October 2023 Busine$$ Report BY MARC CAMPBELL

Google to save Illinois taxpayers millions with Chromebook change *– September 22, 2023*
Written By Kevin Bessler for The Center Square and Distributed by IASA Online through Eye on Education Email Listserv at;
https://www.thecentersquare.com/illinois/article_49407dc8-5978-11ee-bebe-bbffa44770d0.html

(The Center Square) – After increasing pressure from school groups like the Illinois Parent-Teacher Association, Google decided to extend the life of Chromebooks.

Beginning next year, Google will support Chromebooks released in 2021 and after with 10 years of software updates, and those with older models can opt in for updates. The company also plans to make the devices more energy efficient and easier to repair.

Google's announcement comes about three years after the company announced that Chromebooks' extension of automatic support would be extended from five to eight years.

A report issued by the Public Interest Research Group (PIRG) Education Fund called "Chromebook Churn" sparked a lot of discussion around the environmental impact and taxpayer costs of expiring Chromebooks in schools.

"Our report found that if Google were to double the life of Chromebooks in use it could actually save Illinois taxpayers $68 million and it would really reduce the carbon emissions that it takes to make these devices in the first place as well," said Lucas Gutterman, Designed to Last director with PIRG.

Nationwide, the PIRG report found for the more than 48 million K-12 public school students, doubling the life would save $1.8 billion.

School districts were a major reason why Chromebook sales exploded in the latter part of 2020 as remote learning expanded as a result of governors and local officials closing schools amid the COVID-19 pandemic and implementing remote learning. Studies have found the policy has deeply affected student learning.

When technology like Chromebooks reach their expiration date, a PIRG report revealed that only about one-third of electronic waste is properly recycled.

Gutterman said this may be a game changer, but the expiring tablets are not just a Google issue.

"This sets new standards that other companies like Apple and Microsoft should follow as well," said Gutterman. "We should not be throwing out machines just because the software is no longer supported."

Budget deal averts education funding nightmare *– October 2, 2023*
Written by; Kara Arundel for K-12 DIVE and Distributed by IASA Online through Eye on Education Email Listserv at;
https://www.k12dive.com/news/Federal-funding-continues-for-education/695341/

The Committee for Education Funding had warned lawmakers about the dangers of a government shutdown.

Federal money will continue to flow to state and local school systems — at least for now — after lawmakers in Congress struck a deal late Saturday for a continuing resolution to keep the government open through Nov. 17. President Joe Biden signed the bill into law that night.

In the days leading up to Saturday's deadline for Congress to approve an FY 2024 budget, early childhood and K-12 educators were concerned that a lapse in government spending would immediately impact Head Start programs, Impact Aid for schools on tax-exempt federal lands, and nutrition services for infants, toddlers and K-12 students, including school meals.

The continuing resolution keeps the government open, and federal funding for now will remain at FY 23 levels. It also means lawmakers will need to negotiate on a full-year appropriations bill before the Nov. 17 deadline.

As Congress debated the FY 23 budget last fall, it also nearly missed the Oct. 1 deadline and had to approve a continuing resolution. The FY 23 budget was finalized in late December.

In a Sept. 28 letter to Congress from the Committee for Education Funding on behalf of more than 100 education organizations and institutions, the group urged lawmakers to keep the government open even if through a stopgap measure.

"Nothing is gained by allowing government funding to lapse, and in fact a government shutdown not only harms the economy as a whole, but it also hurts individuals and wastes federal funds," the letter said.

With federal COVID money running out, advocates urge state education officials to boost 2025 budget *– October 5, 2023*
Written By; Michael Gerstein and Distributed Online by IASA through Eye on Education Email Listserv at:
https://chicago.chalkbeat.org/2023/10/5/23905727/illinois-education-budget-2025-pritzker-covid-recovery-isbe

The Illinois State Board of Education kicked off the process of crafting budget recommendations for the 2024-25 school year at the first of two virtual meetings Thursday night.

