

# **New School Funding Reform Impact**

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# Core of the Evidence-Based Funding Formula

- Provide financial support from the State's budget to support the education of all students in PreK-12 schools.
  - Provides additional resources for low income and English Language learners
  - Acknowledge that each district's ability to financially support its operations is different (e.g., local property wealth)
- Provide a stable, sustainable school funding system that strives to get all Districts to **adequate** funding over time
  - All districts are kept whole, based on FY 2017 funding
  - All new dollars go to the neediest districts first
  - All districts are treated the same (except Chicago retains block grant in their FY 2017 funding)

# Maine's *Preliminary* Adequacy Level

- The following variables will be considered:
  - Cost of the 27 Essential Elements
  - Local Capacity (How much can the District contribute?)
    - Property Taxes
    - CPPRT
- ISBE is in the process of calculating each district's FY 2018 adequacy level; several estimates have been provided to Districts during the legislative process
  - Estimate of adequacy level is 134%
    - Attributed to our District's staffing level and opportunities for students (e.g. academics, activities, athletics)
    - High Equalized Assessed Value (EAV)
    - Estimate assignment in Tier 4 (Districts above adequacy)
    - Allocated 0.1% of new dollars and get a small increase in funding from the state each year

# Maine's FY 2017 State Funding = Base Funding

- General State Aid = \$3,631,356
- 63.38% of English Learner = \$93,451
- Special Ed Personnel = \$1,005,074
- Special Ed Funding for Children = \$842,085
- Special Ed Summer School = \$14,532
- Base Funding = **\$5,586,498**

# D64's *Preliminary* Adequacy Level

- **The following variables will be considered:**
  - Cost of the 27 Essential Elements
  - Local Capacity (How much can the District contribute?)
    - Property Taxes
    - CPPRT
- ISBE is in the process of calculating each district's FY 2018 adequacy level; several estimates have been provided to Districts during the legislative process
  - Estimated adequacy level is 140%
    - Attributed to our District's staffing level and opportunities for students (e.g. academics, activities, and athletics offered)
    - High Equalized Assessed Value (EAV)
    - Estimate assignment in Tier 4 (Districts above adequacy funding)
    - Allocated 0.1% of new dollars and get a small increase in funding from the state each year

# D64 FY 2017 State Funding = Base Funding

- General State Aid = \$1,682,678
- 63.38% of English Learner = \$0 *D64 investigating this omission*
- Special Ed Personnel = \$1,143,401
- Special Ed Funding for Children = \$ 522,086
- Special Ed Summer School = \$ 4,048
- Base Funding = **\$3,352,213**

# FY 2018 State Funding Assumptions

- The new funding model has been fully-funded for **current FY 2018 only**.
- If the Illinois General Assembly is unable to appropriate sufficient funds *in the future* to cover every district's base funding minimum:
  - The most adequately funded districts will lose funds first (**D64 & Maine**)
  - If this action is not enough, further reductions will be made on a per-pupil basis for all districts

# New Reporting Requirements

- An Annual Spending Plan will need to be submitted by each District as part of the annual budget process; the plan requirements have not yet been defined by ISBE
- The School Report Card will now include the following data points:
  - Final % of Adequacy
  - Local Capacity Target (%)
  - Real Receipts (%)
- Likely to be increased reporting requirements within ISBE Employment Information System (EIS) (related to employee position and salary data)



# Mandate Reliefs

- Districts can determine the frequency of **physical education** as long as it is a minimum of 3 days per 5-day week
  - Permits students in grades 7-12 participating in sports to be exempted from physical education on a case-by-case basis
- High School Districts permitted to contract with third-party **driver education** services
- These reliefs are provided through more streamlined waiver processes

# Voter Initiated Referendum

- Allows 10% of voters in a school district above 110% of adequacy to petition for a referendum to reduce tax rate for educational purposes up to 10%
  - The requested reduction is limited so that no district would fall below 110% of the Adequacy Target in GSA formula
- Referendum can only be considered in odd numbered years at the consolidated election in April
  - First time the question could be considered is April 2019
- If the referendum fails, it may not be repeated until after two future consolidated elections (effectively once every 6 years)

# What does “Adequacy Target” mean?

- The Adequacy Target is effective at comparing districts statewide to establish priorities for General State Aid, but it is not designed as a comparison tool to a district’s entire budget.
- The Adequacy Model does not include many budget elements for a District, such as Early Childhood, Low Incidence (high cost) Special Education, Transportation, Capital Maintenance, New Construction and Existing Bonds.
- The Regional adjustment was capped at 90% on the low-end and 106% on the high-end. This means that the formula assumes costs of education in our area are only 6% more than the State average.

