ILLINOIS

Donald R. Johnson
Northern Illinois University

I. GENERAL BACKGROUND

State

The state share of revenue for public education had been continually decreasing from a high in 1976 of 48.4% to 33.9% in 1998. Legislation increased the state share to 36.34% in 1999.

State funding for education is derived from general funds provided by the personal income tax, state sales tax, federal aid, public utility tax, and the state lottery.

The distribution of the General State Aid (GSA) to Illinois public schools is determined primarily on the equalized assessed valuation of property within a district, standardized across districts by an average daily attendance student count. 1998 legislation removed weighted student average daily attendance from GSA calculations. Aid is calculated using one of three formulas, depending on the equalized assessed valuation per pupil of a district: Foundation, Alternate Method, or Flat Grant.

Elementary and secondary education received 25.14% of Illinois general funds in FY 1999 and 16.65% of all appropriated funds in FY 1999.

Illinois operates the fifth largest public school system in the United States. There were an estimated 2,012,752 students enrolled in public elementary and secondary schools in FY 1999.

Illinois school finance has undergone several major changes over the years. Partly in response to Serrano v. Priest, the Legislature, in 1973, allowed districts to choose between two methods of funding, a Strayer-Haig wealth equalization formula (equal aid irrespective of district property wealth) or an Updegraff-Coons resource equalization formula (equal expenditure for equal effort). In 1980, the Legislature replaced the two formulas with a hybrid that has since evolved into the current three-formula funding system.
1998 legislation increased the FY1999 foundation level to $4,225 from $3,108 in FY1998. The legislation also provided for the foundation level to increase to $4,325 in FY2000 and to $4,425 in FY2001.

Local

In FY1998 the state had 897 financially independent school districts. Districts were organized as elementary (grades K–8), secondary (grades 9–12), or unit (grades K–12). There were 385 elementary districts, 104 secondary districts, and 408 unit districts. In addition there were five state operated schools: the Department of Corrections school district, two state laboratory schools, the Illinois Math and Science Academy, and the Illinois Department of Rehabilitation state schools.

Most school districts operate on a cash-accounting basis. Since income can be generated from current or prior-year tax extensions, total local revenue for a single year school district operation cannot be easily calculated.

Local funding comes primarily from the property tax (about 94%). Property tax provides about 53% of all school revenues.

**Funding Summary 1998–1999**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total State School Aid (All Programs)</td>
<td>$4,849.3 million</td>
<td></td>
</tr>
<tr>
<td>Grants in aid</td>
<td>4,355.3 million</td>
<td></td>
</tr>
<tr>
<td>Teacher Retirement Contributions</td>
<td>494.0 million</td>
<td></td>
</tr>
<tr>
<td>FICA</td>
<td>0 million</td>
<td></td>
</tr>
<tr>
<td>Total Local School Revenue</td>
<td>$8,470.1 million</td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td>7,956.6 million</td>
<td></td>
</tr>
<tr>
<td>Other local source tax revenue</td>
<td>0 million</td>
<td></td>
</tr>
<tr>
<td>Local source non-tax revenue</td>
<td>513.5 million</td>
<td></td>
</tr>
<tr>
<td>Total Combined State and Local School Revenue</td>
<td>$13,319.4 million</td>
<td></td>
</tr>
<tr>
<td>State Financed Property Tax Credits</td>
<td></td>
<td>0 million</td>
</tr>
<tr>
<td>Attributable to School Taxes</td>
<td></td>
<td>0 million</td>
</tr>
</tbody>
</table>
II. LOCAL SCHOOL REVENUE

Property Tax

School districts are permitted to levy an annual tax upon real property in the
district subject to tax rate limitations by fund. Tax rates are expressed as $ per
hundred equalized assessed valuation. The tax rate limitations by general
operating fund are:

