

SB1947

Evidence Based Funding
for Student Success Act

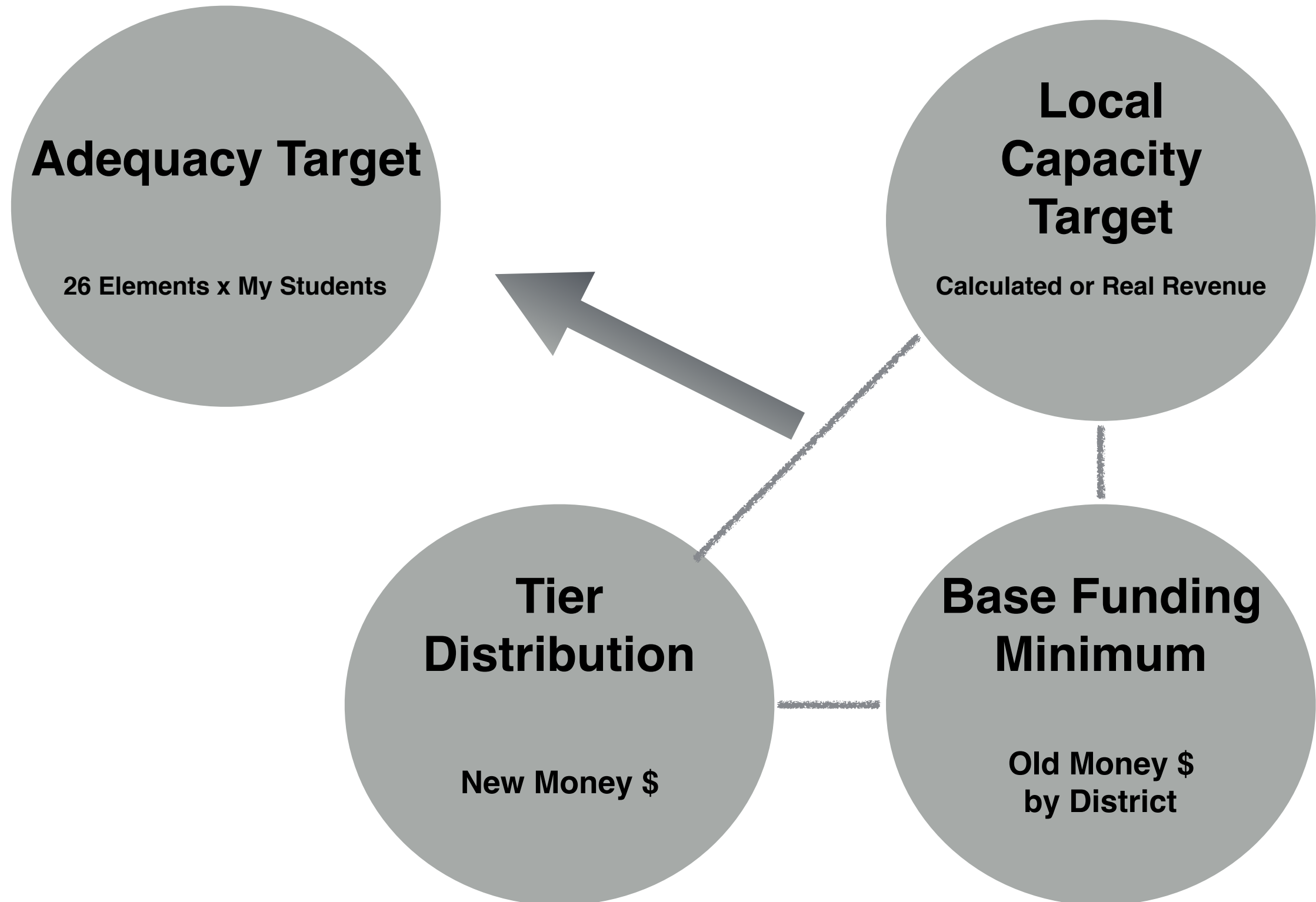
The Last Three Years

Vision 2020, Broad/Diverse Committee, Funding Commission, SB1 Passing out of the Senate and House, SB1124 Introduction, SB1947 Passage



Fundamental EBF

4 Major Components



Adequacy Target

Enrollment and Unique Student Population

STEP 1 Calculate Cost of 26 essential elements

Enrollment = Greater of prior year average(collected Oct 1/Mar 1 & Dec 1 for pre-school special ed) or average of prior 3 years.