# What does “Adequacy Target” mean?

- Adequacy Model designed to articulate *minimum education requirements* for adequacy, and therefore does not include many programs and initiatives that communities value and have added to enhance student performance and career readiness, such as:
  - Expanded Early Childhood programs/offerings
  - Class sizes less than 25 for grades 4-12
  - 1:1 instructional technology programs (Adequacy Model assumes 2:1),
  - Language immersion / dual-language programs
  - Extended/gifted educational programs
  - Vocational education, especially extensive career-oriented programs
  - Dual-credit course offerings in high school
  - Robust co-curricular and student activities
  - Facilities based on modern instructional practices and standards (e.g. A/C, Accessibility)
  - Additional support services for at-risk students (above the level assumed in Adequacy Model)

# HOW DOES SB1947 WORK?

## Overview Of The Model

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**1. ADEQUACY TARGET**

How much does providing high quality education cost?

**2. PERCENT OF ADEQUACY**

How well-funded is the district?

**LOCAL CAPACITY**

How much can the district contribute?

**BASE FUNDING MINIMUM**

How much does the state currently contribute?

**GAP TO ADEQUACY**



**3. DISTRIBUTION FORMULA**

How is new money from the state distributed?

100% of Adequacy Target



District 1



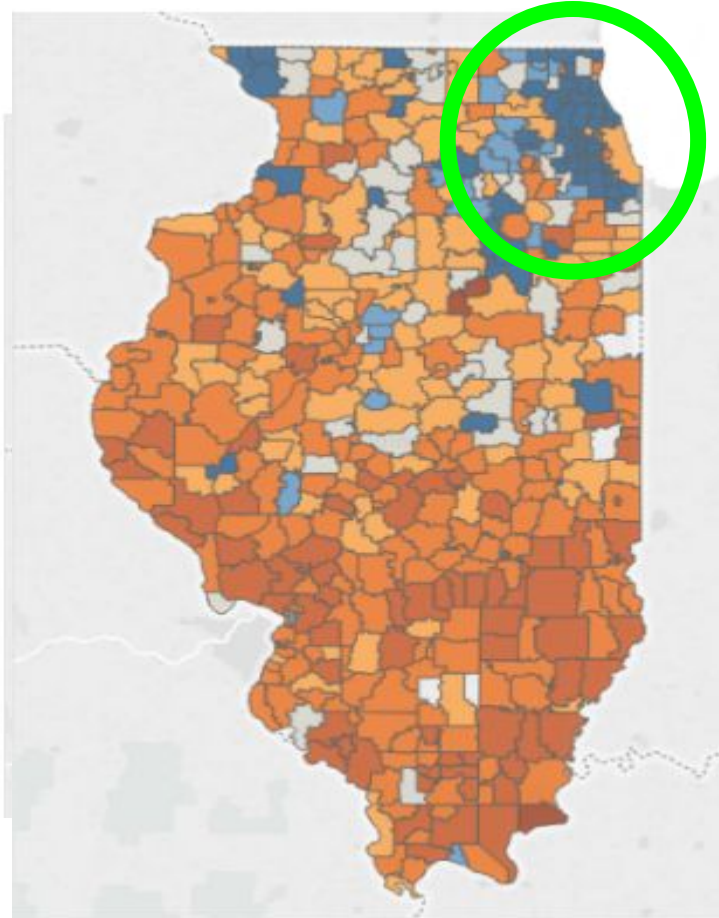
District 2



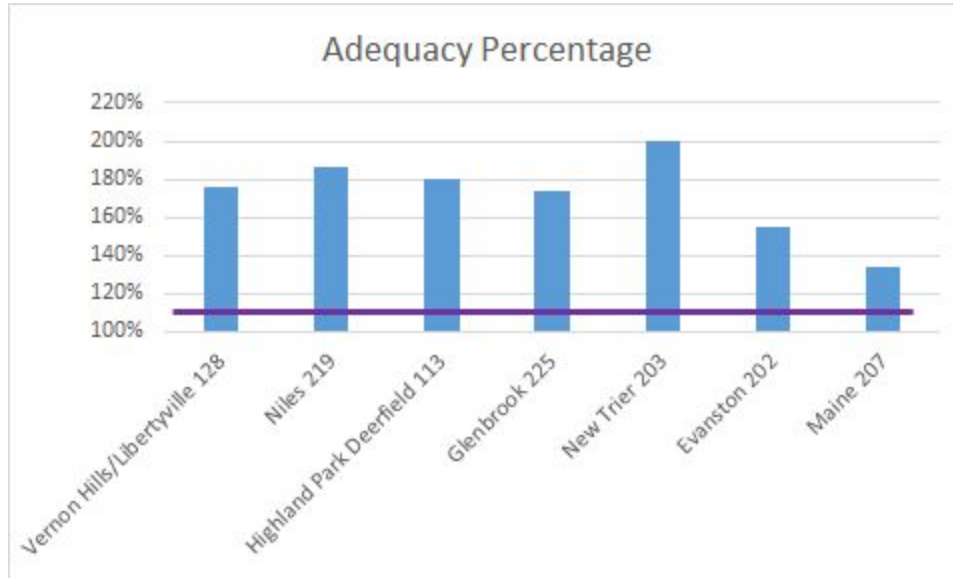
District 3

**Districts in  
Metropolitan Chicago  
counties are at 100+%**

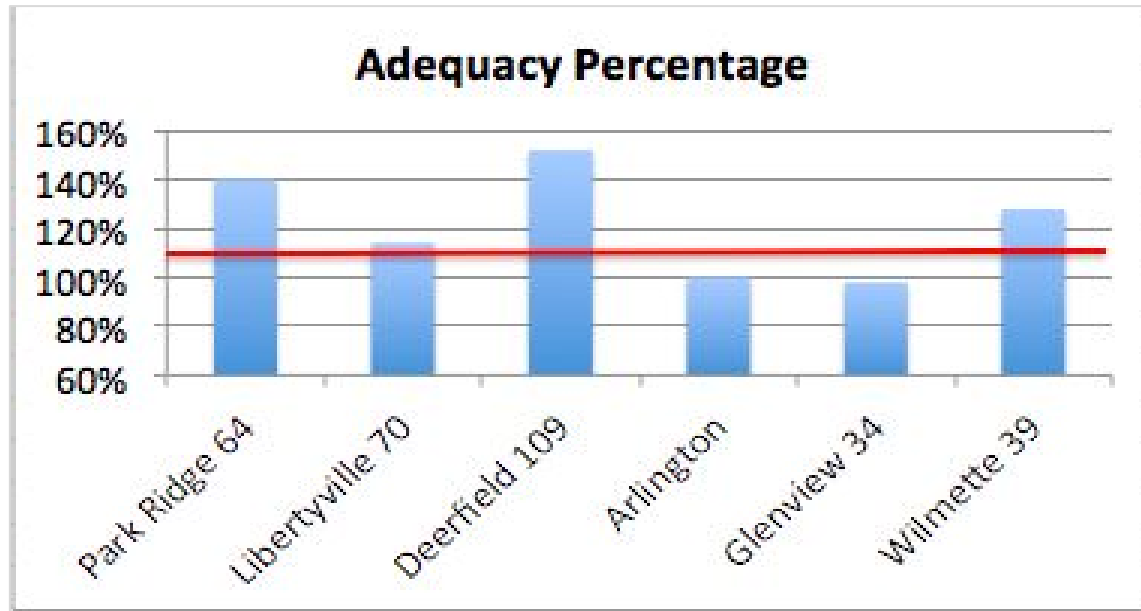
**FUNDING COMPARED TO ADEQUACY**



# *Preliminary* Maine Adequacy Target Comparison



# *Preliminary* D64 Adequacy Target Comparison





# Immediate impact?

- **State is beginning to pay the Base Funding due to districts in 22 equal payments**
- **State has not determined whether it will distribute categorical grants and transportation still owed from last year**