Wind Farm
Implications for School District Revenue

July 2011
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This report is also available as a PDF on www.RenewableEnergy.ilstu.edu, the link is under New Reports.
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Authors

David Loomis, Ph.D. is Professor of Economics at Illinois State University where he teaches in the Master’s Degree program in electricity, natural gas and telecommunications economics. Dr. Loomis is Director of the Center for Renewable Energy and Executive Director of the Institute for Regulatory Policy Studies. As part of his duties, he leads the Illinois Wind Working Group under the U.S. Department of Energy. Dr. Loomis is part of a team of faculty that has designed a new undergraduate curriculum in renewable energy at Illinois State University. Dr. Loomis earned his Ph.D. in economics at Temple University. Prior to joining the faculty at Illinois State University, Dr. Loomis worked at Bell Atlantic (Verizon) for 11 years. He has published articles in the Energy Policy, Electricity Journal, Review of Industrial Organization, Utilities Policy, Information Economics and Policy, International Journal of Forecasting, International Journal of Business Research, Business Economics, and the Journal of Economics Education.

Matt Aldeman is Senior Energy Analyst at the Center for Renewable Energy at Illinois State University. He provides technical assistance and public outreach to the external community, assists faculty in applied research, and operates the Center’s SODAR unit, meteorological tower, and off-grid hybrid wind/solar system. Matt joined the Center for Renewable Energy after working for General Electric as a wind site manager, where he managed operations at the Grand Ridge and Rail Splitter wind projects. Previously, he served in the U.S. Navy as the Reactor Electrical Officer on the USS John C. Stennis and as the Gunnery Officer on the USS O’Bannon. He is a graduate of the U.S. Naval Nuclear Power School and holds a Master of Engineering Management degree from Old Dominion University and a B.S. in Mechanical Engineering from Northwestern University.

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The Illinois Wind Working Group (IWWG) is affiliated with the Department of Energy’s Wind Powering America State Wind Working Groups. IWWG is administered by the Center for Renewable Energy at Illinois State University, including Dr. David Loomis (Economics), David Kennell (Technology), and Dr. J. Randy Winter (Agriculture).

Wind Powering America (WPA) is a regionally-based collaborative initiative to increase the nation’s domestic energy supply by promoting the use of Wind Energy Technology, such as low wind speed technology, to increase rural economic development, protect the environment, and enhance the nation’s energy security. WPA provides technical support and educational and outreach materials about utility-scale development and small wind electric systems to utilities, rural cooperatives, federal property managers, rural landowners, Native Americans, and the general public.

IWWG is an organization whose purposes are to communicate wind opportunities honestly and objectively, to interact with various stakeholders at the local, state, regional and national levels, and to promote economic development of wind energy in the state of Illinois. The organization is hosted by Illinois State University through a grant from the U.S. Department of Energy. The Illinois Wind Working Group is comprised of 200 key wind energy stakeholders from the state of Illinois.

IWWG is part of Illinois State University’s Center for Renewable Energy and hosts an annual Advancing Wind Power in Illinois Conference that covers many aspects of wind energy; an annual Siting, Zoning and Taxing Wind Farms in Illinois Conference; and Landowner Forums throughout the state.

www.RenewableEnergy.ilstu.edu/wind/
Illinois State University established the Center for Renewable Energy, and it received Illinois Board of Higher Education approval in 2008. The Center was initially funded by a $990,000 grant from the U.S. Department of Energy to research renewable energy, to establish a major in renewable energy at Illinois State and to administer the Illinois Wind Working Group (IWWG). The Center also received a grant from the Illinois Clean Energy Community Foundation to help complete its state-of-the-art renewable energy laboratory.

The Center has three major functional areas:

- Supporting the renewable energy major at Illinois State University
- Serving the Illinois renewable energy community by providing information to the public
- Encouraging applied research on renewable energy at Illinois State University and through collaborations with other universities.

**Founding Members:**

Founding members include Horizon Wind Energy, Iberdrola Renewables, State Farm Insurance, and Suzlon Wind Energy Corp.

**Support of the Renewable Energy Major:**

Many new workers will be needed in the renewable energy industry. To meet the growing demand for trained and educated workers, we have developed an interdisciplinary renewable energy major at Illinois State University. Graduates of the renewable energy program are well-positioned to compete for new and existing jobs.

The Center supports the renewable energy major through:

- Creation of an advisory board of outside experts
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- Bringing renewable energy experts to campus for seminars for faculty and students
- Funding scholarships to ensure high quality students in the major
- Providing ongoing financial support for the major

For more information about the Renewable Energy Undergraduate Major, please visit www.RenewableEnergy.ilstu.edu/major/.
Executive Summary

One particular question that often comes out of a discussion on building a wind farm is the degree to which it will impact the revenue flowing to the local school district. Increased property valuation in the district will lead to higher property tax revenue, but the increase in property tax revenue will be offset, at least in part, by a decrease in funds provided to the district by the Illinois State Board of Education in the form of General State Aid. The General State Aid formula is complex, and as a result, the financial impact on the school district is often not well understood. This report seeks to clarify and explain the financial impact that a wind farm has on the total revenue to a school district.

There are many variables in the General State Aid formula, and no two school districts will be exactly alike. For this reason, a wide variety of situations have been selected for analysis in this report. After an explanation of the General State Aid calculation, hypothetical examples are used to illustrate the three general scenarios: a school district under the Foundation Formula, the Alternate Formula, or the Flat Grant Formula. Finally, case studies are examined for two of the most significant wind farms in Illinois: the Twin Groves wind farm and the Mendota Hills wind farm. Twin Groves is the largest wind farm in Illinois, with a total capacity of 396 MW. Mendota Hills is the oldest wind farm in Illinois and was completed in late 2003.

In the hypothetical examples, the effect of a 100 MW wind farm is shown on a school district under the three different scenarios. In this example, the average net annual benefit to the district over the first three years of the wind farm’s operation is:

- $456,173 - under the Foundation Calculation
- $607,848 - under the Alternative Calculation
- $605,082 - under the Flat Grant Formula

The first case study examines the impact that the Twin Groves wind farm has had on Ridgeview CUSD #19. Ridgeview CUSD #19 received General State Aid under the Foundation Level until the 2010-2011 school year, when the increased EAV actually boosted the district into the Alternate Calculation, which meant that the district would receive an even greater benefit. The estimated average net annual benefit to the Ridgeview school district over the first three full years of the Twin Groves wind farm’s operation was $863,004.

The second case study examines the impact that the Mendota Hills wind farm has had on Paw Paw/Lee Center CUSD #271. Although Mendota Hills is much smaller than Twin Groves, it has nevertheless increased the revenue to the school district considerably. The average net annual benefit to the Paw Paw school district over the first three years of the Mendota Hills wind farm’s operation was $246,972.

Although circumstances vary widely from county to county and district to district, the overwhelming evidence supports the conclusion that wind farms benefit school districts financially. General State Aid will be reduced in most cases as a result of increased tax revenue, but the net revenue stream will be positive. In fact, in most cases the impact is a very large increase in revenue.
When wind turbines are installed on farm land, the assessed value of that property increases. Property taxes are generally paid by the wind developer and not the landowner. Tax revenue that a school district receives is based on a percentage of the assessed value of the property within the boundaries of the school district. Therefore, when the assessed value increases due to the installation of a wind farm, the tax revenue for a school district increases. Another source of revenue for school districts is money from the state, also known as General State Aid (GSA). The amount of GSA that a school district receives is based on a number of factors, one of which is the assessed value of the property within the district, also called property wealth. In general, a school district with higher property wealth will receive less state aid. As the assessed value increases when a wind farm is installed, the amount of state aid to that school district tends to decrease. The natural question for a school district becomes: To what degree is the gain in tax revenue offset by the loss of state aid? As it turns out, the loss of General State Aid is not a one-for-one exchange with an increase in tax revenue. With very few exceptions, the installation of a wind farm will result in significantly higher overall revenue for the local school district.

This report explores and explains the General State Aid formula and the impact that a wind farm has on overall school district revenue. After a background explanation of the General State Aid formula, the relationship between the district tax rate and the GSA-assumed tax rate is examined. Next, hypothetical examples are used to illustrate the way a wind farm could impact the revenue of districts in different circumstances. Then, this report will discuss the special circumstances that could also have an effect on district revenue such as Alternate PTELL and Enterprise Zone tax abatement. Finally, the impacts of two of Illinois' most significant wind farms on the revenue collected by the local school district are examined. First, the state's largest wind farm – the Twin Groves wind farm – is examined for its effect on the local school district in a county that has not enacted the Property Tax Extension Limitation Law. Then the state's oldest wind farm – the Mendota Hills wind farm – is examined for its effect on the local school district in a county that has enacted the Property Tax Extension Limitation Law.

From a school district's perspective, a wind farm is not unlike a host of other real property improvements. A wind farm adds property value to a district's local tax base, just as many other capital projects do. Wind farms do have unique characteristics, however, and in the early stages of wind development in Illinois there was a great deal of uncertainty regarding how wind turbines would be assessed for property tax purposes. Among other things, this led to a great deal of uncertainty regarding the financial impact on the local school districts.

The most significant factor that has impacted the assessed value of wind farms in Illinois and the resulting school tax revenue is Illinois State Statute 35 ILCS 200/10-600 et seq (Public Act 095-0644), enacted in October 2007. Prior to this statute being enacted, counties in Illinois assessed wind farms at varying rates using different formulas. This led to widely varying property taxes being paid for identical wind turbines in adjacent counties, and created a great deal of uncertainty for both wind developers and taxing bodies such as school districts and local governments. Public Act 095-0644 standardizes the way that wind farms are assessed for property taxes and provides a consistent valuation procedure throughout the state.
Beginning in 2007, the fair cash value for a utility-scale wind turbine in Illinois is $360,000 per Megawatt of capacity and is annually adjusted for inflation and depreciation. The inflation factor, known as the Trending Factor, increases every year according to the Consumer Price Index (CPI). The depreciation allowed is 4% per year up to a maximum depreciation of 70%. The law was set to expire at the end of 2011. In April 2010, the Illinois legislature extended this valuation method through 2016. If at some point the law was allowed to expire, the valuation decision would revert to the individual counties, who would once again assess the value of the wind turbines at a value they deem appropriate.

History of PTELL
November 2010

KEY

PTELL effective in Collar Counties for 1991 Assessment Year and Cook County for 1994 Assessment Year
No PTELL referendum
Approved PTELL referendum
Rejected PTELL referendum

NOTE

Dates within Cook and Collar Counties identify the effective assessment year of PTELL. Dates within other counties identify the month and year of the PTELL referendum.

In counties that approved the referendum, PTELL takes effect the following assessment year (e.g. November 1996 referendum becomes effective for the 1997 assessment year).

Figure 1 -- History of PTELL.
Calculating the General State Aid that will be received by a particular school district is a complex calculation involving the available local financial resources, average daily attendance, concentration of low-income families, and county and district ordinances. Not only will every school district receive a different dollar amount in General State Aid, but the formula used to calculate the General State Aid will vary depending on a number of the above variables. For the purpose of clarification, it is helpful to divide the counties into two groups: those that have enacted the Property Tax Extension Limitation Law (PTELL) and those that have not. A diagram showing the counties in Illinois that have adopted PTELL is contained in Figure 1. A detailed discussion of the PTELL law will be saved for the following section.

Because it is simpler and more common, the calculation of General State Aid in non-PTELL counties will be discussed first. The calculation of GSA for these districts involves the following steps:

1) The Equalized Assessed Valuation (EAV) is received from County Assessor's Office and reported in Line A.

2) Enterprise Zone adjustments and other EAV adjustments are made to account for a reduction in EAV due to industry tax abatements, property tax appeal board decisions, or a variety of other adjustments so as not to penalize the school district for being located in an area where property taxes have been abated. These figures are reported in Lines C-F. A more detailed discussion of Enterprise Zone tax abatements will be reserved for a later section.

3) The resulting Adjusted EAV is calculated by summing Lines A-F and reported in Line 1.

4) The highest three months’ average daily attendance is reported in Line 2.

5) The Corporate Personal Property Replacement Tax, established when the state of Illinois began prohibiting taxing bodies from collecting taxes on personal property owned by corporations, is reported in Line 3.

6) The calculation rate is reported on Line 4. For Unit school districts, the rate is 0.0300, or 3.00%. For elementary school districts, the rate is 0.0230 or 2.30%, and for high school districts the rate is 0.0105 or 1.05%. These can be considered default or assumed tax rates, because they represent what ISBE assumes should be able to be collected in tax revenue.

7) The low-income pupil count is reported in Line 5.

8) The low-income concentration is calculated by dividing the low-income pupil count in Line 5 by the average daily attendance in Line 2. The result is reported in Line 6.
9) The Available Local Resources (ALR) are calculated by multiplying the Adjusted EAV in Line 1 by the applicable calculation rate in Line 4 and adding the Corporate Personal Property Replacement Tax in Line 3. The resulting Available Local Resources is reported in Line 7.

10) The Available Local Resources Per Pupil is reported in Line 8, and is obtained by dividing the Available Local Resources in Line 7 by the average daily attendance in Line 2.