With the deadline to spend federal COVID relief money approaching, lobbyists, superintendents, school teachers, and advocates made the case for board members to ask Gov. J.B. Pritzker and the state legislature to beef up the education budget with at least a $550 million increase in what's called "evidence-based funding" — a way of allocating additional state money that's supposed to take into account student needs and lessen the disparity between districts that have affluent tax bases and those that don't.

The state is supposed to increase evidence-based funding by $350 million each year with the goal of getting all school districts adequately funded by 2027. Lawmakers have done so every year since 2018, but the pandemic derailed one such increase in 2020. As a result, advocates argue that lawmakers need to boost that number to $550 million in order to meet the same funding level at a time of increasing costs for school districts and as federal pandemic relief dollars run out.

Chicago Public Schools already forecast a $628 million deficit by 2026, and district officials have called on the state to ramp up the amount of money it puts into K-12 education.

Vanessa Espinoza, a parent of three CPS students and a member of Kids First Chicago, a nonprofit advocacy group, argued that Illinois' current education system shows deep disparities between affluent and low-income districts. But the quality of a public education "should not be determined by their zip code," Espinoza said, advocating for the extra funding boost. "I have seen teachers struggling to make ends meet. You can make a profound difference in the lives of countless children and families across the state."

The virtual meeting on Thursday evening was the second gathering this week, coming after ISBE held its first in-person meeting in Springfield. Christine Benson, chair of ISBE's Finance and Audit Committee explained that testimony during the public hearings helps inform the budget recommendation it will make to the governor and state lawmakers in January 2024.

“We want to know what investments would make the biggest difference for the students and educators in each community,” said State Superintendent of Education Tony Sanders in a statement last month. “Advocacy matters and truly makes a difference in how state funds are allocated.”

Advocates at the hearing also called for funding boosts to early child education, after school programs, career and technical education programs, and agricultural programs in K-12 schools. Last year, Pritzker added $75 million to early childhood education as part of a four-year plan called Smart Start Illinois to expand preschool and child care. Some who spoke Thursday supported the continued increases.

In May, state lawmakers passed a $50.6 billion state budget that allocated $10.3 billion to education. That included a $350 million increase to be distributed to K-12 school districts through evidence-based funding.

Chicago was expecting to get $27 million of that increase. But new calculations posted on the Illinois State Board of Education website show that the state is allocating $23.3 million of the increase to CPS. The drop in Chicago’s share of new state education money is partly due to a loss of low-income students and an increased property tax base.

Although state education funding has been increasing since 2017, many argue that Illinois still has a long way to go to make school funding more equitable.

Diana Zaleski, a lobbyist for the Illinois Education Association, lauded efforts so far to close the gap between the wealthiest and poorest districts in the state.

“We still have more work to do,” Zaleski said, as she urged board members to recommend a roughly $800 million increase per year in evidence-based funding to meet state goals of bringing all districts to a level of “adequacy” that would dispel an old image of Illinois ranking toward the bottom of public education funding.

Jill Griffin, superintendent of the Bethalto School District about an hour’s drive south of Springfield, said she remembers a time when the district was facing “catastrophic cuts” with only 28 days of cash on hand “in large part because of inadequate funding from our state.”

Since Illinois adopted the evidence-based formula in 2017, Bethalto is at 71% adequacy and “back on solid financial footing,” Griffin said. But with more money going to minimum wage increases for school staff, higher wages for teachers, and other state mandates, “this progress is inadequate.”

ISBE will hold another virtual public budget hearing on Oct. 30.

Most E-rate participants call for more cybersecurity support with FCC funds *– October 10, 2023*
Written by: Anna Merod for K12-DIVE and Distributed by IASA Online through Eye on Education Email Listserv at:
https://www.k12dive.com/news/e-rate-cybersecurity-report-FCC/696065/

Some 91% of schools and libraries surveyed by Funds For Learning agree measures like next-generation firewalls should qualify for E-rate funds.