Core Instructional Elements

Core FTE							
1a	Core Teachers K-3 (Low Income)	Class Size	15				
1b	Core Teachers K-3	Class Size	20				
2a	Core Teachers 4-12 (Low Income)	Class Size	20				
2b	Core Teachers 4-12	Class Size	25				
3	Specialist Teachers	K-5 % of Core	20%	6-8 %	20%	9-12 %	33%
4	Instructional Facilitators	K-5	200	6-8	200	9-12	200
5	Core Intervention Teachers	K-5	450	6-8	450	9-12	600
6	Substitutes	9 Days/FTE	33.33% of average teacher or sp ed aide salary				
7a	Core Guidance	K-5	450	6-8	250	9-12	250
7b	Nurse	K-5	750	6-8	750	9-12	750
8	Supervisory Aides	K-5	225	6-8	225	9-12	200
9a	Librarian	K-5	450	6-8	450	9-12	600
9b	Library Aide/Media Tech	K-5	300	6-8	300	9-12	300
10a	Principal	K-5	450	6-8	450	9-12	600
10b	Asst Principal	K-5	450	6-8	450	9-12	600
11	School Site Staff	K-5	225	6-8	225	9-12	200

STEP 1 Calculate Cost of 26 essential elements

Additional Elements

Per Student							
12	Gifted	\$ per Student	\$40				no CWI
13	Professional Development	\$ per Student	\$125				no CWI
14	Instructional Materials	\$ per Student	\$190				no CWI
15	Assessment	\$ per Student	\$25				no CWI
16	Computer Technology	\$ per Student	\$285.50	+ \$285.50 by grant for Tier 1 & 2			no CWI
17	Student Activities	K-5	\$100	6-8	\$200	9-12	\$675
Central Services							
18	Maintenance and Oper	\$ per Student	\$1,038				Salary = \$352.92
19	Central Offices	\$ per Student	\$742				Salary = \$368.48
20	Employee Benefits	30% of Salary	30%	Norm Cost	\$ -	Tier 3 for all districts	
Diverse Learners							
21	Intervention (Poverty/EL)	Per DHS	125	Per EL	125		
22	Pupil Support (Poverty/EL)	Per DHS	125	Per EL	125		
23	Extended Day (Poverty/EL)	Per DHS	120	Per EL	120		
24	Summer Sch (Poverty/EL)	Per DHS	120	Per EL	120		
25	English Learners (EL)			Per EL	100		
26a	Special Ed Teachers	K-5	141	6-8	141	9-12	141
26b	Psychologist	K-5	1000	6-8	1000	9-12	1000
26c	Special Ed Aides	K-5	141	6-8	141	9-12	141

ISBE will calculate the Adequacy Target for every district and communicate that information annually.

Why does the Adequacy Target really matter, and how do I use it?

- According to the model...
- Our current reality...
- Our story...Our plan...Our outcomes
- Building and communicating that story

Base Funding Minimum

- FRIS Project Year 2017
 - Program 3001 General State Aid
 - Program 3105 Funding for Children Requiring Special Education Services
 - Program 3110 Special Education Personnel
 - Program 3145 Special Education Summer School
 - Bilingual Funding if Applicable
- May be higher because of enrichments in the law
 - EL \$35 million, SPED Summer School \$1.7 million
- $\text{BFM18} + \text{New Money18} = \text{BFM19}$

Local Capacity Target

- Calculated is a ratio of Adequacy Target:EAV
- Adequacy Target of \$20,000,000
- EAV of \$100,000,000
- Ratio of 0.20, consider 25th percentile
- Capacity: \$5,000,000

Local Capacity Target

- Real Revenue: Adjusted Operating Rate x Available EAV
- Adjusted Operating Rate: ED, LEASE, SPED, OM, IMRF/FICA (NO TRANSPORTATION, a rate equivalent to what you are not reimbursed, EXP-ISBE:EAV)
- EAV of \$100,000,000 x AOR of \$4.20
- Real Revenue: \$4,200,000

Local Capacity Target

- Real Revenue of \$4,200,000 vs Calculated Revenue \$5,000,000
- The model will use the Calculated Revenue number
- There is no mandate to close the gap if one exists
- What if Real Revenue exceeds the Calculated Revenue: Discount relative to the Gap to Adequacy.

Real Revenue > Calculated

Discounting Impact

- Calculated= \$4.2 million & Real= \$5.0 million
- District LCT % or percentile placement, 25%
- Gap= \$800,000 at 25% then \$200,000, so for formula purposes LCT= \$4,400,000

Tier Distribution

- In general, the distribution of the State Appropriation
 - 50% to Tier 1, 49% to Tier 2, 0.9% to Tier 3, and 0.1% to Tier 4
- Tier Targets: Tier 1 is fluid (est. 64%), Tier 2 is hard (90%), Tier 3 is hard (100%), and Tier 4 is above 100%

Tier Distribution for a Tier One School

These thresholds are dynamic so an exact example is difficult but this is generally how the math works.