11) The Available Local Resources Per Pupil is divided by a standard dollar amount called the Foundation Level. For the 2010-2011 school year, the Foundation Level was $6,119 per pupil. The resulting fraction on Line 9 is a ratio of the school’s total available local resources per pupil to a standard level. For a school with low levels of local available resources (a “poor” school), this number will be considerably less than 1. For a school with a great deal of local financial resources (a “wealthy” school), this number will be considerably greater than 1.

12) At this point, three separate formula types may be used depending on the value on Line 9. If Line 9 is less than 0.93, the school district’s General State Aid will be calculated using the Foundation Level Formula. If Line 9 is equal to or greater than 0.93 but less than 1.75, the Alternate Method Formula is used to calculate General State Aid. If Line 9 is greater than 1.75, then the Flat Grant Formula is used to calculate General state Aid.

   a) Under the Foundation Level Calculation, the General State Aid will simply equal the Foundation Level ($6,119 for 2011) minus the available local resources per pupil, multiplied by the average daily attendance.

   b) Under the Alternate Method Calculation, the General State Aid is calculated by using a sliding scale of 7% to 5% of the Foundation Level, multiplied by the average daily attendance.

   c) Under the Flat Grant Formula, the General State Aid is calculated by simply multiplying $218 by the average daily attendance.

13) In addition to the Foundation, Alternate, and Flat Grant Formulas, a Poverty Grant is calculated by performing a rather esoteric formula: the low-income pupil concentration is squared, multiplied by 2,700, added to 294.25, then multiplied by the low income concentration from Line 5 and compared to a fraction (33% for 2010-2011) of the FY2003 Poverty Grant. The Poverty Grant payable in 2010-2011 is the higher of the Poverty Grant calculated for the current year or 33% of the FY2003 Poverty Grant. In the future, this “Hold Harmless” comparison to 2003 is being eliminated, and the poverty grant will be calculated using the above-mentioned equation only.
14) The gross General State Aid is calculated by adding the Foundation, Alternate or Flat Grant dollar amount to the Poverty Grant.

15) Any additional adjustments are made to the final amount.

16) The net General State Aid is calculated by adding any adjustments to the gross General State Aid.

17) In past years, the total GSA calculation was compared to the total 1997-1998 GSA amount. If the current year was less than the 1997-1998 amount, a separate Hold Harmless grant was issued to bring the aid up to the 1997-1998 amount. For 2011, there is no funding for this separate Hold Harmless grant. The future of this Hold Harmless grant is uncertain, and it appears unlikely that it will be reinstated.

18) The General State Aid is distributed in the year following the claim. For example, General State Aid distributed in the 2011-2012 school year is based on the 2010-2011 General State Aid form.
The Property Tax Extension Limitation Law, also known as PTELL or “tax cap”, was enacted for the Collar Counties – the counties surrounding Cook County – in 1991, and in Cook County in 1994. Since that time a PTELL referendum has been approved in 33 additional Illinois counties, as shown in Figure 1. PTELL limits the amount of additional EAV – also called the EAV extension – that can be accessed for property tax purposes by limiting the district’s total year-over-year EAV increase to the lesser of the Consumer Price Index (CPI) or 5%. The purpose of PTELL is to slow the increase in property taxes collected when property values and assessments are increasing faster than the rate of inflation. In this way, property owners are somewhat protected from tax bills that increase rapidly because the market value of their property is rising rapidly. Because PTELL impacts the amount of EAV that can be taxed, it has the potential to impact the net revenue that can be collected by a school district. However, newly constructed property is not subject to the extension limitation. Therefore, the full EAV of a newly constructed wind farm can be added to the tax rolls immediately.

The General State Aid calculation typically uses an assumed tax rate of 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. However, the fundamental assumption is that the entire EAV is accessible for assessment of property taxes. In PTELL counties this is not always true. Therefore, beginning in 2000, separate provisions were made under the General State Aid formula for PTELL counties by using the lesser of the actual EAV or the extension-limited EAV. From the Illinois State Board of Education:

The extension limitation EAV is calculated by taking the EAV used in the prior year’s calculation of GSA and multiplying it by the Extension Limitation Ratio (ELR). The ELR is the product of the current budget year EAV multiplied by the current year limiting rate, divided by the product of the prior year EAV multiplied by the prior year operating tax rate… For the majority of PTELL districts, this results in a lower EAV and less local resources assumed in GSA calculations, meaning more state funding. This process is often referred to as the PTELL adjustment or the Double Whammy adjustment.

As an example, for General State Aid payable in FY 11, the PTELL EAV would be expressed as follows:

\[
\text{GSA PTELL EAV} = \left( \frac{(2008 \text{ Original EAV})(2008 \text{ Limiting Rate})}{(2007 \text{ Original EAV})(2007 \text{ Operating Tax Rate})} \right)
\]

- Property Tax Appeal Decisions

The EAV used for the General State Aid payable in FY 2011 is the lower of the above calculation or the 2008 Adjusted (Traditional) EAV.
The Property Tax Extension Limitation Law adds several steps to the General State Aid calculation. For a county that has enacted PTELL, the General State Aid calculation proceeds as follows:

1) The Equalized Assessed Valuation (EAV) is received from County Assessor's Office and reported in Line A.

2) Enterprise Zone adjustments and other EAV adjustments are made to account for a reduction in EAV due to industry tax abatements, property tax appeal board decisions, or a variety of other adjustments so as not to penalize the school district for being located in an area where property taxes have been abated. These figures are reported in Lines C-F. A more detailed discussion of Enterprise Zone tax abatements will be reserved for a later section.

3) The resulting Adjusted EAV is calculated by summing Lines A-F and reported on Line G.

4) The previous year's Limiting Rate (The smaller of the increase in CPI or 5%) is reported on Line AA.

5) The original EAV from 2 years prior is reported on Line BB.

6) The Operating (actual) Tax Rate from 2 years prior is reported on Line CB.

7) The Extension Limitation Ratio is calculated and reported on Line DD. The Extension Limitation Ratio is equal to the previous year’s EAV multiplied by the previous year’s Limiting Rate, divided by the EAV from two year’s prior multiplied by the Operating Tax Rate from 2 years prior. Mathematically, this is equal to ((Line A x Line AA)/ (Line B x Line CC)).

8) The prior year’s EAV used for GSA calculations (regardless of whether actual adjusted EAV or the PTELL alternate formula EAV was used) is reported in Line EE.

9) The extension-limited EAV is reported in Line FF by multiplying the Extension Limitation Ratio by the prior year EAV and subtracting any subsequent property tax appeal board decisions. Mathematically, this is equal to ((Line EE x Line DD) – Line E).

10) The actual adjusted EAV (Line G) is compared to the extension-limited EAV (Line FF). The lower of the two values is reported in Line 1. This is the EAV that will be used for calculation of General State Aid. By using the lower of the two numbers, the General State Aid formula will award aid based on the amount of tax revenue that can actually be collected by the district.

11) The highest three months’ average daily attendance is reported (Line 2).
12) The Corporate Personal Property Replacement Tax, established when the state of Illinois began prohibiting taxing bodies from collecting taxes on personal property owned by corporations, is reported (Line 3).

13) The calculation rate is reported on Line 4. For Unit school districts, the rate is 0.0300, or 3.00%. For elementary school districts, the rate is 0.0230 or 2.30%, and for high school districts the rate is 0.0105 or 1.05%.

14) The low-income pupil count is reported in Line 5.

15) The low-income concentration is calculated by dividing the low-income pupil count (Line 5) by the average daily attendance (Line 2). The result is reported in Line 6.

16) The Available Local Resources (ALR) are calculated by multiplying the Adjusted EAV (Line 1) by the applicable calculation rate (Line 4) and adding the Corporate Personal Property Replacement Tax (Line 3). The resulting Available Local Resources is reported in Line 7.

17) The Available Local Resources Per Pupil is reported in Line 8, and is obtained by dividing the Available Local Resources (Line 7) by the average daily attendance (Line 2).

18) The Available Local Resources Per Pupil is divided by a standard dollar amount called the Foundation Level. For the year 2011, the Foundation Level is $6,119 per pupil. The resulting fraction on Line 9 is a ratio of the school’s total available local resources per pupil to a standard level. For a school with low levels of local available resources (a “poor” school), this number will be considerably less than 1. For a school with a great deal of local financial resources (a “wealthy” school), this number will be considerably greater than 1.

19) At this point, three separate formula types may be used depending on the value on Line 9. If Line 9 is less than 0.93, the school district’s General State Aid will be calculated using the Foundation Level Formula. If Line 9 is equal to or greater than 0.93 but less than 1.75, the Alternate Method Formula is used to calculate General State Aid. If Line 9 is greater than 1.75, then the Flat Grant Formula is used to calculate General State Aid.

   a) Under the Foundation Level Calculation, the General State Aid will simply equal the Foundation Level ($6,119 for 2011) minus the available local resources per pupil, multiplied by the average daily attendance.

   b) Under the Alternate Method Calculation, the General State Aid is calculated by using a sliding scale of 7% to 5% of the Foundation Level, multiplied by the average daily attendance.

   c) Under the Flat Grant Formula, the General State Aid is calculated by simply multiplying $218 by the average daily attendance.
20) In addition to the Foundation, Alternate, and Flat Grant Formulas, a Poverty Grant is calculated by performing a rather esoteric formula: the low-income pupil concentration is squared, multiplied by $2,700, added to 294.25, then multiplied by the low income concentration from Line 5 and compared to a fraction (33% for 2010-2011) of the FY2003 Poverty Grant. The current year Poverty Grant is the higher of the Poverty Grant calculated for the current year or 33% of the FY2003 Poverty Grant. In the future, this “Hold Harmless” portion is being eliminated, and the poverty grant will be calculated using the above-mentioned equation only.

21) The gross General State Aid is calculated by adding the Foundation, Alternate or Flat Grant dollar amount to the Poverty Grant.

22) Any additional adjustments are made to the final amount.

23) The net General State Aid is calculated by adding any adjustments to the gross General State Aid.

24) In past years, the total GSA calculation was compared to the total 1997-1998 GSA amount. If the current year was less than the 1997-1998 amount, a separate Hold Harmless grant was issued to bring the aid up to the 1997-1998 amount. For 2011, there is no funding for this separate Hold Harmless grant. The future of this Hold Harmless grant is uncertain, and it appears unlikely that it will be reinstated.

25) The General State Aid is distributed in the year following the claim. For example, General State Aid distributed in the 2011-2012 school year is based on the 2010-2011 General State Aid form.
The Illinois State Board of Education assumes a general district tax rate in the calculation of General State Aid. This is called the Calculation Rate. For Unit school districts, the rate is 0.0300, or 3.00%. For elementary school districts, the rate is 0.0230 or 2.30%, and for high school districts the rate is 0.0105 or 1.05%. The rate is generally conservative, as most districts have rates considerably higher than their applicable Calculation Rate. Because the actual tax rates are generally higher than the Calculation Rates, counties benefit from increased EAV. In reality, the situation can be slightly more complex. The actual “break-even” property tax rates – where increased tax revenue exactly offsets decreased General State Aid – are calculated below.

For a district in the Foundation Level band – with Available Local Resources of less than 93% of the Foundation Level – the net effect of the wind farm installation will always be an increase in revenue so long as the district tax rate is greater than the rate used by the Illinois State Board of Education (ISBE) for calculation of General State Aid.

The formula used by the ISBE for calculation of a school’s aid under the Foundation Level Formula is:

\[ GSA = FL - \frac{(EAV)(CR) + CPPRT}{ADA} \times ADA \]

Where GSA is General State Aid, FL is the Foundation Level amount ($6,119 for 2010-2011), EAV is Equalized Assessed Value, CR is the Calculation Rate used by ISBE, CPPRT is the Corporate Personal Property Replacement Tax, and ADA is Average Daily Attendance.

The revenue generated as a result of General State Aid and tax revenue, then, is:

\[ \text{Revenue} = \left( FL - \frac{(EAV)(CR) + CPPRT}{ADA} \right) \times ADA + (EAV)(TR) + CPPRT \]

Where TR is the local district’s tax rate. If CPPRT is assumed to be constant, the equation for net revenue due to the addition of a wind farm is:

\[ \Delta \text{Revenue} = \left( FL - \frac{(EAV_2)(CR) + CPPRT}{ADA} \right) \times ADA - \left( FL - \frac{(EAV_1)(CR) + CPPRT}{ADA} \right) \times ADA + (EAV_2)(TR) - (EAV_1)(TR) \]
By setting the above equation equal to zero, the breakeven tax rate can be calculated. Setting the above calculation equal to zero and solving for tax rate (TR) results in:

\[ TR = CR \]

This shows that if the district tax rate is exactly equal to the calculation rate used by the ISBE for GSA calculations, the wind farm would nominally have no revenue effect on the district because any increase in tax revenue would be exactly offset by a decrease in state aid. If the district tax rate is higher than the calculation rate, the net revenue generated will increase; if the district tax rate is lower than the calculation rate, the net revenue will decrease. Nearly all districts in Illinois have tax rates that are higher than the applicable ISBE calculation rate. Therefore, with very few exceptions, the net financial impact to the district under the Foundation Level formula will be an increase in total revenue.

For a district in the Alternate Formula band – with Available Local Resources of at least 93% but less than 175% of the Foundation Level – the tax revenue increase due to a wind farm is even more beneficial than under the Foundation Level calculation because there is simply less General State Aid to be cut in the first place.

