STATE FISCAL STABILIZATION FUND APPLICATION

PART 1: REVISED APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)

Legal Name of Applicant (Office of the Governor): Office of the Governor Pat Quinn	Applicant's Mailing Address: Office of the Governor Pat Quinn 207 State House Springfield, Illinois 62706
State Contact for the Education Stabilization Fund (CFDA No. 84.394) Name: Ginger Ostro Position and Office: Director, Governor's Office of Management and Budget Contact's Mailing Address: Governor's Office of Management and Budget James R. Thompson Center 100 W. Randolph, 15-100 Chicago, Illinois 60601 Telephone: (217) 782-4520 Fax: (217) 524-1514 E-mail address: ginger.ostro@illinois.gov	State Contact for the Government Services Fund (CFDA No. 84.397) *(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)* Name: *Same* Position and Office: Contact's Mailing Address: Telephone: Fax: E-mail address:

To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	Telephone: (217) 782-0244
Signature of Governor or Authorized Representative of the Governor: Pat Quinn	Date: 4/14/09

Recommended Statement of Support from the Chief State School Officer *(Optional)*: The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): Dr. Christopher Koch	Telephone: (217) 782-2223
Signature of the Chief State School Officer:	Date:

Form Approved OMB Number: 1810-0690; Expiration Date: 9/30/2009

STATE FISCAL STABILIZATION FUND APPLICATION

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To the best of my knowledge and belief, all of the information and data in this application are true and correct.

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	Telephone: (217) 782-0244
Signature of Governor or Authorized Representative of the Governor: Pat Quinn	Date: 4/10/09

Recommended Statement of Support from the Chief State School Officer *(Optional)*: The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.	
Chief State School Officer (Printed Name): Dr. Christopher Koch	Telephone: (217) 782-2223
Signature of the Chief State School Officer: Christ A. Koch	Date: 4-8-09

PART 2: EDUCATION REFORM ASSURANCES

The Governor or his/her authorized representative assures the following:

(1) The State will take actions to improve teacher effectiveness and comply with section 1111(b)(8)(C) of the Elementary and Secondary Education Act of 1965, as amended (ESEA) (20 U.S.C. 6311(b)(8)(C)) in order to address inequities in the distribution of highly qualified teachers between high- and low-poverty schools, and to ensure that low-income and minority children are not taught at higher rates than other children by inexperienced, unqualified, or out-of-field teachers. (*Achieving Equity in Teacher Distribution Assurance*)

(2) The State will establish a longitudinal data system that includes the elements described in section 6401(e)(2)(D) of the America COMPETES Act (20 U.S.C. 9871(e)(2)(D)). (*Improving Collection and Use of Data Assurance*)

(3) The State will –

(3.1) Enhance the quality of the academic assessments it administers pursuant to section 1111(b)(3) of the ESEA (20 U.S.C. 6311(b)(3)) through activities such as those described in section 6112(a) of the ESEA (20 U.S.C. 7301a(a)); (*Improving Assessments Assurance*)

(3.2) Comply with the requirements of paragraphs (3)(C)(ix) and (6) of section 1111(b) of the ESEA (20 U.S.C. 6311(b)) and section 612(a)(16) of the Individuals with Disabilities Education Act (IDEA) (20 U.S.C. 1412(a)(16)) related to the inclusion of children with disabilities and limited English proficient students in State assessments, the development of valid and reliable assessments for those students, and the provision of accommodations that enable their participation in State assessments; (*Inclusion Assurance*) and

(3.3) Take steps to improve State academic content standards and student academic achievement standards consistent with section 6401(e)(1)(A)(ii) of the America COMPETES Act. (*Improving Standards Assurance*)

(4) The State will ensure compliance with the requirements of section 1116(b)(7)(C)(iv) and section 1116(b)(8)(B) of the ESEA with respect to schools identified under these sections. (*Supporting Struggling Schools Assurance*)

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	
Signature: Pat Quinn	Date: 4/10/09