- Example School: 60% of Adequacy, Target is \$10,000 per pupil, Currently \$6,000 per pupil
- Tier 1 Gap: \$6,000 to \$6,400, Gap= \$400, purpose of Tier 1 is to close 30% of that gap or \$120
- Tier 2 Gap: \$6,000 to \$9,000, Gap= \$3,000, purpose of Tier 2 is to close 5% of that gap or \$150
- Example School gets \$270 per enrolled pupil in tier funding (New Money)

Tier Distribution for a Tier One School

These thresholds are dynamic so an exact example is difficult but this is generally how the math works.

- Another way to look at it
- If your adequacy target is \$10,000,000 and your current % of adequacy is 60%, \$6,000,000
- Your Tier 1 Target is \$6,400,000 or a Tier 1 Gap of \$400,000, filling at approximately 30% or \$120,000
- Your Tier 2 Target is \$9,000,000 or a Tier 2 Gap of \$3,000,000, filling at approximately 5% or \$150,000

What About Commitment to Funding?

- Minimum Funding Level requires state to contribute at least \$300M to the formula and at least another \$50M to either the formula or tax relief.
- If Minimum Funding Level is not reached, then new dollars appropriated above BFM will be focused on the least adequately funded districts.
- The Minimum Funding Level is not a guarantee that no district will ever lose money. All districts, not just the least well-funded, need to advocate for the state to fully fund education each year as the budget is negotiated.

What About Cuts to Funding?

- If the state does not appropriate enough to cover the cost of the Base Funding Minimum, then funds are first removed from the BFM of the *most* adequately funded districts (unlike proration in the past).
- In this case, Tier 3 and 4 districts would first lose any evidence based dollars received in prior years
- If that does not cover the value of the under-appropriation, then further reductions are on a per pupil basis for all districts.

**WHAT OTHER PROVISIONS
WERE INCLUDED IN THE BILL?**

Parity and Security in Pension Payments

- In SB1947, outside of distribution formula, CPS' normal cost of pensions is now covered by state (\$221M in FY 18) and protected by “continuing appropriation”.
- CPS responsibility for its unfunded liability is recognized in the calculation of its local capacity.
- All other districts will be treated the same if they have unfunded liability from the new “Tier 3” pension system.
- Allows CPS to increase property tax levy for pensions.

Property Tax Provisions

- Creates Property Tax Relief Fund targeted to districts with high property tax rates but low property wealth
 - Districts apply for state grant which they use to reduce property taxes
 - Districts with the highest tax rates are first in line for property tax reduction
 - Districts will receive a percentage of the amount they intend to lower property taxes in a grant, based on their property wealth (up to 1% of EAV for a unit district)
- Requires state appropriation to fund the grants. No funding appropriated in FY18
- Voters in districts funded above 110% of adequacy can petition for referendum to lower property taxes by 10%
- Creates Task Force within General Assembly to look at TIF funding issues. Report due April 1, 2018.

Private School Scholarship Program Tax Credit

- Individuals and corporations can contribute up to \$1.3M annually and receive a 75% tax credit (credit of up to \$1M)
- Maximum of all tax credits in \$75M annually. This will represent \$75M less in state revenue.
- Program runs from January 1, 2018 – December 31, 2022
- ISBE must hire independent research organization to report on student learning gains. Students must be assessed using same assessment as district schools.
- Students in families up to 300% of poverty level are eligible for scholarships
 - Priority given to students in families under 185% of poverty level or live within a focus school district
 - Scholarships given on sliding scale, with only students below 185% of poverty receiving full tuition

Mandate Relief and Charter Funding Equity

- PE.** School boards can determine frequency of PE, as long as it is at least 3 days per week (previously statute required daily PE)
- Sports Exemption.** Allows districts to exempt on a case-by-case basis 7th-12th graders who participate in sports from the PE requirements (previously only 9th – 12th graders could be exempted)
- Driver's Education.** Allows districts to contract with third part Driver's Education vendors without requesting a waiver from the General Assembly.
- Streamlined Waivers.** Provides streamlined process for waivers from the General Assembly from other state mandates
- Charter Payments.** Narrows range of payments to charters to ensure parity in funding with district-run schools

Next Steps?

ISBE and the FY2018 Payments

- The Illinois State Board of Education (ISBE) is in the process of verifying data elements needed to calculate school districts' 2018 state payments under the EBM system enacted in SB1947.
- Final calculations and Tier placements will be available in a few months.
- Initial payments to school districts will be the Base Funding Minimum (BFM) amounts, or hold harmless payments, which are equal to the expected final fiscal year 2017 distributions
- Each district's preliminary base-funding minimum amounts can be viewed at www.isbe.net/ebf2018
- Districts will receive payments on the 10th and 20th of each month from September through June in FY 2018
- In future years, the schedule will remain the same as General State Aid was previously distributed – 22 payments in total distributed August through June.

Alliance Professional Development

- Workshops beginning in January
 - EBM
 - ESSA
 - Bridge Between

Questions?