The formula used by the ISBE for calculation of a school’s aid under the Alternate Method formula is:

\[
GSA = (FL)(ADA) \left[ 0.07 - \left( \frac{(EAV)(CR) + CPPRT}{(FL)(ADA)} \right) 0.93 \right] (0.02)
\]

The revenue generated as a result of General State Aid and tax revenue, then, is:

\[
Revenue = (FL)(ADA) \left[ 0.07 - \left( \frac{(EAV)(CR) + CPPRT}{(FL)(ADA)} \right) 0.93 \right] (0.02) + (EAV)(TR) + CPPRT
\]

If CPPRT is assumed to be constant, the equation for net revenue due to the addition of a wind farm is:

\[
\triangle Revenue = (FL)(ADA) \left[ 0.07 - \left( \frac{(EAV_{2})(CR) + CPPRT}{(FL)(ADA)} \right) 0.93 \right] (0.02)
\]

\[
- (FL)(ADA) \left[ 0.07 - \left( \frac{(EAV_{1})(CR) + CPPRT}{(FL)(ADA)} \right) 0.93 \right] (0.02) + (EAV_{2})(TR) - (EAV_{1})(TR)
\]
By setting the above equation equal to zero, the breakeven tax rate can be calculated. Setting the above calculation equal to zero and simplifying results in:

\[ TR = 0.0244(CR) \]

This shows that if the district’s tax rate is equal to 2.44% of the calculation rate, then the addition of a wind farm – or any other taxable property improvement, for that matter – would nominally be revenue-neutral. This equates to a district tax rate 0.0732% for a unit district, 0.0561% for an elementary district and 0.0256% for a high school district. If the district tax rate is greater than 2.44% of the calculation rate, the result would be an increase in total revenue. If the tax rate is lower, then the result would be a decrease in total revenue. There are no districts in Illinois with tax rates nearly that low, so the net financial impact to the district under the Alternate Method formula will always be an increase in total revenue.

For a district in the Flat Grant band – with Available Local Resources of more than 175% of the Foundation Level – the tax revenue from a wind farm is even more lucrative. Because General State Aid is already at a minimum, it cannot be further reduced due to an increase in EAV. The formula used by the ISBE for calculation of a school’s aid under the Flat Grant formula is:

\[ GSA = 218(ADA) \]

The revenue generated as a result of General State Aid and tax revenue, then, is:

\[ \text{Revenue} = 218(ADA) + (EAV)(TR) + CPPRT \]

If CPPRT is assumed to be constant, the equation for net revenue due to the addition of a wind farm is:

\[ \Delta \text{Revenue} = (EAV_2)(TR) - (EAV_1)(TR) \]

By setting the above equation equal to zero, the breakeven tax rate can be calculated. Setting the above calculation equal to zero and simplifying results in:

\[ TR = 0 \]

The above calculation shows that if the district tax rate is equal to zero, then the addition of a wind farm would nominally be revenue-neutral. Under the Flat Grant formula, an increase in the district’s EAV has no impact on the General State Aid. Therefore, any increase in tax revenue is not even partially offset by a decrease in General State Aid. The district will always see a net increase in revenue so long as the district tax rate is greater than 0%.
In the following sections, a hypothetical example will be calculated for a wind farm that is installed in a variety of local conditions. In Scenario 1, the effect is shown on a school district that falls under the Foundation Level formula. In Scenario 2, the effect on a school district that falls under the Alternate Method is shown, and in Scenario 3 the effect of a wind farm is shown for a school district under the Flat Grant formula. These scenarios are applicable to both PTELL and non-PTELL counties alike because although PTELL limits the year-over-year EAV extension, it allows EAV from newly installed property to be taxed immediately. For the sake of consistency and clarity, all variables except EAV will be held constant throughout the examples, and the Poverty Grant portion of GSA will be disregarded.

**Assumptions:**
- 100 MW Wind Farm completed January 1, 2008
- 2007 EAV (prior to wind farm): $90,000,000
- No Enterprise Zone tax abatements
- Local tax rate: 5.0000%
- Best 3 Months Average Daily Attendance: 600
- Corporate Personal Property Replacement tax: $200,000
- School District is a Unit School District. Calculation Rate = 3%
- Hold Harmless Base is assumed to be zero

The initial EAV of $90,000,000 will place this school district in the Foundation formula. There are 639 school districts in Illinois in 2011 that fall under the Foundation calculation. A summary of the revenue streams is contained in Table 1, and a year-by-year explanation follows.

The wind farm will have no impact on district revenue during the 2008-2009 school year. The General State Aid paid out during the 2008-2009 school year is based on the 2007-2008 GSA claim, which uses the 2006 EAV. For the 2007-2008 claim payable in 2008-2009 the school district is awarded General State Aid under the Foundation Formula, and the Foundation Formula amount is $675,400.00. The property tax revenue collected locally from property taxes is from tax year 2007, before the wind farm was completed. The EAV is $90,000,000 and the tax rate is 5.0000%, so the revenue to the district from property taxes is $4,500,000. The combined revenue to the school district from General State Aid (minus Poverty Grant) and property taxes is $5,175,400.00. This is the “base case” immediately before the wind farm has an impact on the district’s revenue.

<table>
<thead>
<tr>
<th>School Year</th>
<th>GSA - Poverty Grant</th>
<th>Total Property Tax Revenue</th>
<th>Total Revenue</th>
<th>Change from 2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>$675,400.00</td>
<td>$4,500,000.00</td>
<td>$5,175,400.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$771,400.00</td>
<td>$5,124,487.60</td>
<td>$5,895,887.60</td>
<td>$720,487.60</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$396,707.44</td>
<td>$5,100,056.15</td>
<td>$5,496,763.59</td>
<td>$321,363.59</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$411,366.31</td>
<td>$5,090,702.90</td>
<td>$5,502,069.21</td>
<td>$326,669.21</td>
</tr>
<tr>
<td>Average annual change in revenue over first three years:</td>
<td></td>
<td></td>
<td></td>
<td>$456,173.47</td>
</tr>
</tbody>
</table>
During the 2009-2010 school year, the district will see increased tax revenue but no change in General State Aid. This is because the GSA payable in 2009-2010 is based on the 2008-2009 GSA claim, which uses the 2007 EAV. The wind farm does not show up on the 2008-2009 General State Aid claim for aid payable in 2009-2010. The GSA EAV remains $90,000,000.

The Foundation Level used by the Illinois State Board of Education increased to $6,119, so the General State Aid increases to $771,400. Meanwhile, the property taxes payable to the district at the beginning of the 2009-2010 school year are based on the taxes collected from tax year 2008. The tax revenue will increase as a result of the increased EAV in tax year 2008. When the wind farm was built, it added $12,489,752 in EAV to the district. For the 2008 tax year, property taxes will be assessed on the wind farm, which will boost the total district EAV to $102,489,752. As a result, the property tax revenue will increase to $5,124,487.60. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue increases to $5,895,887.60. The net increase from the previous year is $720,487.60.

During the 2010-2011 school year, the wind farm will have an impact upon both the General State Aid and the property tax revenue. The General State Aid payable during the 2010-2011 school year is based on the 2009-2010 GSA claim, which uses the 2008 EAV. The 2008 EAV was $102,489,752. The district remains in the Foundation Level calculation formula band, and the Foundation Formula yields $396,707.44. Meanwhile, after applying the inflation Trending Factor and depreciation, the new valuation of the wind farm for tax year 2009 is $12,001,123, and the total 2009 EAV is therefore $102,001,123. The revenue collected from property taxes is $5,100,056.15. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue is $5,496,763.59. The net increase from the 2008-2009 school year is $321,363.59.

During the 2011-2012 school year and onward, the wind farm will continue to affect both the General State Aid and the property tax revenue. The General State Aid payable during the 2011-2012 school year is based on the 2010-2011 GSA claim, which uses the 2009 EAV. The 2009 EAV was $102,001,123. The district remains in the Foundation Level calculation formula band, and the Foundation Formula yields $411,366.31. Meanwhile, after applying the inflation Trending Factor and depreciation, the new valuation of the wind farm for tax year 2010 is $11,814,058, and the total 2010 EAV is therefore $101,814,058. The revenue collected from property taxes is $5,090,702.90. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue is $5,502,069.21. The net increase from the 2008-2009 school year is $326,669.21.

The net impact of the wind farm throughout its life will gradually decrease from the 2011-2012 revenue. The Trending Factor will steadily increase the value of the turbines according to the Consumer Price Index, but the depreciation allowance of 4% per year will almost certainly overcome the inflationary increase and will gradually decrease the EAV contribution of the wind farm until the depreciation reaches 70% in Year 19 of the wind farm’s operation. At that point, the wind farm is not allowed to depreciate
further, and the contribution of the wind farm to EAV actually increases for the remainder of its life, proportional to the Consumer Price Index. Although the EAV of the wind farm declines over its first 19 years, it never approaches zero (even if inflation was zero, the EAV from Year 19 onward would be 30% of the EAV in Year 1). The General State Aid will be decreased as a result of the increased EAV, but the net revenue to the school will be a positive value so long as the local property tax rate is greater than the calculation rate used by the GSA formula (for example, 3% for a Unit District). The relationship between tax rate and calculation rate is explained in greater detail in Section IV.

It is not possible to accurately calculate the General State Aid for several decades into the future because of the uncertainty associated with the variables in the General State Aid calculation. However, it is interesting to explore the effect on school funding of a wind farm near the end of its useful lifetime after it has been depreciated to the full extent allowed under Illinois state law. While it is difficult to predict the General State Aid two decades into the future, we can accurately predict what the state aid would have been in 2011-2012 for a hypothetical 100 MW wind farm that was constructed twenty years ago. The assumptions used in this example are identical to the assumptions used above, but the 100 MW wind farm is now fully (70%) depreciated. Actual trending factors are applied through 2011.

For this example of a 100 MW wind farm in its 20th year of operation in tax year 2009, the wind farm will have already reached its maximum depreciation of 70% (30% of original value), which, after applying the inflationary trending factor, means the EAV of the wind farm would have been $3,750,350.84 in 2009. This would bring the total 2009 EAV to $93,750,350.84. The General State Aid would have been $658,889.48. The property tax revenue in the 2011-2012 school year is from tax year 2010. The wind farm EAV in 2010 would have been $3,852,410.31, and the total EAV would have been $93,852,410.31. The revenue from property taxes in 2010 would have been $4,692,620.52. The total revenue to the school in Year 20 would have been $5,351,510.00, which is $80,110.00 more than would have been received without the wind farm. Because the wind farm is now fully depreciated and the wind farm EAV will increase each year in proportion to the Trending Factor (Consumer Price Index), the net revenue to the district as a result of the wind farm will continue to increase each year thereafter.

Assumptions:
100 MW Wind Farm completed January 1, 2008
2007 EAV (prior to wind farm): $150,000,000
No Enterprise Zone tax abatements
Local tax rate: 5.0000%
Best 3 Months Average Daily Attendance: 600
Corporate Personal Property Replacement tax: $200,000
School District is a Unit School District. Calculation Rate = 3%
Hold Harmless Base is assumed to be zero

Hypothetical Example #2
The second hypothetical scenario is similar to the first scenario, but will assume a higher initial EAV prior to construction of the wind farm. This will put the school district into the Alternate Method formula for GSA calculation. In 2011, there are 161 school districts whose higher local resources put them into the Alternate Method of GSA calculation. As in the previous example, all variables except EAV will be held constant throughout the example and the Poverty Grant will be disregarded for the purpose of clarity and comparison. A summary of the revenue streams is contained in Table 2, and a year-by-year explanation follows.

The General State Aid paid out during the 2008-2009 school year is based on the 2007-2008 GSA claim, which uses the 2006 EAV as an input. For the 2007-2008 claim payable in 2008-2009 the school district is awarded General State Aid under the Alternate Formula, and the Alternate Formula amount is $217,026.00. The property tax revenue collected locally from property taxes is from tax year 2007, before the wind farm was completed. The EAV is $150,000,000 and the tax rate is 5.0000%, so the revenue to the district from property taxes is $7,500,000. The combined revenue to the school district from General State Aid (minus Poverty Grant) and property taxes is $7,717,026.00. This is the “base case” immediately before the wind farm impacts the district’s revenue.

During the 2009-2010 school year, the district will see increased tax revenue but no change in General State Aid. This is because the GSA payable in 2009-2010 is based on the 2008-2009 GSA claim, which uses the 2007 EAV. The wind farm does not show up on the 2008-2009 General State Aid claim for aid payable in 2009-2010. The GSA EAV remains $150,000,000, but because the Foundation Level increased to $6,119, the Alternate Formula calculation yields $225,786.00. Meanwhile, the property taxes payable to the district at the beginning of the 2009-2010 school year are based on the taxes collected from tax year 2008. The tax revenue will increase as a result of the increased EAV in tax year 2009. When the wind farm was built, it added $12,489,752 in EAV to the district. For the 2008 tax year, property taxes will be assessed on the wind farm, which will boost the total district EAV to $162,489,752. As a result, the property tax revenue will increase to $8,124,487.60. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue increases to $8,350,273.60. The net increase from the previous year is $633,247.60.

