

ED-RED Finance – Legislation Meeting**Maine District #207 Administrative Offices – Board Room
1177 South Dee Road, Park Ridge****Friday, February 10, 2017
1:30 – 3:00 pm****AGENDA**

1. Call to Order
2. Introductions
3. Approval of Meeting Minutes (January 13, 2017)
4. New Business

5. Program: School Funding Reform: Ongoing Dialog**Special Guest: Brian Battle, ED-RED Board Chair/Barrington BOE President**

In late January, Illinois Attorney General Lisa Madigan filed a motion in St. Clair County to halt the pay of state employees in 60 days. This followed the Lame Duck Session where no action was taken by the General Assembly to address the expiration of spending authority as of December 31, 2016. Illinois Senate Leaders remain focused on their "Grand Bargain" to achieve structural reforms and enhance revenues to remove the 2-year budget impasses currently unfolding. In a speak delivered Monday, Senate President Cullerton, did acknowledge, their caucus has been working independent of the House of Representatives and Governor Office on this proposal. At the same time, the House is anticipated to act upon a budget proposal this week that will thwart concerns that state employees will be unpaid, and Governor Rauner is scheduled to deliver his third State Budget Address next week Wednesday.

As the heart of the 2017 Legislative Session kicks off, there is much work to be done in both chambers and the Governor's Office to achieve a budget resolution for the remainder of FY17, and to prepare Illinoisans for the unknowns of the FY18 budget required by July 1, 2017.

ED-RED invites you to join us this Friday as we discuss the status of the Senate's Grand Bargain, review the Governor's Commission Final Report and detail the ongoing dialog around funding reform. Please bring your questions and help us shape our legislative agenda for the 2017 Spring Session.

6. Adjourn

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*Next Meetings:*

- **Illinois Consolidate Primary, February 28, 2017, statewide**
- **No ED-RED Meeting March 3, 2017**
- **Illinois Consolidated Primary, April 4, 2017, Statewide**
- **ED-RED Finance Legislation Meeting, Friday, April 7, 2017, Maine #207 Admin Office, 1177 S. Dee Road, 1:30-3:00pm**
- **ED-RED Finance Legislation Meeting, Friday, June 2, 2017, Maine #207 Admin Office, 1177 S. Dee Road, 1:30-3:00pm**



ED-RED  
Finance Legislation Meeting  
January 13, 2017  
1:30 to 3:00 pm

Attendees: Nelson Gray (62), Karen Roloff (Elmhurst College), Linda Lucke (Libertyville), Mary Werling (21), Anne Sills (202), Corey Bultermeier (15), Jordi Camps (63), Mike Scharringhausen (211), Jim Poskozim (62), Yasmine Dada (128), Michael Adamczyk (15), Danielle Stanley (CTBA), Eric Trimmerger (219), Gretchen Livingston (202), Terri Collins (207), Stacey Mallek (25), Brian Novak (219), Patrick Mogge (214), Lauren Hummel (211), Tracy Katz Muhl (28), Deb Wilson, Bill Harrison (21), Mary Rodino (202), Greg Kurr (36), Sarah Miller (ED-RED), Caryn Valadez (ED-RED), Arabed Hernandez (ED-RED)

***Meeting called to order at 1:30 pm.***

Motion to approve minutes dated December 2<sup>nd</sup>, 2016 was made by Bill Harrison, seconded by Jim Poskozim, and passed unanimously.

**Caryn's Report:**

Washington:

On January 3<sup>rd</sup>, 2017, the 115<sup>th</sup> Republican controlled Congress commenced. The major focus for this Congress will be the repeal of the Affordable Care Act. Meanwhile, the Trump Administration awaits Inauguration Day which is scheduled for the 20<sup>th</sup> of January. Already president-elect Trump has filled 19 of his 21 cabinet appointments. Congress has been and will continue to work on the hearings and the confirmations of these appointees. A controversial appointee, Betsy DeVos, for Department of Education confirmation hearing has been postponed and is one that ED-RED will be watching diligently.

Springfield:

Lame Duck Session was held on January 9-10, and it was the hope of many that lawmakers would extend the budget to the second half of the FY17 fiscal year and achieve comprehensive pension reform. It was anticipated during the January session, due to only needing a simple majority voting, that legislators would pass a bill to enhance revenues by increasing the income tax. This however, was not the case. As part of the Fall Veto Session, the House released and voted on a bill requiring a 2/3<sup>rd</sup> vote on any legislation revolving around revenue enhancements, thus putting the simple majority plan out of reach.