PART 3: INITIAL BASELINE DATA FOR EDUCATION REFORM ASSURANCES

SPECIAL NOTES:

- In completing this portion of the application, please refer to Appendix B – Instructions for Part 3: Initial Baseline Data for Education Reform Assurances.
- The data described in Appendix B for two of the education reform assurances in Part 2 of the application – the Improving Assessments Assurance and the Improving Standards Assurance – are the most current available baseline data for these areas. Thus, the Department is not inviting States to submit additional information with respect to these two assurances.
- The Governor or his/her authorized representative should confirm whether the initial baseline data sources described in Appendix B for the four assurances referenced below – Achieving Equity in Teacher Distribution; Improving Collection and Use of Data; Improving State Academic Content and Student Achievement Standards; and Supporting Struggling Schools – reflect the State's current status with respect to these assurances. A State that confirms the use of these initial baseline data sources does not have to submit additional baseline data with this application. If a State elects not to use the identified data sources for one or more of these four assurances, it must submit other initial baseline data for that assurance.

The Governor or his/her authorized representative confirms that the data sources that are currently available to the Department and described in Appendix B are a reasonable reflection of the current status of the State with respect to the following education reform assurances that he/she provided in Part 2 of the Application *(check only those assurances for which the State accepts the data described in Appendix B)*:

__XX__ Achieving Equity in Teacher Distribution Assurance.

__XX___ Improving Collection and Use of Data Assurance.

__XX___ Improving Standards Assurance.

__XX___ Supporting Struggling Schools Assurance.

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	
Signature: Pat Quinn	Date: 4/10/09

PART 4, SECTION A: MAINTENANCE-OF-EFFORT (MOE) ASSURANCE

SPECIAL NOTES:

- In completing Part 4 of the application, please refer to Appendix C – Instructions for Part 4: Maintenance of Effort.
- The Governor or his/her authorized representative should check only those MOE requirements that he or she anticipates the State will meet. If the Governor or his/her authorized representative anticipates that the State will be unable to meet one or more of the requirements, he or she must sign the additional waiver assurance in Part 4, Section B.
- For the purpose of determining MOE, State support for public institutions of higher education (IHEs) must not include support for capital projects or for research and development or tuition and fees paid by students.

The Governor or his/her authorized representative assures the following *(check appropriate assurances that apply)*:

__XX___ In FY 2009, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

__XX___ In FY 2010, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

__XX___ In FY 2011, the State will maintain State support for elementary and secondary education at least at the level of such support in FY 2006.

__XX___ In FY 2009, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

__XX___ In FY 2010, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

__XX___ In FY 2011, the State will maintain State support for public IHEs at least at the level of such support in FY 2006.

---OR---

_____ To the best of his/her knowledge and based on the best available data, the State will be unable to meet any of the above-referenced maintenance-of-effort requirements.

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	
Signature: Pat Quinn	Date: 4/10/09

PART 4, SECTION B: MAINTENANCE-OF-EFFORT WAIVER ASSURANCE

SPECIAL NOTES:

- If a State anticipates that it will be unable to comply with one or more of the Stabilization program MOE requirements referenced in Part 4, Section A of the application, the State must provide the assurance below.
- States that anticipate meeting all of the Stabilization program MOE requirements should not complete the waiver assurance in this section of the application. *See* Appendix C – Instructions for Part 4: Maintenance of Effort. The criterion for a waiver of the MOE requirements is provided in Appendix C.
- The Department will be providing additional guidance to States regarding the process for applying for waivers of the Stabilization program MOE requirements.

The Governor or his/her authorized representative assures the following:

To the best of his/her knowledge and based on the best available data, the State meets or will meet the eligibility criterion for a MOE waiver for each of the Stabilization program MOE requirements that the Governor or his/her authorized representative anticipates the State will be unable to meet.