<table>
<thead>
<tr>
<th>School Year</th>
<th>GSA - Poverty Grant</th>
<th>Total Property Tax Revenue</th>
<th>Total Revenue</th>
<th>Change from 2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>$217,026.00</td>
<td>$7,500,000.00</td>
<td>$7,717,026.00</td>
<td>0.00</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$225,786.00</td>
<td>$8,124,487.60</td>
<td>$8,350,273.60</td>
<td>$633,247.60</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$216,612.00</td>
<td>$8,100,056.15</td>
<td>$8,316,668.15</td>
<td>$599,642.15</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$216,978.00</td>
<td>$8,090,702.90</td>
<td>$8,307,680.90</td>
<td>$590,654.90</td>
</tr>
</tbody>
</table>

Average annual change in revenue over first three years: $607,848.22
During the 2010-2011 school year, the wind farm will have an impact upon both the General State Aid and the property tax revenue. The General State Aid payable during the 2010-2011 school year is based on the 2009-2010 GSA claim, which uses the 2008 EAV. The 2008 EAV was $162,489,752. The district remains in the Alternate Formula calculation band, and the Alternate Formula yields $216,612.00. Meanwhile, after applying the inflation Trending Factor and depreciation, the new valuation of the wind farm for tax year 2009 is $12,001,123, and the total 2009 EAV is $162,001,123. The revenue collected from property taxes is $8,100,056.15. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue is $8,316,668.15. The net increase in revenue from the 2008-2009 school year is $599,642.15.

During the 2011-2012 school year and onward, the wind farm will continue to have an impact upon both the General State Aid and the property tax revenue. The General State Aid payable during the 2011-2012 school year is based on the 2010-2011 GSA claim, which uses the 2009 EAV. The 2009 EAV was $162,001,123. The district remains in the Alternate Formula calculation band, and the Alternate Formula yields $216,978.00. Meanwhile, after applying the inflation Trending Factor and depreciation, the new valuation of the wind farm for tax year 2010 is $11,814,058, and the total 2010 EAV is $161,814,058. The revenue collected from property taxes is $8,090,702.90. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue is $8,307,680.90. The net increase in revenue from the 2008-2009 school year is $590,654.90.

Like Example #1, the EAV of the wind farm will decline over its first 19 years, although it will never approach zero. The General State Aid will be decreased as a result of the increased EAV, but the net revenue to the school will be a positive value so long as the local property tax rate is greater than a very low rate, discussed in greater detail in Section IV. If this wind farm had been in its 20th year of operation in tax year 2009, the wind farm would have already reached its maximum depreciation of 70% (30% of original value), which, after applying the inflationary trending measure, means the EAV of the wind farm would have been $3,750,350.84 in 2009. This would bring the total 2009 EAV to $153,750,350.84. The General State Aid for 2011-2012 minus the Poverty Grant would have been $223,218.00. The 2011-2012 revenue from property taxes would be based on tax year 2010, and the total EAV for tax year 2010 is $153,852,410.31. The revenue from property taxes would have been $7,692,620.52. The total revenue to the school would have been $7,915,838.52, which is $190,052.52 more than would have been received without the wind farm. Because the wind farm is now fully depreciated and the wind farm EAV will increase each year in proportion to the Trending Factor (Consumer Price Index), the net impact of the wind farm on the district revenue will increase each year after it is fully depreciated.
## Hypothetical Example #3

### Assumptions:
- 100 MW Wind Farm completed January 1, 2008
- 2007 EAV (prior to wind farm): $220,000,000
- No Enterprise Zone tax abatements
- Local tax rate: 5.0000%
- Best 3 Months Average Daily Attendance: 600
- Corporate Personal Property Replacement tax: $200,000
- School District is a Unit School District. Calculation Rate = 3%
- Hold Harmless Base is assumed to be zero

The third hypothetical scenario is similar to the previous two, but will assume a still higher initial EAV prior to construction of the wind farm. This will put the school district into the Flat Grant formula for GSA calculation. In 2011, there are 67 school districts in Illinois whose higher local resources put them into the Flat Grant method of GSA calculation. Just as in the previous two examples, all variables except EAV will be held constant throughout the example and the Poverty Grant will be disregarded. A summary of the revenue streams is contained in Table 3, and a year-by-year explanation follows.

The General State Aid paid out during the 2008-2009 school year is based on the 2007-2008 GSA claim, which uses the 2006 EAV as an input. For the 2007-2008 claim payable in 2008-2009 the school district is awarded General State Aid under the Flat Grant Formula, and the Flat Grant Formula amount is $130,800.00. The property tax revenue collected locally from property taxes is from tax year 2007, before the wind farm was completed. The EAV is $220,000,000 and the tax rate is 5.0000%, so the revenue to the district from property taxes is $11,000,000. The combined revenue to the school district from General State Aid (minus Poverty Grant) and property taxes is $11,130,800.00. This is the “base case” immediately before the wind farm impacts the district’s revenue.

During the 2009-2010 school year, the district will see increased tax revenue but no change in General State Aid. This is because the GSA payable in 2009-2010 is based on the 2008-2009 GSA claim, which uses the 2007 EAV. The wind farm does not show up on the 2008-2009 General State Aid claim for aid payable in 2009-2010. The GSA EAV remains $220,000,000. The ISBE Foundation Level increased to $6,119, but it does not impact the GSA amount because the district still receives

### Table 3 -- Example #3 Summary

<table>
<thead>
<tr>
<th>School Year</th>
<th>GSA - Poverty Grant</th>
<th>Total Property Tax Revenue</th>
<th>Total Revenue</th>
<th>Change from 2008-2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008-2009</td>
<td>$130,800.00</td>
<td>$11,000,000.00</td>
<td>$11,130,800.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$130,800.00</td>
<td>$11,624,487.60</td>
<td>$11,755,287.60</td>
<td>$624,487.60</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$130,800.00</td>
<td>$11,600,056.15</td>
<td>$11,730,856.15</td>
<td>$600,056.15</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$130,800.00</td>
<td>$11,590,702.90</td>
<td>$11,721,502.90</td>
<td>$590,702.90</td>
</tr>
<tr>
<td>Average annual change in revenue over first three years:</td>
<td></td>
<td></td>
<td>$605,082.22</td>
<td></td>
</tr>
</tbody>
</table>
aid under the Flat Grant formula. The Flat Grant Formula amount remains $130,800.00. Meanwhile, the property taxes payable to the district at the beginning of the 2009-2010 school year are based on the taxes collected from tax year 2008. The tax revenue will increase as a result of the increased EAV in tax year 2008. When the wind farm was built, it added $12,489,752 in EAV to the district. For the 2008 tax year, property taxes will be assessed on the wind farm, which will boost the total district EAV to $232,489,752. As a result, the property tax revenue will increase to $11,624,487.60. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue increases to $11,755,287.60. The net increase from the previous year is $624,487.60.

During the 2010-2011 school year, the wind farm will potentially have an impact upon both the General State Aid and the property tax revenue. However, because this district is already in the Flat Grant formula, in reality it will have no impact on General State Aid. The General State Aid payable during the 2010-2011 school year is based on the 2009-2010 GSA claim, which uses the 2008 EAV. The 2008 EAV was $232,489,752. The district remains in the Flat Grant Formula calculation band, and the Flat Grant Formula remains $130,800.00. In other words, the district is only receiving a flat dollar amount per student. Additional EAV has no impact on the General State Aid calculation for this district. Meanwhile, after applying the inflation Trending Factor and depreciation, the new valuation of the wind farm for tax year 2009 is $12,001,123, and the total 2009 EAV is therefore $232,001,123. The revenue collected from property taxes is $11,600,056.15. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue is $11,730,856.15. The net increase in revenue from the 2008-2009 school year is $600,056.15.

During the 2011-2012 school year and onward, the wind farm will continue to potentially impact both General State Aid and the property tax revenue. As long as the available local resources continue to put it in the Flat Grant formula, however, it will have no impact on General State Aid. The General State Aid payable during the 2011-2012 school year is based on the 2010-2011 GSA claim, which uses the 2009 EAV. The 2009 EAV was $232,001,123. The district remains in the Flat Grant Formula calculation band, and the Flat Grant Formula remains $130,800.00. Meanwhile, after applying the inflation Trending Factor and depreciation, the new valuation of the wind farm for tax year 2010 is $11,814,058, and the total 2010 EAV is therefore $231,814,058. The revenue collected from property taxes is $11,590,702.90. The combined revenue from General State Aid (minus Poverty Grant) and property tax revenue is $11,721,502.90. The net increase in revenue from the 2008-2009 school year is $590,702.90.

If this wind farm had been in its 20th year of operation in tax year 2009, the wind farm would have already reached its maximum depreciation of 70% (30% of original value), which, after applying the inflationary trending measure, means the EAV of the wind farm would have been $3,750,350.84 in 2009. This would bring the total 2009 EAV to $223,750,350.84. The General State Aid would have been $130,800.00. The property taxes payable to the school district at the beginning of the 2011-2012 school year would
be based on the 2010 tax year. The wind farm’s contribution to the 2010 EAV would be $3,852,410.31, and the total district 2010 EAV would be $223,852,410.31. The revenue from property taxes would have been $11,192,620.52. The total revenue to the district would have been $11,323,420.52, which is $192,620.52 more than would have been received without the wind farm. Because the wind farm is now fully depreciated and the wind farm EAV will increase each year in proportion to the Trending Factor (Consumer Price Index), the net impact of the wind farm on the district revenue will increase each year after it is fully depreciated.

In addition to the Property Tax Extension Limitation Law, or PTELL, there are several other special cases. One of these is known as the Alternate PTELL, or Alternate Double Whammy. These are districts in counties that have passed a PTELL referendum, and the district has passed a Limiting Rate Increase referendum. This allows for a larger property tax extension than under the base PTELL law. As of January 2011, there were nine districts in Illinois that had passed Limiting Rate Increase referendums.

For these nine districts, the Extension Limitation EAV is calculated differently than under the base PTELL calculation. In these districts, the Extension Limitation EAV is calculated as follows:

\[
\text{Alternate PTELL EAV} = \text{EAV (prior year calculation)} \\
\times (1+CPI) + \text{New Property EAV} \\
+ \text{Recovered TIF EAV} \\
+ \text{Annexations EAV} \\
- \text{Disconnected Property EAV}
\]

Similar to the application of regular PTELL to the GSA calculation, the EAV used for the GSA calculation is the smaller of the Adjusted Real (Traditional) EAV or the Alternate PTELL EAV shown above. The remainder of the state aid calculation remains the same. Because the Alternate PTELL allows the district property valuation to rise faster than under PTELL, the EAV used for the GSA calculations under Alternate PTELL could be higher than the EAV used under PTELL. Therefore, if property values are rising quickly – meaning the PTELL or Alternate PTELL limits the property tax extension – then Alternate PTELL will result in higher revenue to the district than PTELL, but less than under the Traditional valuation. Because the Alternate PTELL changes only the extension limitation ratio, the Alternate PTELL – like PTELL – allows new property to be added to the tax base immediately, so a new wind farm would begin paying property taxes on the full equalized assessed value immediately, just as it would in a non-PTELL county.
Another complicating factor arises if a wind farm is constructed in an Enterprise Zone. In Enterprise Zones, the taxing body agrees to abate taxes for a business in exchange for the business or development locating within the region. Taxes are abated by artificially removing EAV from the tax rolls, which could potentially have a negative impact on a district’s total revenue.

Under most circumstances, the ISBE calculation accounts for the loss of tax revenue from Enterprise Zones on Line C of the General State Aid form and makes up the difference. For example, if a taxing body was to abate property taxes by removing $1,917,260 in EAV at a property tax rate of 3.5226646%, the taxing body would essentially be forfeiting $67,538.63 in property tax revenue. Under the normal Foundation Level GSA formula, however, this $1,917,260 decrease in EAV would result in an increase in state aid of only 3% of that amount, or $57,517.80. The “loss,” or the difference between the property taxes forfeited and the GSA revenue gained, is $10,020.74. The ISBE makes up for this loss by artificially reducing EAV further, in this case by an additional $334,024.67. With the artificial lowering of EAV by $334,024.67, the district receives an additional 3% of that amount, or $10,020.74 – the exact amount of the difference between the forfeited tax revenue and GSA gained under the normal calculation. With this system in place, Enterprise Zones do not normally result in a loss of revenue for school districts.

If an Enterprise Zone is located in a PTELL county, however, and if the district property valuation is rising significantly faster than the CPI, then the potential exists for districts to be unable to recoup the abated taxes in the form of additional General State Aid. For example, if the property valuation of the district is rising faster than the CPI, then the EAV used for GSA calculations will be the extension-limited EAV calculated by multiplying the EAV used for the previous year’s GSA calculation by the Extension Limitation Ratio. This number will be lower than the Real Adjusted (Traditional) EAV if property values are rising faster than the CPI. Even if the ISBE removes additional EAV from the Real Adjusted (Traditional) EAV to compensate for the abated taxes, it is possible that if the property valuation is rising quickly enough, the PTELL calculation may still end up being the lower of the two numbers, and thus it would be used as the EAV for GSA calculations. The PTELL calculations do not include a provision for artificially removing EAV due to Enterprise Zone tax abatements. Therefore, under these conditions the increase in EAV will be governed by the PTELL formula, and it is possible that a district may not recoup all of the revenue in the form of GSA that was forfeited in the form of tax abatements.
Ridgeview CUSD is a school district in northeastern McLean County, Illinois. The district serves the villages of Anchor, Arrowsmith, Colfax, Cooksville and Saybrook and has an enrollment of approximately 600 students. In 2007, Horizon Wind Energy began construction of its Twin Groves wind farm, which consists of 240 turbines and lies partially within the area served by Ridgeview CUSD. General State Aid calculation spreadsheets for Ridgeview CUSD #19 are presented in Appendices A through D. A summary of the revenue streams is contained in Table 4, and a year-by-year explanation follows.