Dive Brief:

- A majority of schools and libraries participating in the federal E-rate program continue to report a need for cybersecurity support provided by the Federal Communications Commission funds, according to the 13th annual E-rate survey released Tuesday by Funds For Learning. Less than half — 48% — of participants said their library or school currently budgets for cybersecurity products and services on an annual basis.
- Additionally, 93% of participants agree or strongly agree that the E-rate program, which funds basic internet connectivity in schools and libraries, should include “support for comprehensive network security solutions.”

- As the FCC considers ways to include cybersecurity in the program, most participating schools and libraries said cybersecurity measures — like next-generation firewalls, intrusion detection and prevention systems, and content or malware filtering and domain name system security — should qualify for E-rate funding.

Dive Insight:
With the number of ransomware attacks against K-12 schools and colleges on track to mark a record-breaking year in 2023, school administrators and federal officials alike have increasingly called for more resources to support school districts.

In July, FCC Chairwoman Jessica Rosenworcel announced a proposal to invest up to $200 million over a three-year span to improve school and library cybersecurity. The initiative would fund a pilot program through the Universal Service Fund and would be separate from E-rate dollars. However, the full commission still needs to approve the plan and issue a proposed rule seeking public comment on and how the program should be structured.

Before Rosenworcel's announcement, the FCC announced in December it was seeking public comment on using the E-rate program to fund school and library cybersecurity upgrades, particularly for advanced or next-generation firewalls.

Brian Stephens, director of stakeholder engagement for Funds For Learning, said he wasn't surprised to see cybersecurity continue to be a high priority for schools and libraries.

"It's on the minds of tech directors at school districts. Every single one we talk to — it's one of the biggest things keeping them up at night," Stephens said.

The survey helps shed some light on the issue for FCC consideration, too, Stephens said.

"The FCC has been, I think, really genuine and earnest in their desire to see what they can do to help, but it's a big deal," Stephens said. "It's a daunting task, and I think they're really trying to figure out exactly 'What is our role here? How can we help, and where does it go from there?'"

Other findings from the Funds For Learning survey indicate ongoing signs the homework gap is closing, though still a prominent issue for most schools and libraries. Some 74% of survey respondents agreed that insufficient home internet access is a significant issue for students and library patrons in their community — a 4 percentage point decrease from the previous year.

The ongoing concern that students don't have home broadband access was brought into the spotlight during the COVID-19 pandemic when fully remote instruction proved difficult for families who could not access or afford internet services.

Still, the problem persists: A recent report from the nonprofit Connected Nation found 22% of low-income households with children continue to lack home internet access.

As one option to further expand student internet access, the FCC will consider next week whether to make school bus Wi-Fi eligible for E-rate funds. There is support among schools and libraries to include school bus internet connectivity in the program, with the Funds For Learning survey showing 66% of respondents back such efforts.

The Funds For Learning report surveyed 2,110 E-rate applicants in June.

Economic News Briefs…

- ***Why are Treasury Yields Rising?:*** s highest level since 2007. The month The 5-Year U.S. Treasury yield rose about 0.35% in September. Inflation expectations, as represented by the Break even yield, rose only 0.08%. The difference between these two measures is the Real yield on Treasury Inflation Protected Securities (TIPS). With inflation expectations gradually declining over the past year, there is another reason for the rise in Treasury yields.