<table>
<thead>
<tr>
<th>Fund</th>
<th>% Without Referendum</th>
<th>% With Referendum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary District</td>
<td>0.92</td>
<td>3.50</td>
</tr>
<tr>
<td>Secondary District</td>
<td>0.92</td>
<td>3.50</td>
</tr>
<tr>
<td>Unit District</td>
<td>1.84</td>
<td>4.00</td>
</tr>
<tr>
<td>Operations &amp; Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary District</td>
<td>0.25</td>
<td>0.55</td>
</tr>
<tr>
<td>Secondary District</td>
<td>0.25</td>
<td>0.55</td>
</tr>
<tr>
<td>Unit District</td>
<td>0.50</td>
<td>0.75</td>
</tr>
<tr>
<td>Transportation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Elementary District</td>
<td>0.12</td>
<td>none</td>
</tr>
<tr>
<td>Secondary District</td>
<td>0.12</td>
<td>none</td>
</tr>
<tr>
<td>Unit District</td>
<td>0.20</td>
<td>none</td>
</tr>
</tbody>
</table>

Summary

<table>
<thead>
<tr>
<th>Revenue Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>$7,956,600</td>
</tr>
<tr>
<td>Income Tax</td>
<td>0</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>0</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>0</td>
</tr>
<tr>
<td>Tax credits and exemptions</td>
<td>0</td>
</tr>
</tbody>
</table>

Income Tax

There is no provision for a local income tax in Illinois.

Sales Tax

There is no provision for local sales tax to be used for education.
Tax Credits and Exemptions

The state provides general homestead, senior citizen, and disabled veteran exemptions. There is a circuit breaker for qualified senior citizens with low income.

III. TAX AND SPENDING LIMITS

In 1991, the Property Tax Extension Limitation Law, PTELL, became law for the collar counties around Cook County. PTELL, commonly referred to as “Tax Caps,” limits the increase in property tax extension to 5% or the Consumers Price Index (CPI), whichever is less. In 1994, PTELL was extended to suburban Cook County. In 1996, the other 96 counties were permitted to have tax caps if the county board submitted the measure via referendum, and a majority of voters in that county approved the referendum. Eighteen counties received voter approval for tax caps in 1996, four counties in 1997, and one county in 1998. Through 1998, tax caps were applied in 29 of 102 counties. Seventy-three counties are not under PTELL.

Effects of the PTELL on School Districts in The Collar Counties and Suburban Cook County ($M)

<table>
<thead>
<tr>
<th>Tax Year</th>
<th>Tax Year Loss</th>
<th>Estimated Cumulative Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collar Counties</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>$35.2</td>
<td>$35.2</td>
</tr>
<tr>
<td>1992</td>
<td>39.6</td>
<td>110.0</td>
</tr>
<tr>
<td>1993</td>
<td>58.2</td>
<td>242.9</td>
</tr>
<tr>
<td>1994</td>
<td>62.2</td>
<td>438.1</td>
</tr>
<tr>
<td>1995</td>
<td>62.5</td>
<td>695.9</td>
</tr>
<tr>
<td>1996</td>
<td>80.4</td>
<td>1,034.1</td>
</tr>
<tr>
<td>Cook County</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>61.4</td>
<td>61.4</td>
</tr>
<tr>
<td>1995</td>
<td>63.9</td>
<td>186.7</td>
</tr>
<tr>
<td>1996</td>
<td>72.0</td>
<td>258.7</td>
</tr>
</tbody>
</table>

School districts are permitted to borrow money to meet cash flow needs or to finance capital projects, subject to limitations as determined by law. Borrowing may require a referendum or backdoor referendum. Debt limitations are determined by a percentage of the school district's equalized assessed valuation. Those debt limitations are 6.9% of elementary or secondary school district
equalized assessed valuation or 13.8% of unit district equalized assessed valuation.

School districts must adopt a budget on or before the end of the first quarter of each fiscal year. Appropriate notice must be given and public hearings must be held. No voter approval is required. Budgets may be amended during the fiscal year, but must follow the same notice and hearing procedure as for the original fiscal year budget.

IV. STATE/PROVINCIAL EARMARKED TAX REVENUE

While the state lottery was established in 1975, it was not until 1985 that the proceeds from the state lottery were to be spent entirely on elementary and secondary education. Prior to that time lottery proceeds supplanted General Revenue Fund appropriations to elementary and secondary education. For 1999, $540 million, or 9.56% of total state appropriations, was deposited into the Common School Fund.

The Riverboat Gambling Act, approved in 1990, provides for a portion of proceeds from the “wagering tax” be deposited into the Education Assistance Fund. For FY1999, that amount was $227 million.

