As Illinois enters 10th year under Evidence-Based Funding model, equity remains an elusive goal – *July 9, 2026*
Written by: Peter Hancock for Capitol News Illinois and Distributed Online by IASA through Eye on Education Email Listserv at; https://capitolnewsillinois.com/news/as-illinois-enters-10th-year-under-evidence-based-funding-model-equity-remains-an-elusive-goal/

Funding has improved for poor schools, but property tax inequities persist

Article Summary

- After nine years of funding schools under the Evidence-Based Funding model, wealth-based disparities in per-pupil spending have largely evened out, but residents of low-wealth districts still pay significantly higher property tax rates.
- Since the adoption of EBF, annual state funding of public schools has increased by more than $3 billion. But 63% of districts are still funded at less than 90% of their adequacy target.
- School district officials in both rich and poor districts credit the EBF system focusing resources where they are needed most and providing more certainty in funding.
- This summary was written by the reporters and editors who worked on this story.

SPRINGFIELD — Illinois has made progress in recent years boosting funding for schools that serve some of the state's poorest communities and leveling out some, but not all, of the wealth-based disparities in per-pupil instructional spending.

But as Illinois enters the 10th year of financing schools under the Evidence-Based Funding model — a formula adopted in 2017 that was supposed to improve both the adequacy and equity of the state's school finance system — wide disparities still exist in the property tax system that funds more than half the cost of K-12 education.

An analysis of school finance data by Capitol News Illinois covering the nine-year period from 2017 to 2025 shows homeowners in the lowest-wealth districts pay tax rates that are double those in the wealthiest districts.

The findings are largely consistent with those of other researchers who follow school finance issues nationally.

"Given the design of EBF and the evidence basis on which it was built, this is about what I would expect. I mean, it's actually a little better than I would have expected," Bruce Baker, a school finance researcher at the University of Miami, said in an interview. "To a significant extent, it leveled out the resources, but it, by no stretch of the imagination, brought the state to equal educational opportunity."

Evidence-Based Funding

The Evidence-Based Funding formula came about after years of negotiations among legislators and stakeholders who were searching for a way to reform what many considered to be the most inequitable school funding system in the country.

"I have always talked about Pennsylvania and Illinois as being kind of the equity trainwreck states," Baker said. "Connecticut has taken Illinois' place in that role."

At that time, according to State Report Card data, Illinois was spending about $7 billion a year funding public schools, less than one-fourth of the total $28.4 billion being spent by the state's public schools. Federal funding provided another $2.1 billion, or 7.5% of the total.

But more than two-thirds of the total, $19.3 billion, came from local revenues, primarily property taxes.

Meanwhile, there were vast disparities across the state's school systems, both in terms of the taxes they levied on property within their boundaries and the money they spent educating their students.

The aim of the new formula was to improve both the adequacy and equity of school funding in Illinois. That involved establishing an "adequacy target" for each district, using research-based evidence to estimate the cost of educating each student in a district.

The formula was predicated on the idea that some students are more expensive to educate than others. That meant the adequacy target had to account for such things as the poverty rate within a district, the percentage of its students from non-English speaking backgrounds, the number of students receiving special education services and regional cost of living differences, among other factors.

"A district that's 60% to 70% kids from low-income households, 20 to 30% non-English speaking kids, that school or district might need 40%, 50% or even 100% more in spending per pupil than a district that has no kids from low-income families and no kids who are English learners," Baker said. "The per-pupil spending really needs to be differentiated based on the costs to achieve common outcomes."

The law then called for increasing state funding each year by at least $300 million and earmarking the bulk of that money for the districts furthest below their adequacy target, with the goal of eventually getting all districts up to at least 90% of adequacy.

It also called for funding $50 million each year in property tax relief grants to reduce levies in certain high-tax districts. Districts are awarded grants based on a formula spelled out in statute. Districts are expected to use the grant funds to abate taxes they would otherwise levy.

At Gov. JB Pritzker's urging, lawmakers did not fund the grants in the fiscal year that just ended June 30 but instead passed a bill calling for the Illinois State Board of Education's Professional Review Panel to file a report assessing the impact of the program.