NOT APPLICABLE

Governor or Authorized Representative of the Governor (Printed Name):	
Signature:	Date:

PART 4, SECTION C: MAINTENANCE-OF-EFFORT BASELINE DATA

SPECIAL NOTES:

- A State has some flexibility in determining the "levels of State support" for MOE purposes. For example, for the purpose of the elementary and secondary education MOE requirements, a State may use the level of support that the State provides through its primary elementary and secondary funding formulae, or it may use other relevant data. *See* Appendix C – Instructions for Part 4: Maintenance of Effort.

1. **Levels of State support for elementary and secondary education** *(the amounts may reflect the levels of State support on either an aggregate basis or a per-student basis):*

   FY 2006 **$5,324,281,700**

   FY 2009* **$5,340,485,900**

   FY 2010* **$5,752,136,800**

   FY 2011* **$**_____

   (* Provide data to the extent that data are currently available.)

2. **Levels of State support for public institutions of higher education** *(enter amounts for each year)*:

   FY 2006 **$1,604,852,068**

   FY 2009* **$1,657,594,043**

   FY 2010* **$1,605,024,500**

   FY 2011* **$**_____

   (* Provide data to the extent that data are currently available.)

3. **Additional Submission Requirements**: In an attachment to the application –

   (a) Identify and describe the data sources used in determining the levels of State support for elementary and secondary education; - and -

   SEE ATTACHMENT 1

   (b) Identify and describe the data sources used in determining the levels of State support for public IHEs.

   SEE ATTACHMENT 2

PART 5, SECTION A: REVISED STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D – Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. *See* instructions in Appendix D.
- The term "postsecondary education" refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

(a) Level of State support for elementary and secondary education in FY 2008 provided through the State's primary elementary and secondary education funding formulae	$4,444,977,400
(b) Level of State support for public IHEs in FY 2008	$1,657,500,073
(c) Level of State support for elementary and secondary education in FY 2009 provided through the State's primary elementary and secondary education funding formulae	Prior-enacted: $4,607,667,900 Actual: $3,568,680,300
(d) Level of State support for public IHEs in FY 2009	$1,657,594,043
(e) Level of State support for elementary and secondary education in FY 2010 provided through the State's primary elementary and secondary education funding formulae	$3,825,200,000
(f) Level of State support for public IHEs in FY 2010	$1,605,024,500

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

☐ Yes XX No

* *See* Appendix D Worksheets for further guidance on how such increases affect a State's "use of funds" calculations.

4/14/09

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

SEE ATTACHMENT 3

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

SEE ATTACHMENT 2

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a)	Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009	$1,038,987,600
(b)	Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009	$0

Restoration Amounts (continued)

(c)	Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010	$601,717,151
(d)	Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010	$40,425,934
(e)	Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010	$0

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

SEE ATTACHMENT 4

PART 5, SECTION B: STATE USES OF THE GOVERNMENT SERVICES FUND

SPECIAL NOTES:

- Section B of Part 5 requests data on the Government Services Fund (CFDA No. 84.397).
- In this section, provide preliminary estimates of the percentage of the Government Services Fund that the State intends to spend under various broad categories (to the extent such estimates are available). The total percentages in the chart should equal 100 percent.
- To the extent such estimates are available, the estimated percentages must be based on the State's total Government Services Fund allocation and not on the State's initial Government Services Fund award.

Uses of the Government Services Fund

Category	**Estimated Percentage of Funds to Be Used**
Public Safety	
Elementary and secondary education (excluding modernization, renovation, or repair of public school facilities)	79%
Public IHEs (excluding modernization, renovation, or repair of IHEs)	21%
Modernization, renovation, or repair of public school facilities	
Modernization, renovation, or repair of IHEs	
Medicaid	
Public assistance	
Transportation	
Other (please describe)	
Undetermined	
TOTAL	100%

PART 6: ACCOUNTABILITY, TRANSPARENCY, AND REPORTING ASSURANCES

The Governor or his/her authorized representative assures that the State will comply with all of the accountability, transparency, and reporting requirements that apply to the Stabilization program, including the following:

