*



The End