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Impact of SB16 won't be clear until numbers are crunched

The legislature is out on spring break until April 29, at which time legislators are expected to resume their talks regarding Senate Bill 16, Sen. Andy Manar's proposal to overhaul the state's school funding formula.

Some superintendents have been receiving letters or calls from legislators asking their opinions of SB16. Without the district-by-district breakdown of numbers it is difficult for anyone to understand the full impact of the proposed changes. Legislation often has some unintended consequences, so we will know much more when those specific numbers are available, and ISBE has said it hopes to have those no later than mid-May.

Clearly, the overall effect of the proposal would be to reduce state aid to school districts that have more local property tax income and increase aid to districts that have lower local revenues. The new formula gives added weight for certain categories, including:

- **Low-income students:** The weight factor would range on a sliding scale from .25 to .85 depending on the percentage of low-income students in a district with the eligibility guideline being 185 percent or below the FPL.
- **English Language Learners (ELL):** Weighted at .20
- **Special Education:** Weighted at 1.0 and using 13.8 percent of the foundation level for reimbursement. Three existing line items (Children Requiring Special Education Services, Personnel Reimbursement and Summer School Services) are in the formula, but Special Education Transportation and High Cost Special Education are not. Regarding High Cost, every district would be reimbursed the same (3 times per capita).
- **Special Education Summer School:** .03
- **Vocational Transportation:** .12
- **Regular Transportation:** Weighted from .06 to .10 based on a scale that goes from the most dense quintile to the least dense quintile.
- **High School Outcomes:** .03 for Career Pathway and .02 for AP and dual credit
- **Gifted:** Weighted at .01

There is a three-year hold-harmless provision that includes the fact that you cannot gain or lose more than 15 percent for FY15, 40 percent for FY16 and 70 percent for FY17. The hold-harmless component ends after FY17.

In terms of oversight and accountability, districts would be responsible for reporting of the weights and the funding attributable to those weighted categories. Districts required to complete a District Improvement Plan would have to demonstrate budgeting and strategies that prioritize low-income, ELL and Special Education students. Also, there is a component that calls for accounting for revenues and expenditures at the individual school level beginning with the 2015-16 school year.

Funding the Chicago Public School (CPS) system long has been a controversial subject for downstate schools because CPS funding is not based on current student enrollment. Projections are all over the place regarding how CPS would fare under this new system that eliminates the block grant but gives great weight to low-income and ELL students. No one believes that CPS would end up with less money under the new system, and a Senate Republican projection shows that CPS could reap as much as \$490 million more using the new poverty calculations and the fact that the PTELL formula remains unchanged.

One interesting provision in SB16 allows any local resources used for payments into a public school teachers' pension fund to be deducted from their local resources in the new formula. This provision would seem to apply only to CPS and have the net effect of increasing the CPS per-pupil grant by the amount paid into the pension fund.

Looking at SB16 from the 10,000-foot level and understanding that a much higher percentage of state funding would be poured into the new weighted formula, it would appear that the net effect would be state funding being shifted from wealthier districts to poorer districts. That would seem to indicate that CPS and many downstate districts would fall into the "winners" category and many collar county districts and other wealthier districts would end up in the "losers" category regarding state aid.

The (hundreds of) million dollar question is to what extent certain districts would lose or gain state funding. That won't be known until ISBE has had time to crunch all of the variables and numbers. And that's when it will become much clearer just how difficult a political task it might be for SB16 to gain passage.

Here are some links to reports and information regarding SB16:

[ISBE SB16 Fact Sheet](#)

[ISBE SB16 Power Point](#)

[Republican report: School aid rewrite shifts statewide dollars to Chicago](#)