- For each year of the program, the State will submit a report to the Secretary, at such time and in such manner as the Secretary may require, that describes:
    - the uses of funds within the State;
    - how the State distributed the funds it received;
    - the number of jobs that the Governor estimates were saved or created with the funds;
    - tax increases that the Governor estimates were averted because of the funds;
    - the State's progress in reducing inequities in the distribution of highly qualified teachers, implementing a State longitudinal data system, and developing and implementing valid and reliable assessments for limited English proficient students and children with disabilities;
    - the tuition and fee increases for in-State students imposed by public IHEs and a description of any actions taken by the State to limit the increases;
    - the extent to which public IHEs maintained, increased, or decreased enrollment of in-State students, including those students eligible for Pell Grants or other need-based financial aid; and
    - a description of each modernization, renovation or repair project funded, including the amounts awarded and project costs. (ARRA Division A, Section 14008)

- The State will cooperate with any Comptroller General evaluation of the uses of funds and the impact of funding on the progress made toward closing achievement gaps. (ARRA Division A, Section 14009)

- If the State uses funds for any infrastructure investment, the State will certify that the investment received the full review and vetting required by law and that the chief executive accepts responsibility that the investment is an appropriate use of taxpayer funds. This certification will include a description of the investment, the estimated total cost, and the amount of covered funds to be used. The certification will be posted on the State's website and linked to www.Recovery.gov. A State or local agency may not use funds under the ARRA for infrastructure investment funding unless this certification is made and posted. (ARRA Division A, Section 1511)

- The State will submit reports, within 10 days after the end of each calendar quarter, that contain the information required under section 1512(c) of the ARRA in accordance with any guidance issued by Office of Management and Budget or the Department. (ARRA Division A, Section 1512(c))

- The State will cooperate with any Inspector General examination of records under the program. (ARRA Division A, Section 1515)

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	
Signature: Pat Quinn	Date: 4/10/09

PART 7: OTHER ASSURANCES AND CERTIFICATIONS

The Governor or his/her authorized representative assures or certifies the following:

- The State will comply with all applicable assurances in OMB Standard Forms 424B and D (Assurances for Non-Construction and Construction Programs), including the assurances relating to the legal authority to apply for assistance; access to records; conflict of interest; merit systems; nondiscrimination; Hatch Act provisions; labor standards; flood hazards; historic preservation; protection of human subjects; animal welfare; lead-based paint; Single Audit Act; and the general agreement to comply with all applicable Federal laws, executive orders and regulations.

- With respect to the certification regarding lobbying in Department Form 80-0013, no Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making or renewal of Federal grants under this program; the State will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," when required (34 C.F.R. Part 82, Appendix B); and the State will require the full certification, as set forth in 34 C.F.R. Part 82, Appendix A, in the award documents for all subawards at all tiers.

- The State will comply with all of the operational and administrative provisions in Title XV and XIV of the ARRA, including Buy American Requirements (ARRA Division A, Section 1605), Wage Rate Requirements (ARRA Division A, Section 1606), and any applicable environmental impact requirements of the National Environmental Policy Act of 1970 (NEPA), as amended, (42 U.S.C. 4371 et seq.) (ARRA Division A, Section 1609). In using ARRA funds for infrastructure investment recipients will comply with the requirement regarding Preferences for Quick Start Activities (ARRA Division A, Section 1602).

- Any LEA receiving funding under this program will have on file with the State a set of assurances that meets the requirements of section 442 of the General Education Provisions Act (GEPA) (20 U.S.C. 1232e).

- To the extent applicable, an LEA will include in its local application a description of how the LEA will comply with the requirements of section 427 of GEPA (20 U.S.C. 1228a). The description must include information on the steps the LEA proposes to take to permit students, teachers, and other program beneficiaries to overcome barriers (including barriers based on gender, race, color, national origin, disability, and age) that impede access to, or participation in, the program.