That report was released in March. It found that from 2015 through 2023, total property taxes collections grew in almost every district in the state, although the growth was slightly lower in districts that had received the grants than those that did not.

Lawmakers renewed the grant program for the fiscal year that began July 1 but extended the period in which districts must use the funds to abate taxes to three years.

In the years since the EBF formula was adopted, overall annual state funding for schools has increased more than $3 billion, to an estimated $10.8 billion in the fiscal year that just began.

Out of 850 elementary, high school and unit school districts in the state, according to ISBE's EBF distribution data, the number of districts that are funded at or above 90% of their adequacy target has grown from 194 in fiscal year 2018 to 313 in 2026.

Open chart in a new tab: https://capitolnewsillinois.com/news/as-illinois-enters-10th-year-under-evidence-based-funding-model-equity-remains-an-elusive-goal/
Made with Flourish • Create a chart

But after nine years under the EBF model, that still leaves 537 districts, 63% of the total, funded at less than 90% of adequacy. ISBE reported during this year's budgeting process that it would take an additional $3 billion to get all districts up to at least 90% of adequacy.

“We need more, and I have tried very hard, as you know, in very tight budget circumstances,” Pritzker said during a recent news conference. “We nevertheless increased funding for K-12 schools.”

But an analysis of school finance data covering the first eight years of the EBF formula shows the state has made only modest progress to improve the equity of its school finance system, either in terms of the taxes people pay to fund their local schools and the amount of resources those districts devote to classroom instruction.

Tax inequity

One of the hopes of the new funding system was that as state funding for schools increased, local districts would become less reliant on local property taxes.

At the time EBF went into effect, there were vast disparities among districts in terms of their relative wealth and the tax rates they levied.

According to data from the Illinois Local Education Retrieval Network, or ILEARN, in fiscal year 2017, the year before EBF took effect, district wealth ranged from a low of $20,449.57 in taxable property valuation per pupil to a high of $2.47 million.

Property tax rates among the districts also varied widely, from a low of $1.14 per $100 of equalized assessed valuation, or EAV, to a high of $21.82.

According to the data, people in the poorest 10% of districts in the state paid an average tax rate of $5.39 per $100 of EAV. That was more than double the average tax rate in the wealthiest 10% of districts, which was $2.50 per $100 of EAV.

Using a statistical tool known as regression analysis, the data showed that for every $10,000 increase in a district’s per-pupil property wealth, there was a corresponding $0.028 decrease in its property tax rate. And while other factors also influenced a district’s tax rate, property wealth explained 21% of the variation.

By 2025, the eighth year of the EBF formula, data from school districts’ annual financial reports showed those disparities had eased only slightly.

There was still wide variation in tax rates among school districts, from a low of $19,580 to a high of $3.3 million.

From 2017 through 2025, the average tax rate among the poorest 10% of districts fell considerably, to $4.81 per $100 of EAV. But that was still more than twice as high as the average tax rate among the wealthiest 10%, which was $2.40 per $100.

Open chart in new tab: https://capitolnewsillinois.com/news/as-illinois-enters-10th-year-under-evidence-based-funding-model-equity-remains-an-elusive-goal/
Made with Flourish • Create a scatter plot

Differences in per-pupil property wealth still explained about 21% of the variation in tax rates but the relationship was not as severe. In 2025, for every $10,000 increase in property wealth, there was a corresponding $0.018 decrease in tax rates.

Spending inequity

One area where Illinois appears to have made more progress is in directing new resources to districts serving large numbers of high-needs students.

The EBF formula is predicated on the idea that some students are more expensive to educate than others. The additional cost of educating those students — including low-income students, English language learners and students receiving special education services, among others — is used as a factor in calculating each district's adequacy target and, eventually, how much new money they receive each year.

To measure how effectively Illinois was directing resources to high-need districts, CNI compared each district's instructional expenses per-pupil with its percentage of low-income students, as reported in the ISBE's annual Report Card data.

ISBE defines instructional expenditures as "the direct costs of teaching pupils or the interaction between teachers and pupils." Low-income students are defined as those "who receive or live in households that receive Supplemental Nutrition Assistance Program or Temporary Assistance for Needy Families benefits; are classified as homeless, migrant, runaway, Head Start, or foster children; or live in a household where the household income meets the U.S. Department of Agriculture income guidelines to receive free or reduced-price meals."