The 2007-2008 (FY 08) school year was the last year before Ridgeview school district began receiving additional revenue as a result of the Twin Groves wind farm. The 2007-2008 General State Aid was based on the 2006-2007 General State Aid claim, which in turn used the 2005 Adjusted EAV as an input. The 2005 Adjusted EAV was $62,488,820 and had been falling for several years. The best average three months’ daily attendance was 614.27 students, the Corporate Personal Property Replacement Tax revenue was $235,607.57, and the district low-income concentration was 0.2347. The resulting Available Local Resources was $3,435.41 per pupil, which was 0.5991 of the $5,734 Foundation Level. This placed the district in the Foundation Level calculation for GSA. The Foundation Level calculation yielded aid of $1,411,952.01, and the Poverty Grant yielded an additional grant of $60,656.75. The total General State Aid awarded the Ridgeview school district was $1,472,608.76.

During the 2008-2009 (FY 09) school year, Ridgeview school district received additional tax revenue as a result of the completion of the first phase of the Twin Groves wind farm in 2007. The EAV added to the district during tax year 2007 as a result of the wind farm was $6,986,308. The district tax rate was 5.45089%, which meant that an additional $380,816 in tax revenue was generated for the district. The General State Aid received during the 2008-2009 school year, meanwhile, was unaffected by the wind farm because it was based on the 2007-2008 GSA claim, which used the 2006 EAV as an input. The 2006 Adjusted EAV was $61,978,117. The best 3 months’ average daily attendance was 593.98, and the Corporate Personal Property Replacement Tax was $252,894.57. This meant that the available local resources were

### Table 4 -- General State Aid (GSA) and Wind Farm Tax Revenue for Ridgeview CUSD #19

<table>
<thead>
<tr>
<th>School Year</th>
<th>General State Aid</th>
<th>Wind Farm Tax Revenue</th>
<th>GSA + Wind Farm Tax Revenue</th>
<th>Change from 2007-2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>$1,472,609</td>
<td>$0</td>
<td>$1,472,609</td>
<td>$0</td>
</tr>
<tr>
<td>2008-2009</td>
<td>$1,488,008</td>
<td>$380,816</td>
<td>$1,868,824</td>
<td>$396,215</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$1,076,865</td>
<td>$1,679,263</td>
<td>$2,756,128</td>
<td>$1,283,519</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$322,086</td>
<td>$1,848,404</td>
<td>$2,170,490</td>
<td>$697,881</td>
</tr>
<tr>
<td>2011-2012 (est.)</td>
<td>$322,086</td>
<td>$1,758,134</td>
<td>$2,080,220</td>
<td>$607,611</td>
</tr>
<tr>
<td><strong>Average annual change in revenue over first three full years of operation (est.):</strong></td>
<td></td>
<td></td>
<td></td>
<td>$863,004</td>
</tr>
</tbody>
</table>

28
$3,556.07 per pupil – significantly below the foundation level at the time of $5,959 per pupil. In fact, the available local resources per pupil were 0.5967 of the Foundation Level, placing the school district into the Foundation Level calculation for GSA. The Foundation Level calculation yielded state aid of $1,427,288.74. In addition, the poverty grant calculation yielded a poverty grant of $60,718.95, for a total General State Aid amount of $1,488,007.69. The combined revenue received by the district from General State Aid and the wind farm was $1,868,824.

During the 2009-2010 (FY 10) school year, Ridgeview school district saw substantial increases in tax revenue generated as a result of the completion of Twin Groves wind farm in 2008. After applying 4% depreciation on the one-year old turbines constructed in 2007 and applying the 2008 inflationary trending factor of 1.0408, the total 2008 EAV contribution of the wind farm to the Ridgeview taxing district was $32,618,503. The district tax rate was 5.14819%, which meant that an additional $1,679,263 in tax revenue was generated for the district. The General State Aid payments received during the 2009-2010 school year were based on the 2008-2009 GSA claim, which used the 2007 EAV as an input. The 2007 EAV was $72,153,998, and the average daily attendance dropped to 566.78.

The increased EAV and reduced average daily attendance resulted in available local resources of $4,338.98 per pupil, or 0.7090 of the Foundation Level. This meant that the district still received aid under the Foundation Level calculation. The Foundation Level calculation yielded a grant of $1,008,877.54, and the Poverty Grant calculation yielded $67,987.15, for a total General State Aid of $1,076,864.69. The combined revenue received by the district from General State Aid and wind farm tax revenue was $2,756,128.

During the 2010-2011 (FY 11) school year, the district continued to receive a large amount of revenue in taxes from the wind farm. After applying 8% depreciation on the two-year old turbines, 4% depreciation on the one-year old turbines, and the 2009 inflationary trending factor of 1.0418, the total 2009 EAV contribution of the wind farm to the Ridgeview taxing district was $31,560,015. The district tax rate was 5.85679%, which meant that an additional $1,848,404 in tax revenue was generated for the district. The General State Aid payments received during the 2010-2011 school year were based on the 2009-2010 GSA claim, which used the 2008 EAV as an input. As a result of the wind farm, the 2008 EAV jumped to $100,681,496. Average daily attendance increased slightly to 567.17 students. The Corporate Personal Property Replacement Tax was $248,558.76, and the district low-income concentration was 0.2791. The increased EAV resulted in Available Local Resources of $5,763.71 per pupil, or 0.9419 of the Foundation Level. This vaulted the district into the Alternate Formula calculation. The Alternate Formula resulted in an aid calculation of $242,238.30, and the Poverty grant calculation resulted in a poverty grant of $79,847.40. The total General State Aid payment, therefore, was $322,085.70 – a precipitous drop from the previous two years.
because the GSA calculation finally took the increased EAV due to the wind farm into consideration by using the 2008 EAV. The combined revenue received by the district from General State Aid and wind farm tax revenue was $2,170,490.

For the 2011-2012 (FY 12) school year, the district expects to continue receiving large amounts of tax revenue from the wind farm. After applying 12% depreciation on the three-year old turbines, 8% depreciation on the two-year old turbines, and the 2010 inflationary trending factor of 1.0701, the total 2010 EAV contribution of the wind farm to the Ridgeview taxing district was $31,035,688. The district tax rate was 5.66488%, which meant that an additional $1,758,134 in tax revenue was generated for the district and should be disbursed to the district in FY 12. The General State Aid payments the district expects to receive during the school year are based on the 2010-2011 GSA claim, which uses the 2009 EAV. Although the FY 12 GSA payments have not yet been announced, we can estimate the payments by assuming that little has changed in the way of EAV, Corporate Personal Property Replacement tax, daily attendance, and low-income concentration from the previous year. If that is the case, then the payments will be identical to the previous year, with a total General State Aid payment of $322,086. In that case, the combined revenue received by the district from General State Aid and wind farm tax revenue will be $2,080,220.

As seen in Table 4, the revenue stream following a wind farm installation will spike in the year following the wind farm installation, as tax revenue is based on the previous tax year, while the General State Aid calculation uses an EAV that is nearly two years old by the time the aid is disbursed. Thus, tax revenue will increase almost immediately while it will take more time for the General State Aid calculation to catch up. After the General State Aid calculation catches up to the increased EAV, the total district revenue will remain significantly higher than it was before the wind farm installation. Depreciation will gradually decrease the year-over-year tax revenue paid by the wind farm to the district up to the 19th year of operation, when it will be depreciated to the maximum extent permissible by law. After the maximum depreciation is reached in the 19th year, tax revenue will increase slightly each year as the inflationary trending factor continues to rise year-over-year.
Lee Center School District 271, also known as Paw Paw CUSD 271, is located in southeastern Lee County in north-central Illinois. In the fall of 2003, 61 wind turbines sprang up within the district boundaries as part of the Mendota Hills wind farm. The Mendota Hills wind farm was the first wind farm in the state of Illinois. The turbines in the project are Gamesa G52 turbines, and the total capacity of the Mendota Hills wind farm is 51.7 MW. Mendota Hills is owned and operated by Infigen Energy. General State Aid calculation spreadsheets for Lee Center CUSD #271 are presented in Appendices E through K. A summary of the revenue streams is contained in Table 5, and a year-by-year explanation follows.

The 2004-2005 (FY 05) school year was the last year before Paw Paw school district began receiving additional revenue as a result of the Mendota Hills wind farm. The 2004-2005 General State Aid was based on the 2003-2004 General State Aid claim, which in turn used the 2002 Adjusted EAV as an input. The 2002 Adjusted EAV was $30,739,222. The best average three months’ daily attendance was 315.65 students, the Corporate Personal Property Replacement Tax revenue was $33,402.17, and the district low-income concentration was 0.1226. The resulting Available Local Resources were $3,027.33 per pupil, which was 0.6098 of the $4,964 Foundation Level. This placed the district in the Foundation Level calculation for GSA. The Foundation Level calculation yielded aid of $611,307.77, and the Poverty Grant yielded an additional grant of $28,870.00. The total General State Aid awarded the Paw Paw school district was $640,177.77.

During the 2005-2006 (FY 06) school year, Paw Paw school district received additional tax revenue as a result of the completion of the Mendota Hills wind farm. The EAV added to the district during tax year 2004 as a result of the wind farm was $3,949,950. The district tax rate was 5.4138%, which meant that an additional $213,827.76 in tax revenue was generated for the district. The General State Aid

<table>
<thead>
<tr>
<th>School Year</th>
<th>General State Aid</th>
<th>Wind Farm Tax Revenue</th>
<th>GSA + Wind Farm Tax Revenue</th>
<th>Change from 2004-2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-2005</td>
<td>$640,177.77</td>
<td>$0.00</td>
<td>$640,177.77</td>
<td>$0.00</td>
</tr>
<tr>
<td>2005-2006</td>
<td>$691,853.24</td>
<td>$213,827.76</td>
<td>$905,681.00</td>
<td>$265,503.23</td>
</tr>
<tr>
<td>2006-2007</td>
<td>$619,534.44</td>
<td>$216,375.34</td>
<td>$835,909.78</td>
<td>$195,732.01</td>
</tr>
<tr>
<td>2007-2008</td>
<td>$662,588.28</td>
<td>$257,269.68</td>
<td>$919,857.96</td>
<td>$279,680.19</td>
</tr>
<tr>
<td>2008-2009</td>
<td>$650,776.21</td>
<td>$248,619.94</td>
<td>$899,396.15</td>
<td>$259,218.38</td>
</tr>
<tr>
<td>2009-2010</td>
<td>$603,201.66</td>
<td>$292,826.24</td>
<td>$896,027.90</td>
<td>$255,850.13</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$556,701.89</td>
<td>$291,253.30</td>
<td>$847,955.19</td>
<td>$207,777.42</td>
</tr>
<tr>
<td>2011-2012 (est.)</td>
<td>$556,701.89</td>
<td>$284,141.01</td>
<td>$840,842.90</td>
<td>$200,665.13</td>
</tr>
</tbody>
</table>

Average annual change in revenue over first three years: $246,971.81
received during the 2005-2006 school year, meanwhile, was unaffected by the wind farm because it was based on the 2004-2005 GSA claim, which used the 2003 EAV as an input. The 2003 Adjusted EAV was $31,070,308. The best 3 months’ average daily attendance was 315.42, and the Corporate Personal Property Replacement Tax was $33,736.40. This meant that the available local resources were $3,062.09 per pupil – significantly below the foundation level at the time of $5,164 per pupil. The available local resources per pupil were 0.5929 of the Foundation Level, placing the school district into the Foundation Level calculation for GSA. The Foundation Level calculation yielded state aid of $662,983.24. In addition, the poverty grant calculation yielded a poverty grant of $28,870.00, for a total General State Aid amount of $691,853.24. The combined revenue received by the district from General State Aid and the wind farm was $905,681.00.

During the 2006-2007 (FY 07) school year, Paw Paw school district continued to enjoy increased property tax revenue. Illinois Public Act 095-0644 had not yet been passed, and so wind turbine valuation had not yet been standardized across Illinois. The total 2005 EAV contribution of the wind farm to the Paw Paw taxing district was $3,949,950 – the same as the previous year. The district tax rate was 5.4783%, which meant that an additional $216,375.34 in tax revenue was generated for the district. The General State Aid payments received during the 2006-2007 school year were based on the 2005-2006 GSA claim, which used the 2004 EAV as an input. The 2004 EAV jumped to $34,806,972, and this value was lower than the extension-limited EAV. Therefore, $34,806,972 was used as the EAV for GSA calculations. The average daily attendance was 313.58, and the CPPRT was $37,762.12. The increased EAV resulted in available local resources of $3,450.38 per pupil, or 0.6468 of the Foundation Level. This meant that the district still received aid under the Foundation Level calculation. The Foundation Level calculation yielded a grant of $590,664.44, and the Poverty Grant calculation yielded $28,870.00, for a total General State Aid of $619,534.44. The combined revenue received by the district from General State Aid and wind farm tax revenue was $835,909.78.