- The State and other entities will comply with the following provisions of Education Department General Administrative Regulations (EDGAR), as applicable: 34 CFR Part 74 -- Administration of Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations; 34 CFR Part 76 -- State-Administered Programs, including the construction requirements in section 75.600 through 75.617 that are incorporated by reference in section 76.600; 34 CFR Part 77 -- Definitions that Apply to Department Regulations; 34 CFR Part 80 -- Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, including the procurement provisions; 34 CFR Part 81 -- General Education Provisions Act—Enforcement; 34 CFR Part 82 -- New Restrictions on Lobbying; 34 CFR Part 85 -- Governmentwide Debarment and Suspension (Nonprocurement).

Governor or Authorized Representative of the Governor (Printed Name): Pat Quinn, Governor	
Signature: Pat Quinn	Date: 4/10/09

ATTACHMENT 1

Levels of State Support for Elementary and Secondary Education

In determining the level of State support for elementary and secondary education, Illinois used the funding provided to LEAs through the State's General State Aid and mandated categorical programs in a given year as the level of State support for elementary and secondary education for that year.

General State Aid (105 ILCS 5/18-8.05): The purpose of General State Aid is to provide general flexible state aid to schools. GSA represents approximately 62% of state funds for elementary and secondary education. Funds are distributed through a formula grant to school districts that accounts for a district's property wealth and average daily attendance. Supplemental General State Aid is available to school districts to provide additional funding for the impact of poverty in the district. General State Aid is further described in Attachment 3.

Mandated Categoricals: Mandated categoricals include a number of programs which districts are mandated to undertake by the Illinois School Code, and for which the State provides partial or full reimbursement. Mandated categorical programs include:

- **Personnel Reimbursement (Special Ed) (105 ILCS 5/14-13.01):** Funding is provided to LEAs to employ staff to serve children and youth with disabilities, ages 3 - 21 years old. The State reimburses LEAs for certified and non-certified personnel based upon reimbursement rates established by law.
- **Funding for Children Requiring Special Ed Services (105 ILCS 5/14-7.02b):** The State provides supplemental funding to LEAs for expenditures relating to students with disabilities. For all districts other than Chicago 299, funds are distributed by formula that accounts for each district's three best months average daily attendance and poverty rates. Chicago 299 receives funding through a block grant.
- **Orphanage Tuition (Special Ed) (105 ILCS 5/14-7.03):** Reimbursement is provided to LEAs for providing special education services to children residing in orphanages, children's homes, foster families or other state-owned facilities. Reimbursements are made based on actual per pupil educational costs for delivering services less federal funds and certain limitations on administrative, supervisory and facility use costs.
- **Private Tuition (Special Ed) (105 ILCS 5/14-7.02):** Funding is provided to LEAs to provide special education services in private facilities for children with disabilities when the public school system does not have the necessary resources to fulfill the student's education needs. The Illinois Purchased Care Review Board approves tuition per diem costs for students placed in private facilities.
- **Summer School (Special Ed) (105 ILCS 5/18-4.3):** Funding is provided to LEAs to provide educational services through the summer for students with disabilities so that they do not lose what progress was made during the regular academic year. Formula grants are based on the number of special education students enrolled in one or more courses offered for at least 60 clock hours in the summer session.
- **Transportation (Special Ed) (105 ILCS 5/14-13.01):** Funding is provided to LEAs for transportation reimbursement for students with disabilities who have special transportation needs as stated in their individualized education program. Reimbursement is based on prior-year costs and is based on 80 percent of the "allowable costs" of transportation.