Higher Real yields may be caused by factors such as stronger economic growth expectations and term premium. Term premium is the extra yield investors demand for buying longer term ecurities. In the long period of near-zero interest rates, term premium was often negative. With growing expectations the Fed will keep rates higher for longer, we may see a further rise in Treasury yields. *Source: Bloomberg, Wall Street Journal*

- ***Market Sentiment Turns Negative:*** Market sentiment turned more downbeat in September. The AAII Sentiment Survey offers insight into the opinions of individual investors about where the market is heading in the next six months. According to this survey, bullish sentiment fell to 27.8% and bearish sentiment rose to 40.9%. The month brought numerous bearish talking points including higher Treasury yields, the UAW strike and weakness in China's property sector as U.S. stock prices declined. History has shown when sentiment declines sufficiently, it can be followed by a stock market rally. For example, sentiment was somewhat weaker than current levels this spring in advance of a summer rally. *Sources: FactSet, www.aaii.com*
Taken from the ISDLAF+ Market Update October 2023 prepared by PMA Asset Management, LLC

DPS Business Department Briefs…

- ***FY25 Minimum Teacher Salary Released***: During the 2023 spring session, HB 300 was passed into law (Public Act 103-515), and charged the Commission on Government Forecasting and Accountability (COGFA) with determining the new minimum teacher salary every year moving forward, starting with the 2024-2025 school year. For this first year, the new salary was required to be posted by September 30, 2023. Last week, the new salary was released, and based on the statutory requirements, it was increased by 2.97%, for a new minimum salary of $41,188 for FY25. You can read the full release here. For each year moving forward, the minimum salary will be posted by COGFA by July 20th.
- As mentioned in our budget discussion in September, the District learned that CPPRT would be cut by 28%. In October, the District received a CPPRT disbursement of $862,465 which was a 38% reduction from the previous year October disbursement of $1,395,000. The business office will be monitoring these receipts closely over the fiscal year.

Countywide Sales Tax – June FY 23 receipts were $181,000 (received in October). This amount was close to last year's June receipts of $179,000. However, the June 23 total is the second time since the inception of the program in which receipts were greater than $180,000 and the it is the second month in a row in which the receipts capped that total. For FY 2023 total Receipts were $1,910,230 which was $87,000 (.89%) greater than FY 22 and $320,000 (13.8%) greater than FY 21. Our Alternate Revenue Bond payments are approximately $1.1 million so the District is able to utilize roughly $800K for future facility projects. The CFST receipts are three months in arrears so the funds received in October represent the taxes paid by consumers in June. Traditionally, the months of May and June represent the greatest collections of CFST as consumers are moving into the summer months and beginning projects on their homes. 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 22 vs. FY 23.

Countywide Sales Tax Revenues					
					Difference
	FY 20	**FY 21**	**FY 22**	**FY 23**	**FY 22 v. 23**
July	$123,589.06	$121,288.35	$154,600.29	$167,736.37	$13,136.08
August	$119,294.42	$115,594.84	$151,914.91	$157,646.19	$5,731.28
September	$108,258.20	$116,334.97	$147,769.08	$160,407.90	$12,638.82
October	$112,878.24	$112,275.12	$149,779.51	$162,719.99	$12,940.48
November	$111,472.92	$106,429.79	$151,772.24	$157,766.14	$5,993.90
December	$124,265.46	$128,684.07	$173,545.72	$167,486.45	-$6,059.27
January	$91,328.78	$111,992.06	$120,886.90	$134,425.96	$13,539.06
February	$86,545.78	$99,477.24	$116,109.65	$123,815.53	$7,705.88
March	$93,624.08	$148,655.02	$148,860.94	$154,850.14	$5,989.20
April	$95,497.88	$143,327.16	$151,074.10	$159,801.14	$8,727.04
May	$113,540.95	$156,683.58	$176,921.12	$182,291.57	$5,370.45
June	$120,257.74	$159,221.58	$179,688.24	$181,283.06	$1,594.82
	$1,300,553.51	$1,519,963.78	$1,822,922.70	$1,910,230.44	$87,307.74

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be a principal and interest payment in January 2024. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. In general, the obligation amount is $90,000/month. Any amount above this amount, represents opportunity for future facility improvements.