In 2017, the year before EBF took effect, there were wide wealth-based gaps in instructional spending across all school districts in Illinois.

At that time, instructional spending averaged about $7,320 per pupil statewide. The average among elementary districts was below that level, at $6,822, while high school districts the average was $9,224.

Within elementary districts, however, the wealthiest 10% — those with the lowest percentage of low-income students -— instructional spending per-pupil was 39% higher than it was among the poorest 10%.

Among high school districts, the wealthiest districts spent 29% more on average than the poorest districts.

Among unit districts, however, there was little difference in spending levels between wealthy and poor districts.

By 2025, the eighth year of the EBF program, the spending picture had changed considerably.

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First, the infusion of $3 billion in additional annual state funding boosted instructional spending across the board. That year, the statewide average was $10,601 per pupil, a 45% increase over 2017 levels.

In addition, many of the wealth-based disparities had been erased.

Among unit districts, the poorest 10% of districts actually spent about 29% more per-pupil on instruction than the wealthiest. Among elementary districts, spending levels were about even between rich and poor districts.

Among high school districts, however, wealth-based disparities persisted. There, the richest 10% of districts continued to spend about 29% more per-pupil on instruction than the poorest districts.

Chris Johnson, deputy superintendent at New Trier Township High School District in northern Cook County, one of the wealthiest districts in the state, acknowledged in an interview that his district is fortunate to have more than adequate resources. But he said that is not the fault of the EBF system.

"We were 91% funded by local property taxes, and so we have a long history of our community generously committing to support our schools," he said.

In 2025, New Trier ranked third in the state among high school districts for per-pupil instructional spending, at just over $21,000. Its property tax base was also among the highest, at nearly $1.9 million per pupil, and it had one of the lowest property tax rates, at $1.92 per $100 of equalized assessed valuation.

As a result, New Trier receives very little state funding through EBF, which is designed to prioritize the neediest districts. But Johnson, who wrote his doctoral dissertation on the implementation of EBF, said he supports the system and believes it is performing as it was intended.

“It’s brought more money to Illinois school districts, and it’s done it in an equitable way that focuses on the districts that need the most support,” he said.

“What I found in my dissertation was that the function codes — the ways the district spent the money in their budgets — were aligned with the rationale for passing law,” Johnson said. “So, the categories in school district budgets related to instruction grew at a faster rate than expenditures related to some of the administrative and other expenses.”

One district official in a smaller rural school district said the EBF model was probably more useful in helping larger districts quantify their needs. “But like for ours,” he said, “it tells us that we need a 0.2 school psychologist and a 0.1 social worker. I can’t do a point one person.”

Overall, that official said the biggest benefit the EBF system has provided his district is greater certainty that state funding will arrive on time.

“I like the guaranteed money, you know. Making sure they’re gonna send us some money,” he said.

Some lawmakers, however, have expressed growing frustration with the slow progress being made in bringing all districts up to adequate funding levels.

Sen. Graciela Guzmán, D-Chicago, introduced legislation this year calling on the state to fund all districts at 100% of their adequacy target. Although the bill never advanced out of committee, it did receive serious discussion during one committee hearing in May.

“If the state says that a service is required, the state should fund it,” Guzmán said during that hearing. “And then if the state has defined what adequate education looks like, the state should also fund that. So, if we’re serious about equity, property tax relief and supporting public schools across Illinois, then we have to stop treating underfunding as if it is normal.”

How we reported this story

This story is based on analysis of publicly available data from several datasets maintained by the Illinois State Board of Education.

Information about school district property valuations and tax levies for fiscal year 2017 was obtained from the Illinois Local Education Agency Retrieval Network, or ILEARN. According to ISBE, there is a two-year lag in reporting that data. Therefore, the FY 2017 data was obtained from the FY 2019 report.

Property valuation and tax levy data for fiscal year 2025 was obtained from individual districts’ annual financial reports filed with ISBE. At the time this analysis was performed, data was available from 746 of the state’s 850 elementary, high school and unit districts.

Information about school districts’ instructional spending and low-income population was taken from annual report card data, available from ISBE’s Report Card Data Library.