Then on Wednesday, January 11, the 100<sup>th</sup> General Assembly was sworn in. Democrats continue to control both chambers – the Senate remains holding a super-majority with 36 members, and the House maintains a simple majority with just 51. This will result in the House Republicans having to act more diligently on issues such as enhanced tax revenues.

As the new GA kicks off, they have reintroduced their efforts around the “grand bargain”. All of the package is tied together, so in the event one fails, they all fail. The grand bargain includes: Pension reform - talk of eliminating the General Assembly retirement system and allowing tier 1 employees to opt out and sign up for a 401K instead; Increase minimum wage moving to \$15 an hour 2021; Restructuring Illinois General Obligations Bonds to find \$7 billion to borrow to pay down Illinois bill backlog; Expanding gaming (race tracks and casinos); Giving CPS parity; Enhancing revenues by raising the income tax to 4.99% from 3.5% and taxing sugary beverages; Workers compensation reform; and, a two-year property tax freeze, coupled with mandate relief. Although introduced, the grand bargain has not moved forward.

Meanwhile in House chamber, a stop-gap budget for the next six months was approved, funding MAP grants for students and funding social services. Additionally, two proposals around property tax freeze and mandate relief have made it out of committee (HB6630/SB1919, but neither measure is expected to pass the full chamber. The proposals dictate a two-year property tax freeze, setting the extension rate at 0% or one approved by voters, and in return provides schools mandate relief (reducing PE days, outsourcing Drivers ED, third party contracting). ED-RED encourages the state, if property tax relief is provided, to also provide stable revenue for schools. ED-RED has strongly advocated against any type of property tax freeze and will continue to do so. ED-RED is in the process of crafting a white paper around this issue and will share it with members when finalized.

Senate Bill 550: Lead testing within schools. Mandates that if the last test conducted was before 2000 the school must test by December 31, 2017. If the school tested after 2000 it must conduct a new test by December 31, 2018. Every single faucet must be tested once and results must be turned in and accredited by the agency that handles lead testing within the state. If a school has tested since January 2013 or if a school tests within 120 days of this bill, the school may receive a waiver. The city of Chicago has been exempted of this mandate. There is a requirement for schools that score more than 5 parts per million, that they are to inform guardians of failure to pass but are not require to inform guardians of remedial efforts. Due to this bill being a public health issue, ED-RED remained neutral. The bill has passed both chambers.

#### **Sarah's ESSA Update:**

Timeline: Final draft of the State Plan will be completed in the next few weeks. The Governor will have 30 days to review and revise. The official Final State Plan will be submitted to ISBE at the March 15 Board meeting. The deadline for submittal to the U.S. Department of Education will be on April 3, 2017.

*Major issues with ESSA are student assessments and accountability:*

#### Three issues with student assessment:

- 1.) Will PARCC continue at K-8 level, since the contract ends 2018?
- 2.) EL Proficiency - Should the EL ACCESS test scores be increased or decreased?
- 3.) Testing in a language other than English. Assessments available in languages other than English when more than 30% (ED-RED views arbitrary) of EL students speak same language. ED-RED recommends that language of the assessment should be choice of student and no cost to districts.

#### Four questions within Accountability:

1.) *What components and indicators are going into the accountability determinations?*

- Academic measures must be 51% or more of overall accountability determination. K-8 measures are: academic achievement as evidenced by annual assessments, EL Proficiency, and measures of student growth. High school measures are: academic achievement as evidence by annual assessments, EL proficiency, graduation rate. Non-academic measure must be 49% or less of overall accountability determination. Additionally, both K-8 and high school must include at least one other "indicator of school quality and student success".

2.) *What percentage will each of these components/indicators be worth (i.e. 60/40, 51/49 or 70/30)?*

*3.) What will accountability determination look like to the public?*

- There are two options to “meaningful differentiate” Schools with at least three overall determinations. ED-RED proposed using the definitions already set forth in in ESSA which include those that require comprehensive support, those that require targeted support and all other schools. ISBE’s recommendations as of now place schools in one of four categories: initial, growing, meeting and exceeding but were made prior to the release of the U.S. Department of Education’s final regulations.