- **Illinois Free Lunch/Breakfast (105 ILCS 125/0.01):** Funding is provided to school districts to pay a portion of the costs to provide quality nutritious meals to all children who meet the free income-level guidelines established in the National School Lunch Program. Reimbursement at the statutory rate of $0.15 for each meal served is paid monthly based on the number of meals claimed.
- **Orphanage Tuition (Regular Education) (105 ILCS 5/18-3):** Funding is provided to LEAs for providing educational services to children residing in orphanages, foster homes, children's homes, state welfare or penal institutions and state-owned housing in lieu of the local property tax revenue associated with such children. Funding is made by formula that accounts for the average daily attendance of eligible pupils and a district's per capita tuition charge.
- **Transportation (Regular/Vocational) (105 ILCS 5/29-5):** Funding is provided to LEAs to reimburse transportation costs for students who reside 1.5 miles or more from their attendance center, reside less than 1.5 miles with an approved safety hazard, or attend a vocational program and are transported by their resident district during the school day. Reimbursement is based on prior-year costs and is calculated as the difference between a district's allowable costs and the computed minimum local taxes.

For more information on General State Aid and mandated categorical programs, please see the Illinois State Board of Education FY 2010 Proposed Budget:

http://www.isbe.net/budget/FY10_budget_book.pdf

ATTACHMENT 2

Levels of State Support for Public IHEs

In determining the level of State support for public universities, Illinois used the funding provided to public universities for ordinary and contingent expenses. These funds are appropriated by line item, including personal services, medicare, group health insurance, contractual services, equipment, travel, automotive expenses, etc. State support for public universities also includes legislatively-directed appropriations for education and general expenses.

In determining the level of State support for community colleges, Illinois used funding provided to the community colleges through appropriations made to the Illinois Community College Board for the following specific purposes:

- **Base Operating Grant (BOG):** The base operating grant focuses on equity, productivity, and mission. By providing the same allocation for the same programs to each district, the formula provides for an equitable distribution of funds. Because enrollment growth and decline affect the allocation of funds, productivity is addressed. Because the funding strategy recognizes differences in programming; e.g., some districts have a greater concentration of technical programs than others, mission differences are recognized in the funding strategy.
- **College & Career Readiness:** This grant supports programs that assist various students to become academically prepared for college and success in postsecondary education.
- **Designated Grant - City Colleges of Chicago:** This grant originated in fiscal year 2005 to compensate for the district's loss in equalization funding. The grant can be used for operating expenditures at City Colleges of Chicago.
- **East St. Louis Higher Education Center:** Funding for the East St. Louis Community College Center provides support to fund higher education consortium activities at the center. Higher education training has been offered at the Center since 1999 after the closing of Metropolitan Community College.
- **Equalization Grants:** This grant program focuses on funding equity and minimizes the effect of the variances in support resulting from tax base differences within Illinois.
- **P-16 Initiative Grant:** This grant focuses on providing incentives to districts for accelerated college enrollment.
- **Retirees Health Insurance Grant:** This grant is intended to provide health insurance for the district's annuitants. Eligible districts shall be defined as those community college districts not eligible for participation in the retirees health insurance plan administered through the Department of Central Management Services.
- **Small College Grants:** This grant is designed to recognize that small colleges have fixed costs, particularly in administrative areas, and that these costs should be recognized to some extent in funding.
- **Student Success Grant:** This grant is intended to provide needed supplemental services to assist students in developing the academic skills necessary to remedy or correct educational deficiencies to allow the attainment of college educational goals.
- **Veterans Shortfall Grants:** This grant is provided to offset the cost of the mandated tuition and fee waivers for veterans enrolling at community colleges.

For more information, please see:

Fiscal Year 2006: IBHE summary of PA 94-0015 presented at the June 2005 IBHE meeting, Agenda Item #10(b), June 7, 2005

http://www.ibhe.org/Board/agendas/2005/June/Item%2010b.pdf

Fiscal Year 2009: IBHE summary of PA 95-0731 presented at the August 2008 IBHE meeting, Agenda Item #10, August 8, 2012

http://www.ibhe.org/Board/agendas/2008/August/Item10.pdf

Fiscal Year 2010: Chapter 6, Illinois State Budget, Fiscal Year 2010, presented by Governor Pat Quinn, March 18, 2009.

http://www.state.il.us/budget/FY2010/FY2010_Operating_Budget.pdf

ATTACHMENT 3

Illinois Primary Elementary and Secondary Education Funding Formula

The State's primary elementary and secondary education funding formula is General State Aid. The purpose of General State Aid is to provide general flexible state aid to schools. General State Aid represents approximately 62% of state funds for elementary and secondary education.

