



April 14, 2015

State Board to consider plan to distribute \$97 million to ‘financially distressed’ districts after latest budget cuts

How to distribute a supplemental appropriation to help “financially distressed” school districts get through this school year is literally the \$97 million question. State Superintendent Dr. Chris Koch is expected to propose criteria when the Illinois State Board of Education meets Wednesday.

The proposal, which was referenced in [Koch’s weekly message](#), outlines the process to distribute the supplemental appropriation that was part of the FY 2015 budget fix that further reduced education funding for the current school year by more than 2 percent.

In the statute that created the supplemental appropriation (PA 99-0001), “financially distressed” school districts were defined as those being on ISBE’s financial warning or watch lists (unless they are on that list because of failure to file reports) or schools that are determined to have less than 180 days of cash on hand (DCOH).

According to ISBE’s calculations, 32 school districts with less than 30 days of cash on hand would qualify for 95 percent partial hold harmless funding, the Chicago Public School system would qualify for 91.5 percent, 546 districts would qualify for 73.6 percent, and 278 districts would not receive any of the supplemental funding.

In his written summary, Koch calls the proposal “an iterative process that comports with existing statute, past practice and the statutory language” of the bill. While saying that

the process is designed to help districts most in need, Koch also noted that “every district’s anticipated FY2015 state funding will be decreased, thus further requiring the potential for non-certified staff reductions and/or obtaining additional debt to make ends meet. Due to statutory timelines and requirements, certified staff cannot be reduced unless it is already a vacant position.”

The complete proposal, including a district-by-district breakdown, can be accessed by clicking [here](#).

Diane L. Hendren

Chief of Staff/Director of Governmental Relations
Illinois Association of School Administrators