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School Finance 101

Basic information about how the public school system is funded

General Information about the School District:

The Rockford Public School District #205 has **27,507** students in 41 schools:

- There are **15,087** elementary students in Kindergarten through 6th grade.
- There are 4 middle schools with **4,186** students in grades 7th and 8th.
- There are 4 high schools with **6,449** students in grades 9th through 12th.

The student population is as follows:

- **54.6% white**
- **29.6% black**
- **12.1% Hispanic**
- **3.7% Asian, Native American and other races.**

School District Employees:

- 3,800 people ~~that include~~ *of which approximately 2/3 are in the* **2,000 teachers and other classroom employees.**
- * ~~check this figure.~~ *check this figure.*

Desegregation Lawsuit: A Brief Summary

In 1989, a grassroots organization called People Who Care filed a lawsuit against Rockford School District #205. People Who Care claimed that the Rockford School District had discriminated against black and Hispanic students. In 1994, the Federal Court found the School District guilty and ordered the School District to correct the past and present discrimination. The Federal Court order is called the Comprehensive Remedial Order (CRO). The Federal Court also ordered the School District to pay for the cost of the CRO by setting up a special fund and collecting real estate taxes. This is called the Court Tort Fund.

District Spending:

The School District expects to collect ~~\$214~~ million in this school year. About half of this money will come from real estate taxes that are paid by Rockford homeowners, renters, and businesses. The rest of the money will come from the State of Illinois, the Federal government, and other sources.

Rockford Public School District #205 plans to spend ~~\$230~~ million in this school year. This does not include the building of the new schools. The schools keep track of their money in different funds, depending upon how it is to be used. There are funds for general education; Court ordered spending; building operation and maintenance; student transportation; food service; and several other funds.

Current Situation:

The Rockford School District expects to spend the same amount as they receive through income for their funds except in the General Education and Court Ordered funds. These two funds expect to spend about \$162 million this year. They expect to receive \$146 million this year. This means that the School District will spend \$16 million more than they expect to receive for this school year. How did this happen? What will the School District have to do to bring this into balance?

The Rockford School District School Board did not agree to the Federal Court's requirement to use the special tax to pay for the remedies that the Court ordered. The School Board appealed to a State of Illinois Court, which ruled that the special tax was not allowed under the Illinois Constitution. As a result of this ruling, the School Board did not budget for these special taxes this year. Those taxes would have been \$22 million. ~~Magistrate Mahoney disagrees with the Appellate Court ruling.~~

~~The Federal Court has the ability to exercise the use of the Jenkins Order which can initiate a procedure that will require the District of levy taxes.~~

The School District must either increase their income or reduce their spending to balance the budget. The School Board has very little that they can do on their own to increase income. Nearly all areas of income depend upon local voters (referendum), the State of Illinois, or the Federal government to increase their income.

The School Board decided to ask the voters to approve a referendum that will increase their regular real estate taxes. This will give the School District about \$12 million per year as income to run the School District.

The School Board is still looking at ways to reduce their spending enough to balance the budget over the next few years. How much spending must be reduced will depend upon the outcome of the referendum and the School Board's appeal to the State of Illinois Court. However, if the referendum passes and the State of Illinois Court rules in favor of the School District on all of its appeals, the School Board must still reduce its spending by \$14 million. This will probably mean closing schools; increasing class sizes; reducing the number of teachers and other School District employees; reducing fringe benefit costs; and other spending cuts.

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