During the 2007-2008 (FY 08) school year, the district continued to receive a large amount of revenue in taxes from the wind farm. The total 2006 EAV contribution of the wind farm to the Paw Paw taxing district was $4,194,049. The district tax rate was 6.1347%, which meant that an additional $257,269.68 in tax revenue was generated for the district. The General State Aid payments received during the 2007-2008 school year were based on the 2006-2007 GSA claim, which used the 2005 EAV as an input. The 2005 EAV was
$35,913,197 and this value was lower than the extension-limited EAV. Therefore, $35,913,197 was used as the EAV for the GSA calculation. Average daily attendance decreased slightly to 308.55 students. The Corporate Personal Property Replacement Tax was $58,111.51 – a significant jump from the previous year – and the district low-income concentration was 0.1721. The resulting Available Local Resources were $3,680.14 per pupil, or 0.6418 of the Foundation Level. Therefore, the district remained under the Foundation Level calculation. The Foundation Level Formula resulted in an aid calculation of $633,718.28, and the Poverty grant calculation resulted in a poverty grant of $28,870.00. The total General State Aid payment, therefore, was $662,588.28. The combined revenue received by the district from General State Aid and wind farm tax revenue was $919,857.96.

During the 2008-2009 (FY 09) school year, the district continued to receive a large amount of revenue in taxes from the wind farm. Illinois Public Act 095-0644 was enacted in late 2007, but was too late to be implemented in tax year 2007. Therefore, the wind farm continued to be assessed under the same valuation method. The total 2007 EAV contribution of the wind farm to the Paw Paw taxing district was $4,295,963. The district tax rate was 5.7878%, which meant that an additional $248,619.94 in tax revenue was generated for the district. The General State Aid payments received during the 2008-2009 school year were based on the 2007-2008 GSA claim, which used the 2006 EAV as an input. The 2006 EAV was $36,889,866 and this value was lower than the extension-limited EAV. Therefore, $36,889,866 was used as the EAV for the GSA calculation. Average daily attendance decreased slightly to 300.55 students. The Corporate Personal Property Replacement Tax was $62,375.26, and the district low-income concentration was 0.2216. The resulting Available Local Resources were $3,889.77 per pupil, or 0.6527 of the Foundation Level. Therefore, the district remained under the Foundation Level calculation. The Foundation Level Formula resulted in an aid calculation of $621,906.21, and the Poverty grant calculation resulted in a poverty grant of $28,870.00. The total General State Aid payment, therefore, was $650,776.21. The combined revenue received by the district from General State Aid and wind farm tax revenue was $899,396.15.

During the 2009-2010 (FY 10) school year, the district continued to receive a large amount of revenue in taxes from the wind farm. Illinois Public Act 095-0644 was now in effect, which standardized the valuation of wind turbines across Illinois. The trending factor for 2008 was 1.0408, and the depreciation percentage for the Mendota Hills turbines in tax year 2008 was 16%. The total 2008 EAV contribution of the wind farm to the Paw Paw taxing district was $5,443,856. The district tax rate was 5.3793%, which meant that an additional $292,826.24 in tax revenue was generated for the district. The General State Aid payments received during the 2009-2010 school year were based on the 2008-2009 GSA claim, which used the 2007 EAV as an input. The 2007 EAV was $38,999,168, but the extension-
limited EAV was only $38,546,220. Therefore, $38,546,220 was used as the EAV for the GSA calculation. Average daily attendance decreased slightly to 294.11 students. The Corporate Personal Property Replacement Tax was $72,668.96, and the district low-income concentration was 0.2441. The resulting Available Local Resources were $4,178.89 per pupil, or 0.6829 of the Foundation Level. Therefore, the district remained under the Foundation Level calculation. The Foundation Level Formula resulted in an aid calculation of $570,603.53, and the Poverty grant calculation resulted in a poverty grant of $32,598.13. The total General State Aid payment, therefore, was $603,201.66. The combined revenue received by the district from General State Aid and wind farm tax revenue was $896,027.90.

During the 2010-2011 (FY 11) school year, the district continued to receive a large amount of revenue in taxes from the wind farm. The trending factor for 2008 was 1.0418, and the depreciation percentage for the Mendota Hills turbines in tax year 2008 was 20%. The total 2009 EAV contribution of the wind farm to the Paw Paw taxing district was $5,189,647. The district tax rate was 5.6125%, which meant that an additional $291,253.30 in tax revenue was generated for the district. The General State Aid payments received during the 2010-2011 school year were based on the 2009-2010 GSA claim, which used the 2008 EAV as an input. The 2008 EAV was $42,212,385, but the extension-limited EAV was only $39,567,694. Therefore, $39,567,694 was used as the EAV for the GSA calculation. Average daily attendance decreased slightly to 288.43 students. The Corporate Personal Property Replacement Tax was $61,305.88, and the district low-income concentration was 0.2801. The resulting Available Local Resources were $4,328.04 per pupil, or 0.7073 of the Foundation Level. Therefore, the district remained under the Foundation Level calculation. The Foundation Level Formula resulted in an aid calculation of $516,566.47, and the Poverty grant calculation resulted in a poverty grant of $40,135.42. The total General State Aid payment, therefore, was $556,701.89. The combined revenue received by the district from General State Aid and wind farm tax revenue was $847,955.19.

For the 2011-2012 (FY 12) school year, the district expects to continue receiving large amounts of tax revenue from the wind farm. After applying the 2010 trending factor of 1.0701 and 24% depreciation, the total 2010 EAV contribution of the wind farm to the Paw Paw taxing district was $5,063,552. The district tax rate was 5.6119%, which meant that an additional $284,141.01 in tax revenue was generated for the district and should be disbursed to the district in FY 12. The General State Aid payments the district expects to receive during the school year are based on the 2010-2011 GSA claim, which uses the 2009 EAV. Although the FY 12 GSA payments have not yet been announced, we can estimate the payments by assuming that little has changed in the way of EAV, Corporate Personal Property Replacement tax, daily attendance, and low-income concentration from the previous year. If that is the case, then the payments will be identical to the previous year, with a total General State Aid payment of $556,701.89. In that case, the combined revenue received by the district from General State Aid and wind farm tax revenue will be $840,842.90.
As shown in Table 5, the revenue stream from the Mendota Hills wind farm is qualitatively similar to the revenue stream from the Twin Groves wind farm discussed earlier. The Twin Groves wind farm is much larger – more than seven times larger – and so the quantitative impacts are significantly greater for the Ridgeview district. Nevertheless, the same trends are observed in both districts. Tax revenue for the Paw Paw district spikes in the year following the installation of the wind farm while General State Aid takes an additional year to catch up to the increased EAV. From that point forward, total revenue will continue to be significantly higher than it was previous to the wind farm.

It is worth noting that due to the time-lagged nature of the General State Aid calculation, an effect will be observed in the year after the wind turbines are eventually removed. The situation will be the reverse of the situation described above: the tax revenue will cease in the year following the wind turbines’ removal, but the General State Aid calculation will lag behind, and will not “catch up” to the reduced EAV until the second year following the wind turbines’ removal. School districts should be aware of this effect and plan accordingly. However, by that point the turbines will be fully depreciated, so the EAV contribution of the wind turbines will be smaller than at initial construction. Therefore, the magnitude of the revenue “slump” after wind turbine removal will be significantly smaller than the revenue “jump” following wind turbine installation.
General State Aid is a complex calculation, and should not be oversimplified. Simple back-of-the-envelope calculations to determine a wind farm’s impact on state aid are likely to be erroneous because it is difficult to capture all of the variables involved in the calculation without going into a significant level of detail. Nevertheless, several general conclusions can be drawn from the analysis contained in this report.

A wind farm will invariably add a significant amount of EAV to a taxing district according to Illinois Public Act 095-0644. Illinois Public Act 095-0644 set the standardized fair cash value for a wind turbine in 2007, and allows for annual adjustments in the form of an inflationary trending factor as well as an annual depreciation adjustment.

Because school districts rely heavily on property tax revenue and property tax revenue is dependent upon the district’s EAV, school districts will see increased tax revenues when the EAV increases in a district due to the construction of a wind farm.

The impact that increased tax revenue has on General State Aid is almost never a one-for-one offset. Such a scenario is possible, but it would necessitate a much lower tax rate than is prevalent among Illinois school districts today.

It is possible that under highly specific circumstances such as PTELL or Alternate PTELL combined with tax abatement incentives and very high property value growth, the increased tax revenue potential due to the construction of a wind farm may not be realized to the full extent possible. However, the Illinois State Board of Education will – where possible – make up for the difference by artificially removing EAV from the district for GSA calculations.

Because the EAV used by the ISBE for General State Aid lags the EAV used for property taxes by one year, the total revenue to the school district will artificially “jump” in the year following the wind farm installation, and artificially “slump” in the year following the wind farm’s removal. Districts should be aware of this and plan for its occurrence. However, by the time the wind turbines are removed they will likely be fully depreciated. Thus, the magnitude of the “jump” will be much larger than the magnitude of the “slump.”

In all but a few very contrived circumstances, the net impact of a wind farm on the local school district is a significant increase in revenue.

When attempting to determine the impact of a wind farm on a school district, the only way to accurately assess the General State Aid impact is to complete ISBE Form 54-33 BNF with the most accurate and recent data possible, and then contact the Illinois State Board of Education for verification.
### GENERAL STATE AID ENTITLEMENT FOR 2006-2007 PAYABLE IN 2007-2008

**PART I - COMPUTATIONAL DATA**

A. 2005 Original Equalized Assessed Valuation (EAV) \( \$62,495,005 \)

B. 7% Cap (Cook County Only) \( \$0 \)

C. Enterprise Zone Abatements \( \$0 \)

D. New Industry Abatements \( \$0 \)

E. Property Tax Appeal Board Decisions \( \$0 \)

F. Other EAV Adjustments \( \$0 \)

1. 2005 Adjusted Equalized Assessed Valuation (EAV) \( \$62,488,820 \)

2. Best 3 Months Average Daily Attendance (ADA): 04-05: 622.97, 05-06: 636.36, 06-07: 583.50

3. 2004 Corporate Personal Property Replacement Tax (CPPRT)(received in 2005) \( \$235,607.57 \)

4. Calculation Rate \( \$0.0300 \)

5. DHS 3-Year Low Income Count Average: 06: 133.00, 05: 138.00, 04: 140.00

6. District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2) \( \$137.00 \)

7. Available Local Resources (Line 1 X Line 4 + Line 3) \( \$2,110,272.17 \)

8. Local Resources Per Pupil (Line 7 divided by Line 2) \( \$3,435.41 \)

9. Percentage of $5,734 (Line 8 divided by $5,734) \( 0.5991 \)

**PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)**

1. $5,734 X ADA (Part I, Line 2) \( \$3,522,224.18 \)

2. Available Local Resources (Part I, Line 7) \( \$2,110,272.17 \)

3. Foundation Formula Claim Amount (Line 1 - Line 2) \( \$1,411,952.01 \)

**PART III - POVERTY GRANT CALCULATIONS**

1. LIC Conc: Level (Part I L-6) Squared x $2,700 + 294.25 = LIC Factor: 442.75

2. X DHS Average: 137.00

3. = Calculated FY2008 Poverty Amount: 60,656.75

4. FY2003 Poverty Grant: 59,400.00

5. Excess of Line 3 over Line 4: 1,256.75

6. If FY2003 Poverty Grant is greater than Calculated FY2008 Poverty Amount then the Poverty Grant is same as FY2003:

7. Otherwise, the FY2008 Poverty Grant amount is the FY2003 Poverty Grant: 59,400.00

8. Plus 100% of Line 5 above: 1,256.75

**PART IV - SUMMARY OF 2006-2007 CLAIM PAYABLE IN 2007-2008**

1. Gross Entitlement (Poverty Grant + Formula Claim Amount) \( \$1,472,608.76 \)

Adjustments:

- Adjustment of a field audit finding on a previous claim \( -$12,968.00 \)

2. Total Adjustments \( -$12,968.00 \)

3. Net Entitlement (Gross Entitlement - Total Adjustments) \( \$1,459,640.76 \)

**PART V - HOLD HARMLESS GRANT**

(HH Base: \$1,055,661.47) \( \$0.00 \)
## GENERAL STATE AID ENTITLEMENT FOR 2007-2008 PAYABLE IN 2008-2009

### PART I - COMPUTATIONAL DATA

- **A. 2006 Original Equalized Assessed Valuation (EAV)**
  - $61,978,117

- **B. 7% Cap (Cook County Only)**
  - $0

- **C. Enterprise Zone Abatements**
  - $252,894.57

- **D. New Industry Abatements**
  - 0.0300

- **E. Property Tax Appeal Board Decisions**
  - 0.2401

- **F. Other EAV Adjustments**
  - 0.0

1. **2006 Adjusted Equalized Assessed Valuation (EAV)**
   - $61,978,117

2. **Best 3 Months Average Daily Attendance (ADA):**
   - 05-06: 636.36
   - 06-07: 583.50
   - 07-08: 562.08