Budget shortfalls, declining enrollment top district leaders’ concerns - *July 21, 2026*

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/budget-shortfalls-declining-enrollment-top-district-leaders-concerns/825689/

Districts are looking to marketing campaigns and expanded pre-K services to bring in more students, according to a new Rand Corp. survey.

Dive Brief:

- Budget shortfalls and declining enrollment top the list of most common challenges for school districts, according to a Rand Corp. survey released last week. Over half — 54% — of district leaders reported difficulties with addressing budget shortages, and 36% grappled with declining enrollment in spring 2026.
- While challenges with enrollment and finances grew this year, Rand found lower concern over other issues compared to 2025. For example, fewer district leaders reported challenges with recruiting and retaining effective teachers, dropping from 42% in 2025 to 35% in 2026, and challenges in curbing chronic absenteeism fell from 38% to 31%.
- In this year's survey, 40% of districts said they were considering marketing campaigns to combat enrollment declines by promoting the benefits of attending public schools. A third of districts are eyeing expanded pre-K services to engage families sooner.

Dive Insight:

To better understand why budget shortfalls and enrollment declines are school districts' biggest concerns, Rand interviewed 38 district leaders — who nearly all said that school finances are strained by "rising costs that now outstrip the revenue coming in."

Ten of those leaders cited inflation in operational costs such as utilities, transportation, facilities, and goods and services. Over half of those interviewed also said that mandatory, contracted cost-of-living raises for educators are a key factor adding to budget shortfalls, particularly because salaries and benefits make up a large part of district budgets.

Other newer and ongoing costs that district leaders told Rand they must keep up with include: growing numbers of students qualifying for special services, demand for mental health supports, and state requirements to adopt high-quality instructional materials.

Budget shortages, declining enrollment rise to greatest district challenges

The percentage of district leaders surveyed by Rand Corp. on the issues they were facing in spring 2025 and spring 2026.

- Graphical Representation is located at; https://www.k12dive.com/news/budget-shortfalls-declining-enrollment-top-district-leaders-concerns/825689/

A majority of superintendents also told Rand that their per-pupil state allotments are not keeping pace with their district's increasing needs.

In fact, financial and enrollment challenges nationwide have led to budget and staffing cuts as well as school closures and consolidations — particularly in the past school year.

According to the Rand survey, rural districts were the most likely to report challenges with declining enrollment at 39%, compared to 37% of urban and 25% of suburban districts. Budget challenges were equally felt by rural and suburban districts at 55%, while 47% of urban districts said the same.

"Districts grappling with enrollment decline are therefore facing not only the immediate budget pressures described above but also the prospect of continued declines in enrollment and funding," the Rand report said.

Even though rural districts are in a somewhat more precarious position regarding enrollment, Rand said that these districts are less likely to be planning specific strategies to increase enrollment. That could be because they face less competition from nearby private schools than urban and suburban districts do, the report said.

District leaders interviewed by Rand cited declining birth rates, labor markets or out-migration as reasons for enrollment declines. But they were also aware of the growing impact from school choice. While they told Rand that declining birthrates were out of their control, many district leaders said they were working to retain current students and attract more students.

Alongside marketing campaigns and pre-K expansions, Rand found that 33% of surveyed districts are also planning to offer more extracurricular or specialized programs like sports, gifted and talented initiatives or out-of-school programs as strategies to boost enrollment.

Some 481 K-12 school districts responded to Rand's spring 2026 American School District Panel survey, which was conducted between March 18 and May 4.

School funding stretched thin as costs rise, corporate revenue source shrinks – *August 7, 2026*
Written by; Peter Hancock for Capitol News Illinois and Distributed on IASA Online through the Eye on Education Email Listserv at; https://capitolnewsillinois.com/news/school-funding-stretched-thin-as-costs-rise-corporate-revenue-source-shrinks/

Despite $350M funding increases, overall 'adequacy gap' grows for 3rd straight year

Article Summary

- The Illinois State Board of Education released details Friday of how it will distribute $9.3 billion in Evidence-Based Funding to public schools for the upcoming academic year.
- That's a $350 million increase above last year's funding. But it is not enough to keep pace with rising costs and declining revenue from certain corporate and business taxes.
- The figures show fewer districts will be funded at or above 90% of their adequacy target while the overall "adequacy gap" in school funding will grow to $6.8 billion.
- At the current rate of annual increases in K-12 funding, ISBE estimates it will take at least 14 years to bring all districts up to adequate funding levels.
- This summary was written by the reporters and editors who worked on this story.