Other earmarked revenues to the Common School Fund come from the state sales tax (1/4 of the state share), Bingo Tax Act, and the Cigarette Tax Act.

V. BASIC SUPPORT PROGRAM

Funding in 1998–1999: $2,923.0 million.

Percentage of Total State Aid: 60.2%.

Nature of Program: Foundation.

Allocation Units: Pupils. Average Daily Attendance. Aid is distributed based on the average daily attendance (ADA) of pupils. School districts are allowed to use the best three months of ADA. Per pupil, low income, and best 3-yr ADA weightings were eliminated from the prior formula.

Local Fiscal Capacity: Equalized assessed valuation of real property based on one-third of fair market value.
**How Formula Operates:** Aid is distributed under one of three formulas: Foundation, Alternate Method, and Flat Grant. The school property wealth determines which formula applies for calculating the funding.

The state aid formula compares the district EAV per pupil to a “state guaranteed wealth per ADA.” The state guaranteed level varies by the type of school district. For FY1999 the state guaranteed wealth per ADA pupil was $188,478 for elementary districts, $361,250 for secondary districts, and $144,500 for unit districts. Districts qualifying under the Foundation Formula have a district EAV per pupil less than 93% of the foundation level. Districts qualifying under the Alternate Method Formula have a district EAV per pupil of at least 93% but less than 175% of the foundation level. Districts qualifying under the Flat Grant Formula have a district EAV per pupil greater than 175% of the foundation level. The FY1999 foundation level is $4,225. The flat grant is $218.

The formula calculation rate for elementary districts is 2.30%, 1.20% for secondary districts, and 3.00% for unit districts. Poverty level impact, hold harmless provisions, and GSA adjustment grant provisions may apply.

**Calculation of Available Local Resources and Local Percentage:**

\[
\text{Available Local Resources} = \frac{\text{Adjusted EAV} \times \text{RATE} + \text{CPPRT}}{\text{ADA}}
\]

\[
\text{Local Percentage} = \left(\frac{\text{Available Local Resources}}{\text{Foundation Level}}\right) \times 100
\]

Where

\[
\text{RATE} = \begin{cases} 
2.3\% & \text{if elementary} \\
1.2\% & \text{if secondary} \\
3.0\% & \text{if unit} 
\end{cases}
\]

\[
\text{CPPRT} = \text{Corporate Personal Property Replacement Taxes}
\]

\[
\text{ADA} = \text{Best 3 months Average Daily Attendance}
\]

**Foundation Formula Calculation:**

\[
\text{Foundation} = (\text{Foundation Level} - \text{Available Local Resources}) \times \text{ADA}
\]

**Alternate Method Formula Calculation:**
Alternate = Foundation Level * ADA * [.07 - ((Local % - .93) / (0.82)) * .02]

Flat Grant Formula Calculation:

Flat Grant = ADA * $218

**Local Share:** There is no mandatory school district contribution. School districts are responsible for costs not covered by general state aid.

**State Share:** The state share of the GSA is equal to the calculated amount for each school district using one of the three funding formulas.

**Weighting Procedures:** Best three months ADA.

**Adjustments for Special Factors:** Hold harmless. A new bill eliminates language in last year’s HB 452 that would allow the pro-ration of the hold harmless payments to school districts who would receive them under the 1997 new school funding formula and makes the hold harmless payment part of the continuing appropriation.

**Aid Distribution Schedule:** General State Aid is distributed twice each month from August through June with two double payments in June.

**Districts Off Formula:** None.

**VI. TRANSPORTATION**

**Funding in 1998–1999:** $307.3 million.

**Percentage of Total State Aid:** 6.3%.

The state provides funding for regular, special education, and vocational pupil transportation. A school district may provide its own pupil transportation or may contract with a transportation carrier.

**Regular Transportation.** The state reimburses school districts for allowable costs of transporting pupils to and from their home and school. Eligible pupils are those residing 1.5 miles or more from school and students who must otherwise walk through a safety hazard area as determined by local boards of education using guidelines established by the Illinois Department of Transportation.
Special Education Transportation. The state reimburses school districts for the transportation of special education pupils who require special transportation services in order to take advantage of special education facilities. Reimbursement may be provided for qualified transportation for special education students enrolled in both public and nonpublic schools.