The General State Aid Formula is basically a foundation approach with three separate calculations, depending on the amount of property wealth of the local school district.

- The first formula is referred to as the "Foundation" formula. A significant provision of the General State Aid formula is the setting of foundation levels in statute and the guaranteed funding of those levels of support. The foundation level is $5,959 in Fiscal Year 2008-09. Most districts receive General State Aid under this formula. Districts qualifying for this formula have available local resources per pupil less than 93% of the foundation level.
- The second formula is the "Alternate" formula. Districts qualifying for this formula have available local resources per pupil of at least 93% but less than 175% of the foundation level.
- The third formula is the "Flat Grant" formula. Districts qualifying for this formula have available local resources per pupil of at least 175% of the foundation level.

The greater of the prior year best three months average daily attendance (B3MADA) or the average of this figure and the two prior years' B3MADA is used to calculate General State Aid. The formula calculation rates are 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. These rates are used for formula calculation purposes only. There is no required tax rate for access to the formula.

The Flat Grant in the formula is $218 per student. The State Aid Formula has a mechanism to provide additional funding for the impact of poverty in the district. A separate supplemental grant is calculated based on the district's poverty count. It is incorporated within the GSA entitlement and allows additional funding for districts with any low-income students. The district concentration level (DCR) is determined by dividing the district's Department of Human Services (DHS) three-year average low-income count by the B3MADA. If the DCR is less than 15% then the district receives a flat grant of $355 per low-income student.

Otherwise, the following formula is used to calculate the poverty grant:

[294.25 + (2700 (DCR)2)] X low-income count

In Fiscal Year 2009, no district will receive less in their poverty grant than they received in Fiscal Year 2003.

ATTACHMENT 4

Process for Distributing Funds to Public IHEs

In keeping with the spirit of the American Recovery and Reinvestment Act of 2009's mandate to protect and create jobs and mitigate tuition and fee increases for in-state students, Education Stabilization funds will be distributed to public universities by means of appropriations to personal services lines. The appropriations will be used to restore a portion of the difference between fiscal year 2009 state support and fiscal year 2006 state support. Each public university will receive an equal proportion of the funds relative to the fiscal year 2006 state support levels.

Funds will be distributed to community colleges to restore a portion of the difference between fiscal year 2009 and fiscal year 2006 state support for Base Operating Grants and Equalization Grants. These two grants are the State's primary means of funding community colleges and, like the appropriations to the public universities, will be used to protect and create jobs and mitigate tuition and fee increases for in-state students. The grants will be distributed by the Community College Board according to established formulas.

Appendices to the

Application for Initial Funding under the

State Fiscal Stabilization Fund Program

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS (CFDA No. 84.394)

SPECIAL NOTES:

- **The calculations in the worksheets and the data provided in Section A of Part 5 of the application must be based on each State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the amount of the State's initial Education Stabilization Fund award.**
- **The term "postsecondary education" means public higher education.**

WORKSHEET 1-A: Calculating the amount of a State's total Education Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation.	1,681,130,685
2.	Either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008, or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	4,607,667,900
3.	Either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009.	1,657,594,043
4.	Actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009.	3,568,680,300
5.	Actual or projected amount of State support for public IHEs in FY 2009.	1,657,594,043
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	1,038,987,600
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	0
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009. If the amount on Line 8 is greater than the amount on Line 1, *see Worksheet 1-B for FY 2009 Shortfall calculation and do not complete lines 9, 10, 11, and 12.*	1,038,987,600
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	1,038,987,600

10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2009. *(Enter this amount in Part A of Section 5 of the Application.)*	*0*
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2009.	1,038,987,600
12.	Enter amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore State support for education in FY 2010. (This amount is carried over to Line 1 of Worksheet 2-A or Worksheet 2-B.)	642,143,085