SPRINGFIELD – Despite a $350 million increase in base funding for public schools this year, Illinois is falling further behind in its quest to bring all school districts up to adequate funding levels.

That's according to new data from the Illinois State Board of Education, which announced Friday the details of how it will distribute $9.3 billion in Evidence-Based Funding dollars for public schools.

For the third consecutive year, the number of districts being funded at or above 90% of their "adequacy target" will fall while the overall "adequacy gap" — the amount of additional money it would take to bring all districts up to full adequacy — will increase.

Click Here for Chart: https://capitolnewsillinois.com/news/school-funding-stretched-thin-as-costs-rise-corporate-revenue-source-shrinks/

According to the new distribution figures, only 292 of the state's 850 elementary, high school and unit school districts will be funded at 90% or more of their adequacy target in fiscal year 2027, down from a peak of 327 in fiscal year 2024.

And the overall adequacy gap this year will total $6.8 billion, up from $4.8 billion three years ago.

State Superintendent of Education Tony Sanders said that's primarily due to three factors: rising costs; a decline in one source of corporate tax revenue; and an increase in the number of students identified as "low-income."

Those factors aside, however, Sanders insisted the Evidence-Based Funding formula is serving its purpose.

"Every school district has received more school funding each year since EBF was enacted," he said Friday during a media briefing about the numbers. "In other words, EBF is working."

Outside factors

Sanders said one of the biggest factors affecting school funding is a rapid decline since 2024 in a revenue stream known as "corporate and personal property replacement tax," or CPPRT. That's a tax the state began levying in 1979 on certain business entities. It replaced a tax on personal property such as machinery and equipment that was phased out under the 1970 Constitution.

The revenue is collected by the state but distributed to local units of government, including school districts, that used to receive personal property tax revenue. It is used in the EBF formula to calculate how much revenue a district is able to raise on its own and, thus, how close it is to meeting its adequacy target.

CPPRT revenue spiked between 2022 and 2024 amid the hyperinflation that occurred immediately following the COVID-19 pandemic, which was a boon for school districts that receive that money. But it has dropped precipitously since then, resulting in many districts moving further away from their adequacy target, Sanders said.

He also cited rising labor costs as another factor affecting schools. That includes increases both in the salaries teachers are paid and the number of teachers employed in Illinois schools.

"This data demonstrates that in Illinois we are paying our teachers better, which we need to be doing," he said. "The increases in salary costs, though, do push districts further away from adequacy."

Finally, Sanders said, the state started using a new method this year of counting low-income students in each district. That matters under the EBF formula, he said, because students from low-income households typically need more resources and therefore cost more to educate.

Moving target

Sanders said the EBF formula is designed to take into account changing circumstances like rising costs and demographic shifts. As a result, each district's adequacy target is always a moving figure.

The net effect of all the changes this year, he said, is that most districts moved further away from their adequacy target, as did the state as a whole.

According to the data, the total statewide adequacy target this year — the total of all local, state and federal revenue it would take to adequately fund all schools in Illinois — grew $2.4 billion this year, to $31.5 billion.

"Let me reemphasize, though, that this is how EBF is designed to work," Sanders said. "It is responsive to changing resources and increasing student needs."

Robin Steans, executive director of Advance Illinois, an education advocacy group that pushed for passage of the EBF formula in 2017, agreed that the formula is working and that schools are still far ahead of where they were before the adoption of EBF.

“There is still more dollars available, particularly for all districts and for districts that are in the most need,” she said. “And we’re closing equity gaps as we go. It’s just we got an artificial bump (from CCPRT) and now that artificial bump is going away.”

But Stacy Davis Gates, president of the Illinois Federation of Teachers and the Chicago Teachers Union, said in a statement that the figures show lawmakers need to put more money into the formula above the minimum $300 million per year called for in the statute just to keep up with rising costs.