Vocational Transportation. The state reimburses school districts for the transportation of vocational students transported during the school day to an approved vocational program.

State and Local Responsibilities. Regular pupil transportation reimbursement is adjusted according to the school district's equalized assessed valuation multiplied by a computational tax rate. The computational rate is .06% for elementary districts, .05% for secondary districts, and .07% for unit districts. Special education and vocational education state reimbursement is four-fifths of the allowable costs.

VII. SPECIAL EDUCATION

Funding in 1998–1999: $530.5 million.

Percentage of Total State Aid: 10.9%.

Special Education is funded through several categorical programs including personnel reimbursement, private school tuition, extraordinary services, orphanage tuition, summer school, residential services, materials for the visually impaired, regional services to children with low-incidence disabilities, early intervention—infants and toddlers, and regular education initiative programs.

Personnel Reimbursement

The state reimburses school districts or special education cooperatives for approved special education personnel and for home/hospital services. Approved costs are not equalized. The following rates were approved for FY1999:

For eligible children with physical disabilities and all eligible children whose placement is in home/hospital instruction—one-half of the teacher's salary, but not more than $1,000 annually per child or $8,000 per teacher, whichever is less.

For each full-time professional worker—$8,000.
For each full-time, qualified director of special education—$8,000.

For each full-time school psychologist—$8,000.

For each full-time qualified teacher working in an approved program for preschool children with hearing impairments—$8,000.

For readers working with children with visual impairments—one-half of their salary, but not more than $400 annually per child.

For necessary non-certified employees working in any approved class or program—the lesser of one-half of the salary paid or $2,800 annually per employee.

**State and Local Share:** School districts and/or cooperatives are reimbursed for the prior-year expenditures. The state is responsible for 100% of the calculated aid amount, but that money was usually pro-rated until FY1998. For FY1998 and FY1999, the reimbursement was at 100%. School districts are responsible for the costs not reimbursed by the state.

**Tuition for Pupils with Disabilities Attending Private Schools or Special Education Facilities, Out of State Public Schools, or Public School Residential Facilities**

The state reimburses the approved tuition cost for special education and related services during the regular and summer school terms under a two-tier formula. The first tier provides state reimbursement for the difference between the school district's per capita tuition charge and the lesser of $4,500 or the tuition cost of the facility providing services. When the tuition charge is greater than the school district's per capita tuition charge for regular pupils plus $4,500, the second tier provides that the state will reimburse the amount in excess of the school district's per capita plus $4,500 in addition to the amount calculated in tier one.

**State and Local Share:** School districts and/or cooperatives are reimbursed for the prior-year expenditures. The state is responsible for 100% of the calculated aid amount, but that money was usually pro-rated until FY1998. For FY1998 and FY1999, the reimbursement was at 100%. School districts are responsible for the costs not reimbursed by the state.
Extraordinary Special Education Costs

The state will reimbursement school districts up to a maximum of $2,000 per child above the school district's per capita tuition charge after other reimbursements exceed one and one-half times the school district's per capita tuition charge.

State and Local Share: School districts and/or cooperatives are reimbursed for the prior-year expenditures. The state is responsible for 100% of the calculated aid amount, but that money is usually pro-rated until FY1998. For FY1998 and FY1999, the reimbursement was at 100%. School districts are responsible for the costs not reimbursed by the state.

Orphanagenes, Children's Homes, State Housing Units or Foster Homes Costs: Orphanage Tuition

The state will current fund school districts for providing pre-approved special education services to eligible children with disabilities. The state is responsible for 100% of the calculated aid amount, and if any amounts are pro-rated, those amounts must be paid in full before any current-year claims can be paid. School districts are responsible for the costs not reimbursed by the state.

Summer School

The state reimburses school districts for extended-year programs or services for eligible students. Eligible students must be enrolled for a minimum of 60 hours per summer and there cannot be any tuition charge.

Statewide School and Service Center for Deaf/Blind Persons

The center provides full residential and educational services to eligible persons and full counseling services for eligible deaf and/or blind persons throughout the state. The center also provides nearly 3,000 K–12 students statewide with materials through the visually impaired program.

Regional Low-Incidence Programs

The State Board of Education distributes funds statewide on a grant basis to special education cooperatives and regional programs for establishing and/or maintaining education programs for students with low-incidence disabilities.
VIII. COMPENSATORY EDUCATION


Percentage of Total State Aid: less than 1%.