*4.) What will the long term goals and measures of interim progress?*

- Within ISBE’s proposed plan, it targets the year 2032 for schools to meet long term goals of: 90% or more 3<sup>rd</sup> grade students at reading level, 90% or more of 5<sup>th</sup> grade students at mathematics level, 90% or more of 9<sup>th</sup> grade students on-track to graduate with their cohort, and 90% or more of students’ graduate

ED-RED is waiting for final document from ISBE to be released.

**Closing Comments:**

**Executive Board:**

The Board has taken on a Dual Credit Initiative as well as working on the organizations Bylaws.

**Legislative Dinner:**

The dinner will be hosted on January 30, 2017 at the Marriott Hotel Chicago O’Hare. ED-RED will have three pre-dinner workshop sessions: ESSA: Accountability, School Funding Reform, and K-12 Readiness and Dual Credit. Additionally, for dinner we have a legislative panel lined up. Registration is open and we look forward to seeing everyone partake in the conversation around education and our students.

Meeting adjourned at 3:00 pm.

Minutes respectfully submitted by Arabed Hernandez.

## **Illinois School Funding Reform Commission Report to the General Assembly and Governor Rauner**

### **Introduction**

The research surrounding Illinois' disparity in school funding and student outcomes is alarming. While FY13 numbers show Illinois as 15<sup>th</sup> in the nation in average public school spending per pupil, there are only two states in the country with larger gaps between spending on the wealthiest versus the poorest school districts.<sup>1</sup> On average, the state's school districts with the greatest number of low-income students receive 20% less funding than wealthier districts.<sup>2</sup> In addition, the most recent school report cards issued by the Illinois State Board of Education (ISBE) indicate that only one in three elementary school children performs on grade level in reading and math and that half of Illinois public high school graduates either do not go to college or need remediation upon enrollment.

In response to this crisis, on July 12<sup>th</sup>, 2016, Governor Bruce Rauner created the bipartisan, bicameral **Illinois School Funding Reform Commission** to provide a framework to the General Assembly for reforming the current school funding formula. The Governor's action makes it clear that the current funding formula is not sustainable. Previously, the General Assembly also attempted to address this problem, including the passage of two bills by the Senate and a series of legislative and public hearings across the state.

The Commission consisted of both gubernatorial and legislative appointees. State Secretary of Education Dr. Beth Purvis was appointed by Governor Rauner to serve as a member and chairperson. Reverend James Meeks, Chairman of ISBE, and Dr. Tony Smith, Superintendent of ISBE, agreed to participate in meetings and to facilitate the Commission's work.

At the heart of the Commission's diverse representation was an implicit acknowledgment that no recent funding formula proposal has passed the Illinois General Assembly and made its way to the Governor's desk for signature. In order for the General Assembly to pass comprehensive legislation aimed at meaningful, lasting reform, the proposal needed to be bipartisan, bicameral, and drafted with a deep understanding of the complicated landscape of school finance.

The Commission held its first meeting on Wednesday, August 3, 2016. All Commission meetings were open to the public, including the press, and all meeting minutes and materials were available on the Commission's website. At this meeting, members of the Commission

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<sup>1</sup> Baker, Farrie, Luhm, & Sciarra, *National Report Card on School Funding*, Education Law Center at Rutgers Graduate School of Education (March 2016).

<sup>2</sup> Natasha Ushomirsky and David Williams, *Funding Gaps 2015*, The Education Trust (March 2015).

agreed that their goal was to present to the General Assembly and the Governor recommendations for a new K-12 funding formula that would increase state support of education, better define adequate funding for education, and distribute funds in a more equitable manner. In the past, other commissions have also looked at this issue; this Commission, however, has paved a clear path for General Assembly members to operationalize this framework into legislation to ensure all communities are supported in an effort to achieve adequate and equitable school funding.

The Commission held 18 large group meetings and 13 smaller working group meetings, and heard from numerous subject matter experts.<sup>3</sup>

During the last month of the Commission, members worked with educational experts and advocates to create a framework that reflects its theory of change. This framework is the basis for a K-12 funding formula that will establish a unique funding target (“adequacy”) for each district that reflects the particular needs of children in that district and will lead to improved outcomes for students. The adequacy target will be based upon best practices as reflected in educational research and through consensus expert opinion. The distribution of state funds to districts will reflect the availability of local resources to meet or exceed the adequacy target, current district allocations, and student count. The funding formula will allocate additional resources as needed for children with disabilities, children who are English learners, children who live in families that are considered low-income, and children who live in areas of concentrated poverty.