	District	Total
	Highest to Lowest	**Rate**
1	Freeport	$7.33498
2	Harlem	$6.72455
3	N. Boone	$6.52068
4	RF/East Coloma	$6.41560
5	Streator/Streator	$6.39554
6	RF/Montmorency	$6.38110
7	Orangeville	$6.34461
8	Paw Paw	$6.24340
9	Winnebago	$6.23940
10	Kings/Rochelle	$6.23382
11	Ottawa/Ottawa	$6.23103
12	RF/RF	$6.19940
13	Dekalb	$6.09342
14	**Sycamore**	**$5.89365**
15	Hiawatha (Kirkland)	$5.87016
16	LaSalle/LaSalle	$5.80593
17	Peru/LaSalle	$5.78946
18	Chadwick/Millidgeville	$5.77971
19	Durand	$5.77400
20	Rockford	$5.76250
21	West Carroll	$5.74075
22	South Beloit	$5.71690
23	Belvidere	$5.70336
24	Creston/Rochelle	$5.69275
25	Meridian (Stillman Valley)	$5.67126
26	Dakota	$5.64399
27	Oregon	$5.62452
28	Somonauk	$5.61595
29	Pecatonica	$5.55220
30	Rochelle/Rochelle	$5.50411
31	Genoa/Kingston	$5.48347
32	Amboy	$5.31870
33	Ashton/Franklin	$5.18050
34	Hinckley/Big Rock	$5.04204
35	Forreston	$4.97133
36	Indian Creek (Shabbona)	$4.96194
37	Galena	$4.95214
38	**Dixon**	**$4.91770**
39	Mendota/Mendota	$4.89782
40	Warren	$4.87105
41	Lena Winslow	$4.79532
42	Polo	$4.79105
43	Morrison	$4.74010
44	Sandwich	$4.71810
45	Pearl City	$4.69357
46	Stockton	$4.57331
47	Riverbend (Fulton)	$4.52940
48	East Dubuque	$4.49293
49	Ptown/Lyndon/Tampico	$4.34360
50	Scales Mound	$4.33104
51	Sterling	$4.22120
52	River Ridge	$4.01819
53	Eastland	$3.97101
54	Byron	$3.88984
55	Erie	$2.87070
	District	**Total**
	Highest to Lowest	**Rate**

Tax Levy – SY 23/24 – FY 24 – TY 22

Table represents the NW IL Area Tax Rates – 2022 Levy for 2022-2023 School Year

Graphical representation of this table has been provided for you

Next month, the Board will be presented with a proposed Tax Levy. The proposed levy will outline the estimated Equalized Assessed Value of the District, the tax rates by fund, and the estimated levy (request) to be distributed to the District by the County Clerk. The Board takes the authority to levy property taxes from both Lee County and Ogle County residents living in the Dixon Unit School District #170 boundaries. This must be presented 20 days prior to approval. Approval will take place in December and the levy is required to be delivered to both the Ogle and Lee County Clerks by the last Tuesday in December.

These funds will be received during next school year, 24/25. This is also referred to as Tax Year 2023 (TY 23) and Fiscal Year 25 (FY 25).

Calendar:

Summer: The county receives property tax payments and distributes the funds to the taxing authorities. The received payments by the taxing body (the District) is referred to as the tax extension.

Fall/Winter: The Board takes very specific steps to request a tax levy (the tax levy is the request of the taxing body). The request will not equal what we receive (extension).

- Adopt a budget with estimated revenues. (September)
- The Board is presented with a levy breakdown and establishes a Truth in Taxation Hearing if needed November.
- The Board holds the Truth-in-Taxation Hearing if needed and approves the levy (December).

Spring:

The Taxing Authority (County Clerk & Assessor) process assessments and tax bills.

Then the process starts over…

The table outlines each of the different district tax rates for the NW Division. Note that Dixon's tax rate is 38th in the Northwest Region with two districts holding Nuclear Power Plants.

Our tax rates are limited. In other words, the Board does not have the authority to raise the tax rate. For Example: The Education Fund tax rate is 2.95. That means that for every $100 of EAV the district receives $2.95. DPS Tax Rate was $4.9054 so for a house with an assessed value of $100,000, the District would receive $4,905. Remember the assessed value is not the market value and the assessor determines that value. The assessed value is approximately a third of the market value.

