

New CTE Funding Formula Frequently Asked Questions

1. Q: Will the new state CTE funding formula affect federal Perkins allocations?

A: No. The new state funding formula does not affect calculations for the allocation of federal Perkins funds.

2. Q: Will the proposed new formula be phased in? If so, over how many years?

A: Yes, the proposed formula will be phased in over at least three years. In the first year, Education for Employment (EFE) systems will receive allocations that are 75% based on their actual fiscal year 2024 allocation and 25% based on the new formula. In Year 2, 50% will be based on the actual FY 2024 allocation and 50% based on the new formula. In Year 3, 25% will be based on the actual FY 2024 allocation and 75% based on the new formula. In Year 4, 100% will be based on the new formula. This phase-in proposal is subject to adjustment depending upon annual appropriations.

3. Q: If the phase-in of the proposed formula begins in FY 2025, will any EFE receive a lower allocation than it had in FY 2024?

A: No EFE will receive a lower allocation in FY 2025 than in FY 2024, contingent upon final CTE funding in the state budget or whether it exceeds the level recommended by the State Board.

4. Q: Under the proposed funding formula, how much state CTE funding will Area Career Centers receive?

A: Area Career Centers (ACCs) will receive 17% of the total state CTE funding. This is the same percentage that goes to ACCs under the current funding model.

5. Q: How will Area Career Center funding be distributed in the new formula?

A: ACC funding will be distributed based on the higher of three-year average enrollment or the student enrollment for the most recent complete year, whichever is greater.

6. Q: Will elementary schools still receive funds? And if so, how much?

A: Yes. A total of \$1,176,458 will be allocated for elementary CTE programming in FY 2025. This is the same funding amount for elementary schools as FY 2024.

7. Q: How does EBF relate to the proposed CTE funding formula?

A: The proposed formula utilizes multipliers based on each district’s final percentage of adequacy as calculated by the Evidence-Based Funding (EBF) formula in the elementary and secondary allocation calculations. Multipliers are applied to student counts such that districts farthest from adequacy receive more funding per student. District allocations are rolled up into EFE allocations.

The adequacy multipliers and examples of how they are used to adjust enrollment are shown in the table below.

EBF % Final Adequacy	Multiplier	Example Enrollment	Example Adjusted Enrollment
70% and below	2	100	200
71% to 80%	1.75	100	175
81% to 90%	1.5	100	150
91%-100%	1.25	100	125
101% and above	1	100	100

8. Q: How will EFE leadership allocations be determined?

A: EFE leadership allocations will be determined based on the average high school principal salary in each EFE area.

9. Q: When we are talking about salaries, will ISBE be looking at salary and benefits in regard to regional principal salaries or just their salary?

A: ISBE is using regional median high school principal salaries to determine the leadership allocation. Although principal salaries are used to determine the allocations, that does not mean that EFE systems are limited to using those funds for salaries exclusively.

10. Q: By using salary data, is ISBE decreasing administrative allocations?

A: Using the regional median high school principal salary as we propose results in an increase in administrative/leadership funding for every EFE, except one. In total, the new approach provides \$6,247,412 for leadership across all EFEs compared to \$3,989,392 in the current model.

11. Q: How do concentrators factor into the proposed formula?

A: Fifty percent of the dollars allocated to secondary programs will be based on concentrator counts. In the current formula, concentrators are not a variable in calculating a funding allocation.

12. Q: Are duplicate or non-duplicate counts of students used when allocating funding based on participants?

A: The proposed funding formula utilized a duplicate student count to better account for actual cost incurred by districts. By using duplicate counts, a student who takes two CTE classes in a year “earns” twice as much funding as a student who takes one CTE class.

13. Q: Are EFE leadership allocations the only funds that can be used for costs associated with administration of each EFE system?

A: No. EFE systems may use up to 5% of their total grant for administrative purposes and may also take indirect costs in accordance with the state unrestricted rate, which for FY 2024 is 17.83%. Please see the example below for an illustration.

EFE 1000

Total Grant Allocation = \$1,000,000 (5% for admin = \$50,000)

Indirect cost rate is 17.83% = \$178,300

Leadership Allocation = \$100,000

$\$50,000 + \$178,300 + \$100,000 = \$328,300$ for all administrative costs (including salaries, benefits, and other admin expenses)

14. Q: Should the leadership funding be used for salary and benefits or just salary?

A: All decisions about how to spend allocations are determined by the Board of Control for each EFE system. ISBE does not determine or recommend compensation levels for EFE system directors.

15. Q: We have been told that ISBE is only looking at salary, but that regions would have to stay within that allotment for both salary and benefits or pay any additional expenses out of local funds. Is that correct?

A: No. EFE systems do not have to keep spending for both salary and benefits within the leadership allocation. EFE systems will be allowed to pay both full salary and benefits using grant funds. Please see the example above for an illustration of how EFE systems can determine how much grant funding is available for administrative expenses, including salary and benefits.

16. Q: Is ISBE looking to remove benefits from the leadership calculation?

A: Benefits have never been included in the leadership calculation. Please see details above that illustrate how EFE systems will be able to use their grant funds to pay salary and benefits for their directors and any other administrative personnel.

17. Q: There has been some discussion among directors that the new administrative cap could result in a revolving door of directors as some may choose to leave for other administrative roles with a more clearly defined salary and benefit package. As you know, these EFE director roles can be very difficult to fill with qualified administrators. What does ISBE say about this?

A: Hopefully, the information above -- especially the information about *how the proposed formula adds more than \$2.2 million for leadership* -- will alleviate fears. As always, it will be up to the Board of Control that oversees each EFE to ensure that it is managing policies and communication related to EFE employee compensation effectively.

18. Q: When will EFE system directors be notified of their FY 2025 allocations?

A: EFE system directors will be given a tentative allocation by March 1 and a final allocation within 30 days of the effective date of the FY 2025 appropriation.

19. Q: How will EFE leadership allocations be adjusted if the system director is not full time?

A: Leadership allocations will be prorated based upon actual time worked by system directors who are not full time in their roles. ISBE is working to determine a fair proration methodology that includes the range of days of service served by principals throughout Illinois.

20. Q: How will ISBE determine which EFE system directors are part time and which are full time?

A: A message will be sent out to the system directors to verify their full-time equivalency.