“Today’s report should serve as a wake-up call,” she said. “A child entering kindergarten today will graduate from a high school that is still underfunded. Our students are about to report to crumbling buildings, without the food, special education support, and transportation that they need to meet the minimum of a functional school day, let alone the quality school day our students deserve.”

Sanders, however, said he does not intend to ask lawmakers for larger annual increases.

“The state board of education’s commitment has always been to request the $300 million that statutorily requested for evidence-based funding,” Sanders said. “It’s really a function of the General Assembly and the governor to determine if there’s additional resources that could be put towards public education. But we will continue our annual ask of $300 million in tier funding every year.”

The other $50 million that’s part of the annual increase goes to property tax relief grants.

Economic News Briefs…

- ***Market and Economic Highlights:***
    - Short-term rates rose on growing expectations for at least one 2026 rate hike.
    - Longer 5-year and 10-year Treasury yields rose by smaller amounts.
    - Oil prices fell to near pre-conflict levels following a U.S.-Iran cease fire.
    - Traffic is flowing through the Strait of Hormuz, but conflict continues.
    - Stocks were mixed as semis led and the Mag 7 all declined.

  Source: Bloomberg,FactSet
- ***Hawkish First Meeting:*** In his first meeting as Fed Chair, Kevin Warsh emphasized, “The Committee will deliver price stability.” This language was included in the Fed’s statement and Warsh emphasized the pledge during his post-meeting press conference. The decisive language was a surprise to markets, which interpreted the meeting hawkishly. The Fed’s dot plot, an indication of where Fed members believe rates will be in future years, showed growing support for rate hikes this year. Treasury yields rose and the fed funds futures market priced in expectations for more and quicker rate hikes. Other important meeting developments included a substantially shorter policy statement with no forward guidance on rates and the announcement of task forces on topics including communications and data sources. *Sources: Bloomberg, Wall Street Journal as of 6/30/26*

  Taken from the ISDLAF+ Market Update June 2026 prepared by PMA Asset Management, LLC
- ***Market and Economic Highlights:***
    - Earnings and economic data reinforced growth and resiliency.
    - Treasury yields were mostly higher with the 30-year hitting its highest level since 2007.
    - U.S.-Iran strikes kept geopolitical risks elevated, driving oil prices higher.
    - The S&P 500 and NASDAQ both fell for a second straight month.
    - The AI narrative shifted from AI demand to return on capex investments.

  Source: Bloomberg,FactSet
- ***U.S. Treasury and Real Yields Higher:*** U.S. Treasury yields moved mostly higher during a month marked by resilient labor market data, softer-than-expected inflation, strong corporate earnings growth, and a Federal Reserve that held rates steady. Against this backdrop, 5-year Treasury yields rose 22 basis points during a somewhat volatile month for Treasuries. Inflation expectations, as measured by the Treasury Inflation-Protected Securities (TIPS) market, generally declined through most of the month before reversing higher following the Fed meeting. With inflation expectations ending the month largely unchanged, the increase in nominal Treasury yields reflected a rise in real yields. Rising real yields typically signal improving growth expectations, though they may also indicate

higher term premiums as investors demand additional compensation for uncertainty, including limited forward guidance from the Fed and ongoing geopolitical risks. *Sources: Bloomberg, Wall Street Journal as of 7/31/26*

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

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 27 is 21%.

ESTIMATE FOR PERSONAL PROPERTY REPLACEMENT TAX FY2027

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

		2027	2026	
DIXON UNIT SCH 170	0527221700	3,434,713.00	2,817,079.85	005271700

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

DPS Business Office Briefs:

Countywide Sales Tax

The District again continues to see strong CFST revenues. The table below represents strong receipts for March and April of 2026. 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. The $219,000 and $226,000 represent strong receipts during the year as well as compared to previous years. Also, it is important to remember that these funds cannot be spent on anything other than facilities improvement. The summary below outlines a summary of the receipts from FY 23 with a comparison of FY 25 vs. FY 26.