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-A: Calculating the amount of a State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010 if the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy adjustments

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 12 of Worksheet 1-A).	642,143,085
2.	Enter the greater of (1) either the actual amount of State funds that the State provided through its primary elementary and secondary education funding formulae in FY 2008 or a prior-enacted amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009 or (2) actual or projected amount of State funds that the State provided or will provide through its primary elementary and secondary education funding formulae in FY 2009. (i.e., Enter the greater of the amounts on Lines 2 and 4 of Worksheet 1-A).	4,607,667,900
3.	Enter the greater of (1) either the actual amount of State support for public institutions of higher education (IHEs) in FY 2008 or a prior-enacted amount of State support for public IHEs in FY 2009 or (2) actual or projected amount of State support for public IHEs in FY 2009the amounts of State support for public institutions of higher education (IHEs) in FY 2008 and FY 2009. (i.e., Enter the greater of the amounts on Lines 3 and 5 of Worksheet 1-A).	1,657,594,043
4.	Projected amount that the State will provide through its primary elementary and secondary education funding formulae in FY 2010.	3,825,200,000
5.	Projected amount of State support for public IHEs in FY 2010.	1,605,024,500
6.	If the amount on Line 4 is greater than the amount on Line 2, enter 0; if the amount on Line 2 is greater than the amount on Line 4, enter the difference.	782,467,900
7.	If the amount on Line 5 is greater than the amount on Line 3, enter 0; if the amount on Line 3 is greater than the amount on Line 5, enter the difference.	52,569,543
8.	Enter the sum of the amounts on Line 6 and Line 7. This is the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2010. If the amount on Line 8 is greater than the amount on Line 1, see Worksheet 2-C for Shortfall calculations and do not complete lines 9, 10, 11 and 12.	835,037,443
9.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 6. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	
10.	If the amount on Line 1 is greater than the amount on Line 8, enter the amount from Line 7. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	
11.	Enter the sum of the amounts on Line 9 and Line 10. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary, secondary, and postsecondary education in FY 2010.	
12.	Enter the amount obtained by subtracting the amount on Line 11 from the amount on Line 1. This is the amount of the State's total Education Stabilization Fund allocation remaining to restore the levels of State support for education in FY 2011. (This amount is carried over to Line 1 of Worksheet 3-A or 3-B.)	

WORKSHEETS FOR PART 5, SECTION A: STATE USES OF EDUCATION STABILIZATION FUNDS - CALCULATING THE RESTORATION AMOUNTS

WORKSHEET 2-C: Shortfall Calculations for FY 2010 in cases in which the State did not enact, prior to October 1, 2008, elementary and secondary education formula increases for FY 2010 or State equity and adequacy

Line	Information	Amount
1.	Amount of the State's total Education Stabilization Fund allocation remaining after restoring the level of State support for education in FY 2009 (Enter the amount on Line 1 of Worksheet 2-A).	642,143,085
2.	Total amount of shortfall in FY 2010 (Enter the amount on Line 8 of Worksheet 2-A).	835,037,443
3.	Amount of shortfall in State support for elementary and secondary education (Enter the amount on Line 6 of Worksheet 2-A).	782,467,900
4.	Amount of shortfall in State support for public IHEs (Enter the amount on Line 7 of Worksheet 2-A).	52,569,543
5.	Enter the amount obtained by dividing the amount on Line 3 by the amount on Line 2.	93.7%
6.	Enter the amount obtained by dividing the amount on Line 4 by the amount on Line 2.	6.3%
7.	Enter the amount obtained by multiplying the amount on Line 5 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	601,717,151
8.	Enter the amount obtained by multiplying the amount on Line 6 by the amount on Line 1. This is the amount of funds from the State's total Education Stabilization Fund allocation to be used to restore the level of State support for postsecondary education in FY 2010. *(Enter this amount in Part A of Section 5 of the Application.)*	40,425,934