

WHEREAS, the State of Illinois adopted the Evidence-Based Funding (EBF) model to equitably distribute state education dollars to school districts most in need, while protecting all districts through a hold-harmless provision; and

WHEREAS, Mandated Categorical (MCATs) funding is separate from the EBF model and does not include a hold-harmless provision, despite funding a portion of State-mandated local costs; and

WHEREAS, for many school districts, Mandated Categorical (MCATs) funding represents the single largest source of State funding;

WHEREAS, MCAT funding supports six critical areas of State-mandated services, including:

- Special Education Private Tuition
- Special Education Transportation
- Regular and Vocational Transportation
- Special Education Orphanage
- Regular Education Orphanage
- Free Lunch and Breakfast Programs; and

WHEREAS, as EBF appropriations have remained constant over time, the percentage of paid to districts for MCAT reimbursements have steadily declined in the last four fiscal years, resulting in significant underfunding of mandated services; and

WHEREAS, the continued underfunding of MCAT reimbursements has significantly shifted the State's financial responsibility for mandated services onto local school districts, requiring districts to absorb costs that were intended to be shared with the State; and

WHEREAS, this cost shift has resulted in an effective reduction in overall State support for many Illinois school districts, and

WHEREAS, reductions in Mandated Categorical (MCAT) funding undermine the intended equity impacts of Evidence-Based Funding (EBF), as Tier 1 districts have been forced to redirect significant portions of new EBF dollars to backfill MCAT reductions, thereby diminishing the positive benefits of EBF;

WHEREAS, persistent underfunding of MCAT forces districts to rely more heavily on locally generated revenue, particularly property taxes, to cover transportation and other ancillary service costs; and

NOW, THEREFORE, BE IT RESOLVED THAT:

1. School Districts in Illinois urge the General Assembly and the Governor to restore full and sustainable funding for Mandated Categoricals, ensuring the State meets its statutory obligations without shifting costs to local taxpayers; and

2. The State should provide greater transparency and predictability in MCAT funding levels, including consideration of hold-harmless protections similar to those provided under the EBF model; and
3. Future education funding discussions must account for the cumulative impact of underfunded categoricals, particularly transportation and special education costs borne disproportionately by districts; and
4. School districts respectfully urge legislators to ensure that EBF in conjunction with MCATs ensure an equitable approach to education funding, one that recognizes both varying levels of student need and the State's obligation to fully fund mandated categorical programs.

LEND EDRED LUDA