Compensatory Education is funded through several categorical programs including adult education and public assistance adult education.

Participating agencies offer adult education programs leading to an elementary equivalency, high school diploma, or equivalency certificate for eligible students and are reimbursed on a per student unit of instruction basis. Eligible participants are (a) adults, 16 years or older who have not completed the secondary level and are not attending school, (b) adults, 21 years of age and older who may or may not have completed the secondary level and who can verify the need for job skills improvement and/or employability skills, and (c) persons eligible for services under the state public assistance program.

IX. GIFTED AND TALENTED EDUCATION


Percentage of Total State Aid: less than 1%.

The state distributes funds to school districts for gifted education based on either a formula or personnel basis. Under the formula method, districts may claim up to 5% of the number of students in average daily attendance. Under the personnel method, each full-time professional who meets established standards generates $5,000.

X. BILINGUAL EDUCATION

Funding in 1998–1999: $56.2 million.

Percentage of Total State Aid: 1.2%.

The state reimburses school districts for transitional bilingual education and transitional programs of instruction for children of limited English proficiency. Transitional bilingual education programs are required in school districts with 20 or more students with the same native language. Transitional programs of instruction apply to school districts with less than 20 students of the same
language background, and are optional. Bilingual education is a current funded program.

XI. EARLY CHILDHOOD EDUCATION

**Funding in 1998–1999:** $153.7 million.

**Percentage of Total State Aid:** 3.2%.

Early Childhood Education is funded through several categorical programs including pre-kindergarten program for children at risk of academic failure, model early childhood parental training, and prevention initiative program for at risk infants and their families. The State Board of Education provides grants to school districts for these programs that include screening, developmental programs, and training programs. In most cases the state funds cover the costs for these programs, however, school districts are allowed to spend additional money to support these programs.

XII. OTHER CATEGORICAL PROGRAMS

Numerous other categorical programs are funded by the state including vocational education ($57,574,300), free lunch and breakfast ($16,516,800), textbook loan ($24,192,100), substance abuse prevention ($5,468,300), driver education ($16,538,000), block grants ($81,627,500), district consolidation ($8,642,700), pupil tuition claims for orphanages ($15,200,000), and agricultural education ($1,479,700).

XIII. TEACHER RETIREMENT AND BENEFITS

**Funding in 1998–1999:** $605.3 million.

**Percentage of Total State Aid:** 12.4%.

The state is responsible for assuring pension benefits for retired teachers. The state makes annual employer contributions to each of the two teacher retirement systems: the School Teachers Pension and Retirement Fund of Chicago (for qualified personnel in the Chicago Public Schools) and the Teachers' Retirement System of the State of Illinois (for other school district personnel and professional employees of the State Board of Education).
XIV. TECHNOLOGY

Funding in 1998–1999: $30.8 million.

Percentage of Total State Aid: less than 1%.

The State Board of Education awards grants on a competitive basis to school districts for the purpose of implementing the use of computer technology in the classroom.

$500,000 has been appropriated from the School Technology Revolving Fund for the purpose of funding the statewide educational network.

XV. CAPITAL OUTLAY AND DEBT SERVICE

Funding in 1998–1999: $327.5 million.

Percentage of Total State Aid: 6.8%.

1997 legislation created a School Infrastructure Fund to provide Construction Grants and Debt Service Grants under the School Construction Law. In order to be eligible for the construction and debt service grants, school districts must submit applications and school district facilities plans to the State Board of Education.

Construction grants are awarded to school districts based on their degree of need and project type within the prescribed categories of replacement or reconstruction of school buildings destroyed or damaged by man-made or natural disasters, shortage of classrooms due to population growth or to replace aging buildings, projects resulting from inter-district reorganization of school districts contingent on local referenda, replacement or reconstruction of school facilities determined to be severe and continuing health and life safety hazards, alterations necessary to provide accessibility for qualified individuals with disabilities, and other unique solutions. The amount of a construction grant is equal to the recognized project cost times the school district's grant index.