3. **2005 Corporate Personal Property Replacement Tax (CPPRT) (received in 2006)**
   - $252,844.57

4. **Calculation Rate**
   - 0.0300

5. **DHS 3-Year Low Income Count Average**
   - 07: 134.00
   - 06: 133.00
   - 05: 138.00

6. **District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2)**
   - 0.2401

7. **Available Local Resources (Line 1 X Line 4 + Line 3)**
   - $2,112,238.08

8. **Local Resources Per Pupil (Line 7 divided by Line 2)**
   - $3,556.07

9. **Percentage of $5,959 (Line 8 divided by $5,959)**
   - 0.5967

### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

1. **$5,959 X ADA (Part I, Line 2)**
   - $3,539,526.82

2. **Available Local Resources (Part I, Line 7)**
   - ($2,112,238.08)

3. **Foundation Formula Claim Amount (Line 1 - Line 2)**
   - $1,427,288.74

### PART III - POVERTY GRANT CALCULATIONS

1. **LIC Conc. Level (Part I L-6) Squared x $2,700 + 294.25 = LIC Factor:**
   - 449.77

2. **X DHS Average:**
   - 135.00

3. **= Calculated FY2009 Poverty Amount:**
   - 60,718.95

4. **FY2003 Poverty Grant:**
   - 59,400.00

5. **Excess of Line 3 over Line 4:**
   - 1,318.95

6. If FY2003 Poverty Grant is greater than Calculated FY2009 Poverty Amount then the Poverty Grant is same as FY2003:

7. Otherwise, the FY2009 Poverty Grant amount is the FY2003 Poverty Grant:
   - 59,400.00

   Plus 100% of Line 5 above:
   - 60,718.95

### PART IV - SUMMARY OF 2007-2008 CLAIM PAYABLE IN 2008-2009

1. **Gross Entitlement (Poverty Grant + Formula Claim Amount )**
   - $1,488,007.69

   Adjustments:

2. **Total Adjustments**

3. **Net Entitlement (Gross Entitlement - Total Adjustments)**
   - $1,488,007.69

### PART V - HOLD HARMLESS GRANT

(HH Base: $1,055,661.47)

- **HH Base:**
  - $1,055,661.47

- **Final Entitlement:**
  - $0.00
### GENERAL STATE AID ENTITLEMENT FOR 2008-2009 PAYABLE IN 2009-2010

#### PART I - COMPUTATIONAL DATA

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007 Original Equalized Assessed Valuation (EAV)</td>
<td>$72,153,998</td>
</tr>
<tr>
<td>7% Cap (Cook County Only)</td>
<td>$0</td>
</tr>
<tr>
<td>Enterprise Zone Abatements</td>
<td></td>
</tr>
<tr>
<td>New Industry Abatements</td>
<td></td>
</tr>
<tr>
<td>Property Tax Appeal Board Decisions</td>
<td></td>
</tr>
<tr>
<td>Other EAV Adjustments</td>
<td></td>
</tr>
</tbody>
</table>

1. 2007 Adjusted Equalized Assessed Valuation (EAV)                           | $72,153,998     |
2. Best 3 Months Average Daily Attendance (ADA):                              | 566.78          |
3. 2007 Corporate Personal Property Replacement Tax (CPPRT)                   | $294,629.34     |
4. Calculation Rate                                                           | 0.0300          |
5. DHS 3-Year Low Income Count Average                                         | 0.2583          |
6. District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2) | 0.7090          |
7. Available Local Resources (Line 1 X Line 4 + Line 3)                       | $2,459,249.28   |
8. Local Resources Per Pupil (Line 7 divided by Line 2)                       | $4,338.98       |
9. Percentage of $6,119 (Line 8 divided by $6,119)                            |                |

#### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6,119 X ADA (Part I, Line 2)</td>
<td>$3,468,126.82</td>
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<tr>
<td>Available Local Resources (Part I, Line 7)</td>
<td>($2,459,249.28)</td>
</tr>
<tr>
<td>Foundation Formula Claim Amount (Line 1 - Line 2)</td>
<td>$1,008,877.54</td>
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</table>

#### PART III - POVERTY GRANT CALCULATION

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC Conc. Level (Part 1 L-6) Squared x $2,700 + 294.25 + LIC Factor:</td>
<td>474.34</td>
</tr>
<tr>
<td>X DHS Average:</td>
<td>143.33</td>
</tr>
<tr>
<td>= Calculated FY2010 Poverty Amount:</td>
<td>67,987.15</td>
</tr>
<tr>
<td>FY2003 Poverty Grant:</td>
<td>59,400.00</td>
</tr>
<tr>
<td>66% of Line 4:</td>
<td>39,204.00</td>
</tr>
</tbody>
</table>

6. If Line 5 is less than Line 3, The Poverty Grant is the FY2010 Calculated Poverty Grant Amount | 67,987.15

#### PART IV - SUMMARY OF 2008-2009 CLAIM PAYABLE IN 2009-2010

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Entitlement (Poverty Grant + Formula Claim Amount)</td>
<td>$1,076,864.69</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
</tbody>
</table>

2. Total Adjustments                                                          |                |
3. Net Entitlement (Gross Entitlement - Total Adjustments)                    |                |

#### PART V - HOLD HARMLESS GRANT

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(HH Base: $1,055,661.47)</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
## Appendix D

### GENERAL STATE AID ENTITLEMENT FOR 2009-2010 PAYABLE IN 2010-2011

**PART I - COMPUTATIONAL DATA**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 2008 Original Equalized Assessed Valuation (EAV)</td>
<td>$100,681,496</td>
</tr>
<tr>
<td>B. 7% Cap (Cook County Only)</td>
<td>$0</td>
</tr>
<tr>
<td>C. Enterprise Zone Abatements</td>
<td>$0</td>
</tr>
<tr>
<td>D. New Industry Abatements</td>
<td>$0</td>
</tr>
<tr>
<td>E. Property Tax Appeal Board Decisions</td>
<td>$0</td>
</tr>
<tr>
<td>F. Other EAV Adjustments</td>
<td>$0</td>
</tr>
</tbody>
</table>

1. 2008 Adjusted Equalized Assessed Valuation (EAV)                          | $100,681,496   |

**PART II - ALTERNATE FORMULA CALCULATIONS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Best 3 Months Average Daily Attendance (ADA):</td>
<td>567.17</td>
</tr>
<tr>
<td>3. 2008 Corporate Personal Property Replacement Tax (CPPRT)(received in 2009)</td>
<td>$248,558.76</td>
</tr>
<tr>
<td>4. Calculation Rate</td>
<td></td>
</tr>
<tr>
<td>5. DHS 3-Year Low Income Count Average</td>
<td>158.33</td>
</tr>
<tr>
<td>6. District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2)</td>
<td>.2791</td>
</tr>
<tr>
<td>7. Available Local Resources (Line 1 X Line 4 + Line 3)</td>
<td>$3,269,003.64</td>
</tr>
<tr>
<td>8. Local Resources Per Pupil (Line 7 divided by Line 2)</td>
<td>$5,763.71</td>
</tr>
<tr>
<td>9. Percentage of $6,119 (Line 8 divided by $6,119)</td>
<td>.9419</td>
</tr>
</tbody>
</table>

**PART III - POVERTY GRANT CALCULATION**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LIC Conc. Level (Part I L-6) Squared x $2,700 + 294.25 = LIC Factor:</td>
<td>504.31</td>
</tr>
<tr>
<td>2. DHS Average</td>
<td>158.33</td>
</tr>
<tr>
<td>4. FY2003 Poverty Grant:</td>
<td>59,400.00</td>
</tr>
<tr>
<td>5. 33% of Line 4</td>
<td>19,602.00</td>
</tr>
<tr>
<td>6. If Line 5 is less than Line 3, The Poverty Grant is the FY2011 Calculated Poverty Grant Amount</td>
<td>79,847.40</td>
</tr>
</tbody>
</table>

**PART IV - SUMMARY OF 2009-2010 CLAIM PAYABLE IN 2010-2011**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gross Entitlement (Poverty Grant + Formula Claim Amount )</td>
<td>$322,085.70</td>
</tr>
</tbody>
</table>

**Adjustments:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Total Adjustments</td>
<td></td>
</tr>
<tr>
<td>3. Net Entitlement (Gross Entitlement - Total Adjustments)</td>
<td>$322,085.70</td>
</tr>
</tbody>
</table>

**PART V - HOLD HARMLESS GRANT**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(HH Base: $1,055,661.47)</td>
<td>$733,575.77</td>
</tr>
</tbody>
</table>

***** Hold Harmless NOT funded for FY2011 *****
### GENERAL STATE AID ENTITLEMENT FOR 2003-2004 PAYABLE IN 2004-2005

#### PART I - COMPUTATIONAL DATA

<table>
<thead>
<tr>
<th>A. 2002 Original Equalized Assessed Valuation (EAV)</th>
<th>$30,745,631</th>
</tr>
</thead>
<tbody>
<tr>
<td>B. Adverse Court Cases</td>
<td>$0</td>
</tr>
<tr>
<td>C. Enterprise Zone Abatements</td>
<td>$-13,079</td>
</tr>
<tr>
<td>D. New Industry Abatements</td>
<td>$0</td>
</tr>
<tr>
<td>E. Property Tax Appeal Board Decisions</td>
<td>$0</td>
</tr>
<tr>
<td>F. Other EAV Adjustments</td>
<td>$0</td>
</tr>
</tbody>
</table>

1. 2002 Adjusted Equalized Assessed Valuation (EAV) $30,739,222
2. Best 3 Months Average Daily Attendance (ADA): 01-02: 313.41 02-03: 318.28 03-04: 315.27
3. 2001 Corporate Personal Property Replacement Tax (CPPRT)(received in 2002) $33,402.17
4. Calculation Rate .0300
5. DHS 3-Year Low Income Count Average 03: 42.00 02: 43.00 01: 31.00 .1226
6. District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2) .6098
7. Available Local Resources (Line 1 X Line 4 + Line 3) $955,578.63
8. Local Resources Per Pupil (Line 7 divided by Line 2) $3,027.33
9. Percentage of $4,964 (Line 8 divided by $4,964) .31565

#### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

1. $4,964 X ADA (Part I, Line 2) $1,566,886.60
2. Available Local Resources (Part I, Line 7) ($955,578.83)
3. Foundation Formula Claim Amount (Line 1 - Line 2) $611,307.77

#### PART III - POVERTY GRANT CALCULATIONS

1. LIC Conc. Level (Part 1 L-6) Squared x $2,700 + 294.25 = LIC Factor: 355.00
2. X DHS Average: 38.66
3. = Calculated FY2005 Poverty Amount: 13,724.30
4. FY2003 Poverty Grant: 28,870.00
5. Excess of Line 3 over Line 4: 0.00
6. If FY2003 Poverty Grant is greater than Calculated FY2005 Poverty Amount then the Poverty Grant is same as FY2003: 28,870.00

#### PART IV - SUMMARY OF 2003-2004 CLAIM PAYABLE IN 2004-2005

1. Gross Entitlement (Poverty Grant + Formula Claim Amount ) $640,177.77
2. Adjustments: 
3. Total Adjustments
4. Net Entitlement (Gross Entitlement - Total Adjustments) $640,177.77

#### PART V - HOLD HARMLESS GRANT

(HH Base: $572,992.00) $0.00
**Appendix F**

**ILLINOIS STATE BOARD OF EDUCATION**
Division of Funding and Disbursement Services
100 North First Street
Springfield, Illinois 62777-0001

**GENERAL STATE AID ENTITLEMENT FOR 2004-2005 PAYABLE IN 2005-2006**

### PART I - COMPUTATIONAL DATA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>47-052-2710-26</td>
<td>LEE-OGLE ROE</td>
<td>LEE CENTER C U SCHOOL DIST 271</td>
<td>$31,086,187</td>
</tr>
</tbody>
</table>

#### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

1. **2003 Adjusted Equalized Assessed Valuation (EAV)**
   - Adjusted Equalized Assessed Valuation (EAV) $31,070,308
   - Best 3 Months Average Daily Attendance (ADA): 02-03: 318.28 03-04: 315.27 04-05: 312.71
2. **2002 Corporate Personal Property Replacement Tax (CPPRT)**
   - Received in 2003: $33,736.40
3. **Calculation Rate**
   - Calculation Rate: .0300
4. **District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2)**
   - Low Income Count Average: 04: 49.00 03: 42.00 02: 43.00
   - District Low Income Concentration: .1428
5. **Available Local Resources (Line 1 X Line 4 + Line 3)**
   - Available Local Resources: $965,845.64
6. **Local Resources Per Pupil (Line 7 divided by Line 2)**
   - Local Resources Per Pupil: $3,062.09
7. **Percentage of $5,164 (Line 8 divided by $5,164)**
   - Percentage of $5,164: 315.42
8. **Calculation Rate**
   - Calculation Rate: .44.66
9. **Calculation Rate**
   - Calculation Rate: .5929

### PART III - POVERTY GRANT CALCULATIONS

1. **$5,164 X ADA (Part I, Line 2)**
   - $1,628,828.88
2. **Available Local Resources (Part I, Line 7)**
   - ($965,845.64)
3. **Foundation Formula Claim Amount (Line 1 - Line 2)**
   - Excess of Line 3 over Line 4: $28,870.00
   - If FY2003 Poverty Grant is greater than Calculated FY2006 Poverty Amount then the Poverty Grant is same as FY2003: $28,870.00