Countywide Sales Tax Revenues					
					Difference
	FY 23	**FY 24**	**FY 25**	**FY 26**	**FY 25 v. 26**
July	$167,736.37	$166,297.20	$177,241.56	$220,684.93	$43,443.37
August	$157,646.19	$171,178.89	$177,589.47	$210,195.86	$32,606.39
September	$160,407.90	$175,220.50	$176,058.42	$203,743.03	$27,684.61
October	$162,719.99	$165,535.70	$157,162.56	$215,438.17	$58,275.61
November	$157,766.14	$168,001.90	$171,171.84	$203,784.19	$32,612.35
December	$167,486.45	$178,755.19	$201,004.74	$225,466.05	$24,461.31
January	$134,425.96	$141,195.76	$179,547.38	$203,886.25	$24,338.87
February	$123,815.53	$141,802.17	$164,559.27	$161,359.44	-$3,199.83
March	$154,850.14	$165,591.32	$187,252.74	$219,169.74	$31,917.00
April	$159,801.14	$168,718.21	$198,100.75	$226,645.50	$28,544.75
May	$182,291.57	$195,620.51	$219,783.67	$0.00	$0.00
June	$181,283.06	$186,682.55	$213,942.95	$0.00	$0.00
	$1,910,230.44	$2,024,599.90	$2,223,415.35	$2,090,373.16	$300,684.43

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be in July 2026 and this will be an interest payment. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in January 2027, a principal and interest payment will be made on the bonds. In general, the obligation amount is $90,000/month. Any amount above this amount represents opportunity for future facility improvements.

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 27	**FY 26**	**FY 25**	**FY 24**	**FY 23**
Workers Compensation	$ 134,236.00	$ 143,590.00	$ 107,777.00	$ 89,575.00	$ 77,431.00
Umbrella	$ 20,541.00	$ 17,862.00	$ 10,151.00	$ 9,427.00	$ 8,365.00
School Board Legal Liability	$ 17,674.00	$ 17,158.00	$ 16,676.00	$ 15,606.00	$ 13,005.00
Student Accident Coverage	$ 19,759.00	$ 18,954.00	$ 19,024.00	$ 19,575.00	$ 20,342.00
Property Casualty Renewal	$ 694,601.00	$ 652,479.00	$ 621,081.00	$ 553,973.00	$ 534,888.00
Total Insurance Cost	$ 886,811.00	$ 850,043.00	$ 774,709.00	$ 688,156.00	$ 654,031.00

For FY 27 PC insurance increased by $42,000 (6.5%) and has more than tripled in the past decade. 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. For FY 27 Workers Compensation Insurance actually decreased by $9,000. However, this came after the FY 26 was a 33% increase over FY 25. These insurance costs are paid through Tort funding which is levied against property taxes each year.

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.

Treasurer's Report – June 2026

In your Board Packet, you will find the Treasurer's Reports for June 2026. The summary graphs represent FY 26 fund balances through June 2026. These amounts represent the year-end unaudited cash amounts by fund. 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 resulted in a total decrease in fund balances of $37,000 and an operating fund balance decrease of only $189,000. The Business Office will continue to monitor cash flow throughout the year.

The Year-End Treasurer Report comparison for the past 6 years is below.

Year-End Treasurer Report Cash Balance Comparison							
		FY 26	**FY 25**	**FY 24**	**FY 23**	**FY 22**	**FY 21**
Ed Fund		$ 7,840,778	$ 7,925,974	$ 9,664,532	$ 8,486,179	$ 3,842,972	$ 413,320
O & M		$ 249,841	$ (151,175)	$ 160,785	$ (7,742)	$ 106,393	$ 190,347
Transportation		$ 33,670	$ (541,932)	$ 26,872	$ 163,560	$ 580,005	$ 947,095
Capital		$ 1,589,916	$ 502,522	$ 218,376	$ 1,415,719	$ 971,680	$ 742,834
Working Cash		$ 6,945,530	$ 6,544,549	$ 1,899,142	$ 1,742,003	$ 1,574,676	$ 1,383,333

Note the following highlights:

1) ED Fund is $7.8 million. July 1, 2020, the Ed Fund had a negative cash balance of $313,000.
2) O & M is positive again for FY 26.
3) Transportation is positive. This is due to significant savings from contract negotiations.
4) Capital and Working Cash continue to grow steadily.