Debt service grants are awarded by the State Board of Education to assist school districts that passed construction bond referenda between January 1, 1996 and January 1, 1999. The grants are equal to 10% of the principal amount of bonds issued times the grant index for the district. The grant funds may only be used to retire principal of approved school construction bonds, restructure the school
district debt to reduce future bond and interest tax levies, or abate property taxes
levied for a school district's bond and interest fund by an amount equal to the debt
service grant.

The grant index is calculated based on a school district's wealth compared to the
wealth of the school district at the 90th percentile of wealth for all school districts
of the same type. Districts with wealth at or above the 99th percentile for their
type are assigned a grant index of 0. The remaining school districts, depending on
their wealth, receive a grant index ranging from 0.35 (for wealthy districts) to
0.75 (for poor districts).

Capital funding at the local level is done primarily through the sale of bonds
approved by local referenda.

XVI. STANDARDS/ACCOUNTABILITY MEASURES


Percentage of Total State Aid: less than 1%.

State law requires school districts to conduct staff development programs.
Following program approval from the State Board of Education, school districts
receive aid to fund programs provided through cooperatives or joint agreements
with regional offices of education. This act also includes several scholarships
available to teachers, funding for districts to develop local assessments, and
funding for the development of statewide assessments.

By October 31 of each year, each school district must submit a report card for
each of its school to parents, taxpayers, the General Assembly, the Governor, the
State Board of Education, and regional superintendents. School districts are
reimbursed for their expenses related to printing and distributing report cards.

By October, school districts must obtain an annual outside audit of the previous
year's revenues, expenditures, and fund balances. There is no state reimbursement
for the cost of obtaining this outside audit.

XVII. REWARDS/SANCTIONS

The State Board of Education has implemented a Financial Assurance and
Accountability System to ensure the fiscal accountability of school districts in
Illinois. There are five bands within the system leading to financial recognition.
Financial Recognition. Meets all criteria identified for a school district to be considered financially solvent and does not require active monitoring by the state board.

Financial Technical Assistance. Does not meet all criteria considered essential for a school district to be financially solvent. Steps will be taken to assure district awareness of identified deficient factors, which may eventually lead to a school district's inclusion on the Financial Watch List.

Financial Watch List. Identifies school districts that have a negative fund balance and/or meet any one of the three criteria for certification according to state statute.

Financial Certification. Assess all school districts on the Financial Watch List as being in financial difficulty as per state statute.

Financial Oversight Panel. Depends upon the school district's desire to petition for Emergency Financial Assistance or its failure to comply with its state board approved plan.

XVIII. FUNDING FOR NON-TRADITIONAL PUBLIC SCHOOLS

Alternative Schools

Funding in 1998–1999: $32.5 million.

Percentage of Total State Aid: less than 1%.

The state authorizes the Regional Offices of Education to operate or monitor alternative education programs for disruptive students on a grant basis. The alternative school program receives general state aid under the formula established for alternative schools. The Regional Office may delegate the responsibility for individual programs to local school districts. School districts operating alternative programs may agree to provide additional funding to support the program and may receive and expend gifts, legacies, and grants.

Charter Schools

Funding in 1998–1999: $0.5 million.

Percentage of Total State Aid: less than 1%.
Previous legislation approved the establishment of up to 45 charter schools within the state. To date 6 have been approved and are operational. Funding for the charter schools is derived from the school district of residence operating expense per pupil following the pupil to the charter school. Recent legislation also allowed for charter schools to appeal to the State Board of Education for approval if approval from public schools within the charter school student area is not received. To date one appeal has been granted, but the charter school is not yet operational.

**XIX. AID TO PRIVATE SCHOOLS**

**Funding in 1998–1999:** Not reported.

**Percentage of Total State Aid:** less than 1%.

Private school students are included in the textbook loan program, special education transportation program, parental reimbursement for transportation program, and the free lunch and breakfast programs.

**XX. RECENT/PENDING LITIGATION**

None

**XXI. SPECIAL TOPICS**

A proactive waiver policy was enacted by the Legislature with the support of the State Board of Education. This policy allows school districts to receive a waiver within 45 days of their petition unless the waiver is denied by the State Board of Education. School districts can petition the Legislature if the State Board of Education denies waiver request or if a school district desires to waive a law. Commonly approved waivers have included temporarily suspending the legislative mandate for teaching daily physical education and certain commemorative holidays.