### PART IV - SUMMARY OF 2004-2005 CLAIM PAYABLE IN 2005-2006

1. **Gross Entitlement (Poverty Grant + Formula Claim Amount)**
   - Adjustments: $691,853.24
2. **Total Adjustments**
3. **Net Entitlement (Gross Entitlement - Total Adjustments)**
   - Net Entitlement: $691,853.24

### PART V - HOLD HARMLESS GRANT

- **HH Base: $572,992.00**
- **HH Base: $0.00**
### GENERAL STATE AID ENTITLEMENT FOR 2005-2006 PAYABLE IN 2006-2007

**PART I - COMPUTATIONAL DATA**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>47-052-2710-26</td>
<td>LEE-OGLE ROE</td>
<td>LEE CENTER C U SCHOOL DIST 271</td>
<td>$34,806,972</td>
</tr>
</tbody>
</table>

#### F. Other EAV Adjustments

- EAV used for GSA calculations (lower of G or FF)

#### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

1. $5,334 X ADA (Part I, Line 2)

2. Available Local Resources (Part I, Line 7)

3. Foundation Formula Claim Amount (Line 1 - Line 2)

#### PART III - POVERTY GRANT CALCULATIONS

1. LIC Conc. Level (Part 1 L-6) Squared x $2,700 + 294.25 = LIC Factor:

2. X DHS Average:

3. = Calculated FY2007 Poverty Amount:

4. FY2003 Poverty Grant:

5. Excess of Line 3 over Line 4:

6. If FY2003 Poverty Grant is greater than Calculated FY2007 Poverty Amount then the Poverty Grant is same as FY2003:

#### PART IV - SUMMARY OF 2005-2006 CLAIM PAYABLE IN 2006-2007

1. Gross Entitlement (Poverty Grant + Formula Claim Amount)

2. Total Adjustments

3. Net Entitlement (Gross Entitlement - Total Adjustments)

#### PART V - HOLD HARMLESS GRANT

(HH Base: $572,992.00)
# GENERAL STATE AID ENTITLEMENT FOR 2006-2007 PAYABLE IN 2007-2008

**PART I - COMPUTATIONAL DATA**

<table>
<thead>
<tr>
<th>Code</th>
<th>Region</th>
<th>District Name</th>
<th>Code</th>
<th>Region</th>
<th>District Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>47-052-2710-26</td>
<td>LEE-OGLE ROE</td>
<td>LEE CENTER C U SCHOOL DIST 271</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 2005 Orig. Equalized Assessed Val. (EAV)</td>
<td>$35,913,197</td>
</tr>
<tr>
<td>B. 7% Cap (Cook County Only)</td>
<td>$0</td>
</tr>
<tr>
<td>C. Enterprise Zone Abatements</td>
<td>$0</td>
</tr>
<tr>
<td>D. New Industry Abatements</td>
<td>$0</td>
</tr>
<tr>
<td>E. Property Tax Appeal Board Decisions</td>
<td>$0</td>
</tr>
<tr>
<td>F. Other EAV Adjustments</td>
<td>$0</td>
</tr>
<tr>
<td>G. 2005 Adjusted EAV</td>
<td>$35,913,197</td>
</tr>
</tbody>
</table>

**Part II - Foundation Formula Calculations**

1. **A. 2005 Limiting Rate** 4.5687
2. **BB. 2004 Original EAV** $34,806,972
3. **CC. 2004 Operating Tax Rate** 4.452500
4. **DD. 2005 Extension Limitation Ratio (ELR)** 1.0587
5. **((A x AA) / (BB x CC))** 51.66
6. **EE. Prior year EAV used for GSA calc.** $34,806,972
7. **FF. Prior year EAV x ELR ((EE x DD) - E)** $36,850,141

**Part III - Poverty Grant Calculations**

1. **A. EAV used for GSA calculations (lower of G or FF)** $35,913,197
2. **B. 7% Cap (Cook County Only)** $0
3. **C. Enterprise Zone Abatements** $0
4. **D. New Industry Abatements** $0
5. **E. Property Tax Appeal Board Decisions** $0
6. **F. Other EAV Adjustments** $0
7. **G. 2005 Adjusted EAV** $35,913,197

**Part IV - Summary of 2006-2007 Claim Payable in 2007-2008**

1. **A. Gross Entitlement (Poverty Grant + Formula Claim Amount)** $662,588.28
   
   **Adjustments:**
   
   2. **Total Adjustments**
   3. **Net Entitlement (Gross Entitlement - Total Adjustments)** $662,588.28

**Part V - Hold Harmless Grant**

(HH Base: $572,992.00)

**Total:** $0.00
## Appendix I

### GENERAL STATE AID ENTITLEMENT FOR 2007-2008 PAYABLE IN 2008-2009

**PART I - COMPUTATIONAL DATA**

| A. 2006 Orig. Equalized Assessed Val. (EAV) | $36,889,866 |
| B. 7% Cap (Cook County Only) | $0 |
| C. Enterprise Zone Abatements | $0 |
| D. New Industry Abatements | $0 |
| E. Property Tax Appeal Board Decisions | $0 |
| F. Other EAV Adjustments | $0 |
| G. 2006 Adjusted EAV | $36,889,866 |

### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A x AA) / (BB x CC)</td>
<td>27,316.48</td>
</tr>
<tr>
<td>EE. Prior year EAV used for Gsa calcs.</td>
<td>$35,913,197</td>
</tr>
<tr>
<td>FF. Prior year EAV X ELR ((EE x DD) - E)</td>
<td>$39,116,654</td>
</tr>
</tbody>
</table>

### PART III - POVERTY GRANT CALCULATIONS

<table>
<thead>
<tr>
<th>Calculation</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC Conc. Level (Part I L-6) Squared x $2,700 + 294.25 = LIC Factor:</td>
<td>426.82</td>
</tr>
<tr>
<td>X DHS Average:</td>
<td>64.00</td>
</tr>
<tr>
<td>= Calculated FY2009 Poverty Amount:</td>
<td>27,316.48</td>
</tr>
<tr>
<td>FY2003 Poverty Grant:</td>
<td>28,870.00</td>
</tr>
<tr>
<td>Excess of Line 3 over Line 4:</td>
<td>0.00</td>
</tr>
<tr>
<td>If FY2003 Poverty Grant is greater than Calculated FY2009 Poverty Amount then the Poverty Grant is same as FY2003:</td>
<td>28,870.00</td>
</tr>
</tbody>
</table>

### PART IV - SUMMARY OF 2007-2008 CLAIM PAYABLE IN 2008-2009

<table>
<thead>
<tr>
<th>Adjustment</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Entitlement (Poverty Grant + Formula Claim Amount)</td>
<td>$650,776.21</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
</tbody>
</table>

### PART V - HOLD HARMLESS GRANT

<table>
<thead>
<tr>
<th>HH Base: $572,992.00</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$650,776.21</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
### GENERAL STATE AID ENTITLEMENT FOR 2008-2009 PAYABLE IN 2009-2010

#### PART I - COMPUTATIONAL DATA

<table>
<thead>
<tr>
<th>Code</th>
<th>Region</th>
<th>District Name</th>
<th>General State Aid Entitlement for 2008-2009 Payable in 2009-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>47-052-2710-26</td>
<td>LEE-OGLE ROE</td>
<td>LEE CENTER C U SCHOOL DIST 271</td>
<td>$38,999,168</td>
</tr>
</tbody>
</table>

| A. 2007 Orig. Equalized Assessed Val. (EAV) | $38,999,168 |
| B. 7% Cap (Cook County Only)               | $0          |
| C. Enterprise Zone Abatements               | $0          |
| D. New Industry Abatements                  | $0          |
| E. Property Tax Appeal Board Decisions       | $0          |
| F. Other EAV Adjustments                    | $0          |
| G. 2007 Adjusted EAV                        | $38,999,168 |

#### PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)

1. EAV used for GSA calculations (lower of G or FF) $38,999,168
2. 2007 Corporate Personal Property Replacement Tax (CPPRT)(received in 2008) $72,688.96
3. Calculation Rate 0.003
4. DHS 3-Year Low Income Count Average 08: 72.00 07: 86.00 06: 57.00 71.66
5. District Low Income Concentration (Line 5 divided by the most recent ADA from Line 2) 0.2441
6. Available Local Resources (Line 1 X Line 4 + Line 3) $1,229,055.56
7. Local Resources Per Pupil (Line 7 divided by Line 2) $4,178.89
8. Percentage of $6,119 (Line 8 divided by $6,119) .6829
9. DHS 3-Year Low Income Count Average 08: 72.00 07: 86.00 06: 57.00 71.66

#### PART III - POVERTY GRANT CALCULATION

1. LIC Conc. Level (Part I L-6) Squared x $2,700 + 294.25 = LIC Factor: 454.90
2. X DHS Average: 71.66
4. FY2003 Poverty Grant: 28,870.00
5. 66% of Line 4: 19,054.20
6. If Line 5 is less than Line 3, The Poverty Grant is the FY2010 Calculated Poverty Grant Amount 32,598.13

#### PART IV - SUMMARY OF 2008-2009 CLAIM PAYABLE IN 2009-2010

1. Gross Entitlement (Poverty Grant + Formula Claim Amount) $603,201.66
2. Total Adjustments $0.00
3. Net Entitlement (Gross Entitlement - Total Adjustments) $603,201.66

#### PART V - HOLD HARMLESS GRANT

(HH Base: $572,992.00) $0.00
Appendix K

ILLINOIS STATE BOARD OF EDUCATION
Division of Funding and Disbursement Services
100 North First Street
Springfield, Illinois 62777-0001

CODE 47-052-2710-26
REGION LEE-OGLE ROE
DISTRICT NAME LEE CENTER C U SCHOOL DIST 271

GENERAL STATE AID ENTITLEMENT FOR 2009-2010 PAYABLE IN 2010-2011

<table>
<thead>
<tr>
<th>PART I - COMPUTATIONAL DATA</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A. 2008 Orig. Equalized Assessed Val. (EAV)</td>
<td>$42,212,385</td>
<td></td>
</tr>
<tr>
<td>B. 7% Cap (Cook County Only)</td>
<td>$0</td>
<td>BB. 2007 Original EAV</td>
</tr>
<tr>
<td>C. Enterprise Zone Abatements</td>
<td>$0</td>
<td>CC. 2007 Operating Tax Rate</td>
</tr>
<tr>
<td>D. New Industry Abatements</td>
<td>$0</td>
<td>DD. 2008 Extension Limitation Ratio [ELR]</td>
</tr>
<tr>
<td>E. Property Tax Appeal Board Decisions</td>
<td>$0</td>
<td>EE. Prior year EAV used for GSA calc.</td>
</tr>
<tr>
<td>F. Other EAV Adjustments</td>
<td>$0</td>
<td>FF. Prior year EAV X ELR ((EE x DD) - E)</td>
</tr>
<tr>
<td>G. 2008 Adjusted EAV</td>
<td>$42,212,385</td>
<td></td>
</tr>
</tbody>
</table>

1. EAV used for GSA calculations (lower of G or FF)

<table>
<thead>
<tr>
<th>PART II - FOUNDATION FORMULA CALCULATIONS (Line 9 is less than .93)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. $6,119 X ADA (Part I, Line 2)</td>
<td>$1,764,903.17</td>
</tr>
<tr>
<td>2. Available Local Resources (Part I, Line 7)</td>
<td>($1,248,336.70)</td>
</tr>
<tr>
<td>3. Foundation Formula Claim Amount (Line 1 - Line 2)</td>
<td>$516,566.47</td>
</tr>
</tbody>
</table>

PART III - POVERTY GRANT CALCULATION

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. LIC Conc. Level (Part 1 L-6) Squared x $2,700 + 294.25 = LIC Factor:</td>
<td>505.93</td>
</tr>
<tr>
<td>2. X DHS Average:</td>
<td>79.33</td>
</tr>
<tr>
<td>3. = Calculated FY2011 Poverty Amount:</td>
<td>40,135.42</td>
</tr>
<tr>
<td>4. FY2003 Poverty Grant:</td>
<td>28,870.00</td>
</tr>
<tr>
<td>5. 33% of Line 4:</td>
<td>9,527.10</td>
</tr>
<tr>
<td>6. If Line 5 is less than Line 3, The Poverty Grant is the FY2011 Calculated Poverty Grant Amount</td>
<td>40,135.42</td>
</tr>
</tbody>
</table>

PART IV - SUMMARY OF 2009-2010 CLAIM PAYABLE IN 2010-2011

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Gross Entitlement (Poverty Grant + Formula Claim Amount )</td>
<td>$556,701.89</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
</tr>
<tr>
<td>2. Total Adjustments</td>
<td></td>
</tr>
<tr>
<td>3. Net Entitlement (Gross Entitlement - Total Adjustments)</td>
<td>$556,701.89</td>
</tr>
</tbody>
</table>

PART V - HOLD-HARMLESS GRANT (HH Base: $572,992.00) (**** Hold Harmless NOT funded for FY2011 ****) | $16,290.11 |