Over the last two years, members of the General Assembly and Governor Rauner allocated record funding for Illinois schools; however, significantly more funds will be needed to ensure that every child in Illinois attends an adequately funded school. The Commissioners understand that fact and will recommend a funding formula in which those districts that are farthest away from their adequacy target will receive the greatest benefit from any formula change and additional resources until all districts have met their respective targets. At the same time, no per pupil funding level will change in such a way that the current quality of education in any Illinois school district would be diminished (i.e., a “hold harmless” provision). Additionally, individual Commissioners recommended legislative changes to ease property tax burdens.

It is necessary to face the challenges of adequate school funding head-on. The state currently spends about \$11 billion on elementary and secondary education, including about \$4 billion for current and legacy costs of teacher retirement. Without clearly identified new resources for the framework, the \$11 billion in spending will continue to be inadequate and inequitable. In

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<sup>3</sup> See Appendix I: Commission Members and Meetings

addition, the \$4 billion in current pension expenditures do not contribute to any formula goals of adequacy and equity. Any transitions to a new formula also bring challenges: if a hold harmless provision is included, there will be little to no equity ever achieved within the existing \$11 billion. If a hold harmless provision is not included, districts have little ability to plan and transition smoothly. It is unclear if a permanent versus temporary hold harmless should be recommended. The ability to dedicate additional resources to education funding is critical for the success of this Commission's work.

### **Framework for a New Illinois School Funding Formula**

In order for the Illinois school funding formula to meet the needs of all Illinois public school students adequately, regardless of geographic location or community wealth, the Commission agreed to the creation of a clearly defined individualized **adequacy target** for each school district based on the unique needs of its student population. These targets will be based on adequacy elements<sup>4</sup> and calculated according to, at a minimum, student count, the number of students living in poverty as determined by the Department of Human Services, concentration of poverty, and the diverse learner population in each district. A regionalization factor will be applied to relevant inputs in order to account for varying costs in wages across the state. The percentage of state funds contributed towards meeting the district adequacy target will be determined proportionally by the amount of local available resources.

The Commission members agree that **low-income children and those who live in areas of concentrated poverty require additional resources and attention to reach their academic potential**. Three mechanisms have been discussed that could be used to increase funding to districts with high concentrations of poverty. First, elements could provide increased funding for low-income students and students living in concentrated poverty. Second, using enrollment instead of average daily attendance may increase funding to schools with large low-income student populations or populations of students in concentrated poverty. Third, the distribution formula could direct additional funds to districts based on poverty concentration. In addition, funding alone is unlikely to be sufficient to close the gap; new service delivery approaches will also be needed. ISBE is working to build a model in which the separate and cumulative effect of these factors can be assessed so as to best ensure that this point of consensus is reflected accurately in the data.

**Elements will be written into statute;** however, it is important to the members of the Commission that **there be flexibility in their implementation so that districts can implement strategies that will lead to the best academic and socio-emotional outcomes for their**

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<sup>4</sup> See Appendix II: Adequacy Elements



**students.** Within three years of the initial implementation, ISBE should suggest changes, if warranted. At the time of writing this report, the amount of additional state money needed for all districts in Illinois to be at or above their adequacy target is estimated to be a minimum of \$3.5 billion over the next decade. It should be noted that this figure makes several assumptions and will fluctuate over time as adequacy targets and local capacity change. In fact, for the state to take an increasingly larger share of responsibility for education funding (e.g., 51%), this figure is projected to rise by at least \$2.5 billion. However, how the rate at which we achieve that goal has not been decided. Furthermore, this figure does not account for additional capital needs of the districts.

The statute will create a **Commission for the Oversight and Implementation of the School Funding Formula**<sup>5</sup> made up of General Assembly members and appointees by the Governor's Office and ISBE. This panel will recommend to the General Assembly any implementation updates, based on available data, emerging best practices, and cost-of-living adjustments. Insofar as the panel sees fit to provide recommendations for legislative changes to improve the formula and its implementation, those recommendations shall be included in its report as well. Upon establishment of the new review panel, the **Illinois Education Funding Advisory Board (EFAB) will sunset.**

From FY10 through FY16, the General State Aid (GSA) portion of the school funding formula was prorated.<sup>6</sup> To protect the per pupil current funding level for each district in any formula transition, the hold harmless will be calculated on a per pupil basis using a three-year average of student count. The use of enrollment versus average daily attendance (ADA) should be revisited by the Commission for the Oversight and Implementation of the School Funding Formula as accurate and reliable data become available and upon analysis of the impact of the new formula.