The District can ask for any amount, but the Clerk will only distribute the amount that the property owner is required to pay, which is the percentage against the assessed value.

Property Tax Definitions:

EAV – Equalized Assessed Value = The assessed value multiplied by the state equalization factor; this gives the value of the property which the tax rate is calculated after deducting the homestead exemptions, if applicable. For farm acreage, farm buildings, and coal rights, the final assessed value is the equalized value.

Levy = The amount of money a school district certifies to be raised from property tax. The levy must be placed on file for a minimum of 20 days before being voted on by the Board of Education and filed with the county clerks (Lee and Ogle) by the last Tuesday in December. The process usually takes place at the November and December meetings each year.

Nickel Levy = In reference to the Levy, a "nickel levy" or $.05 per $100 of Equalized Assessed Value. Currently the District utilizes the "nickel levy" for Lease/Tech Levy, Fire Safety Levy, and Working Cash.

Operating Tax Rate = All school district property taxes extended for all educational purposes. Dixon Unit School District #170's Tax Year 2019 tax rate payable in 2021 for the FY 2020/2021 School Year was $4.9585.

TIF – Tax Increment Financing = A property tax-related economic development incentive which lasts for 23 years. A specifically defined district in need of special assistance is created by a local city, town or county (Dixon has two: 1) the Central Business District TIF created on 11/12/1987 and extended on 8/15/2011, and 2) the Riverfront TIF created on 7/19/2004). The total equalized assessed value (EAV) at the time of creation is measured and frozen. Bonds are floated to pay for public infrastructure costs or to help the developer through low-interest loans or lowered land prices. These long-term bonds are paid off from the additional property tax revenue generated by the property tax in the district above the amount of tax revenue generated from the frozen tax base. Theoretically the redevelopment causes the EAV to increase which allows the taxing districts to reap the benefits upon expiration.

Tax Rate = The amount of tax due stated in terms of a percentage of the tax base. Example: 2.95% of equalized assessed value is a representation of the Certified Rate for the Education Fund of $2.95 per one hundred dollars of equalized assess valuation. The 2019 Tax Rates payable in 2020/2021 for FY 20 are as follows: Education = $2.95/$100 EAV (maximum limit), Special Education = $0.04/$100 EAV (maximum limit), Leasing = $0.05/$100 EAV (maximum limit), Operations and Maintenance = $0.50/$100 EAV (maximum limit), Bond and Interest = $0.6176/$100 EAV, Transportation = $0.20/$100 EAV (maximum limit), IMRF = $0.0641/$100 EAV, Social Security = $0.0997/$100 EAV, Working Cash = $0.05/$100 EAV (maximum limit), Liability Insurance = $0.3371/$100 EAV, Fire Safety = $0.05/$100 EAV (maximum limit), which totals $4.9585/$100 EAV.

Tax-Rate Limit = The tax-rate limit is the maximum tax rate that the county clerk may extend. Illinois law authorizes maximum tax rates without referendum, but districts may increase tax rates, within limits, subject to voter approval. A limited number of tax rates exist without a tax-rate limit. IMRF, SS, and Liability Insurance have no maximum rate. Bond and Interest rates are calculated by the clerks based on the district's outstanding General Obligation Bonds. Dixon USD #170 currently has sold the following Life Safety bonds: Series 2014, Series 2016, Series 2017, Series 2018 and Series 2019 Bonds. The Series 2017 extends out until 2037.

Truth in Taxation Act = Legislation approved and effective July 1, 1981, that provides procedures for public notice and public hearings on tax increases greater than 105% of the prior year's extension.

Treasurer's Report – September 2023

In your Board Packet, you will find the Treasurer's Reports for September 2023. The summary graphs represent FY 23 fund balances through September 2023. 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 increase in fund balances of $4.68 million. The operating funds increased by $3.22 million.