There is consensus among Commissioners that the previous method of proration was particularly detrimental to poorer districts, as they are more heavily reliant on state resources. Going forward, any future decreases in state funds for K-12 education should be addressed using a different method. Children who attend schools with the largest gap between their adequacy target and current funding levels should see reductions in state funding only after districts at or above their adequacy targets lose funding. The Commission has not yet determined how to best operationalize those funding cuts. ISBE must model specific scenarios to ensure that the final bill language reflects the intent of the Commission and protects our most vulnerable students.

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<sup>5</sup> See Appendix III: Commission for the Oversight and Implementation of the School Funding Formula

<sup>6</sup> Historical trends in General State Aid: <https://www.isbe.net/Documents/gsa-historical.pdf>

Illinois has one of the widest inequities in school funding in the nation. To increase equity in the funding of Illinois Schools, the Commission agrees that, **as money is added to the integrated formula, it will be distributed first to those districts farthest from adequacy.** As part of defining that distance from adequacy, **the distribution model should take into account local contributions to school funding.** Specifically, there is consensus that by establishing a “local capacity target” reflecting each district’s local wealth, taxpayers will better understand the relationship between their local contribution and the district’s ability to meet its adequacy target. The distribution model must include consideration of local wealth with special consideration for districts with low EAV and high taxes that, despite their effort, are still not adequately funded. Many Commissioners stated their desire that a new funding formula would lead to eventual tax relief for districts with high property taxes, with the expectation that the issue would be addressed. The Commission has not yet determined how to best operationalize the local capacity target. ISBE must model specific scenarios to ensure that the final bill language reflects the intent of the Commission.

**Both the normal cost of pensions and statewide pension liabilities affect the ability of the state to make strides towards adequate school funding.** As reported by multiple expert presenters to the Commission, differences in salaries across the 852 school districts create further inequity via disparities in pension contributions. Compounding that issue, CPS is the only school district in the state responsible for the employer’s share of the pension costs.

Commission members spent multiple meetings discussing the needs of diverse and special populations. Among their conclusions was to **leave the early childhood funding line item out of the integrated formula.**

**Additional funds are required to meet the needs of English learners (ELs) and will be included in the elements of the integrated formula.**<sup>7</sup> To ensure that the funds allocated to ELs are used specifically to meet the needs of that population, districts must apply to ISBE and be approved to use these funds in a strategic plan that includes a description of direct services.<sup>8</sup> These funds may not be used for any other purpose apart from fulfilling EL needs. Funding for technical assistance, professional development, and other support to school districts and educators for services concerning ELs should be maintained as part of the funding allocated for the Illinois EL student population.<sup>9</sup>

Meeting the needs of students with disabilities in accordance with the Illinois School Code and the Individuals with Disabilities Education Act is a priority of all Commission Members.<sup>10</sup> **The**

<sup>7</sup> See Appendix II: Adequacy Elements

<sup>8</sup> Transitional Bilingual Education Administrative Rules: <https://www.isbe.net/Documents/228ARK.pdf>; as addressed in SB 231

<sup>9</sup> See Appendix IV: Suggested Language

<sup>10</sup> Special Education Law, Guidance and Regulation: <https://www.isbe.net/Pages/Special-Education-Regulations-Legislation.aspx>

**funding of the majority of special education services will be incorporated into the elements of the integrated formula<sup>11</sup> with similar protections as EL funds to ensure that special education dollars are used to provide the appropriate services, in accordance with each child’s Individualized Educational Program.**

The Commission acknowledged the specific needs of disconnected youth, specifically those children who have dropped out of school. Consensus was reached to **maintain current funding structures and line items for programs for disconnected youth**. It was recommended that the Commission for the Oversight and Implementation of the School Funding Formula determine through future discussions whether to address the needs of disconnected youth through the integrated funding model.

Proration and delayed transportation payments have caused significant distress to school districts, especially rural districts. Consensus was reached to **leave the transportation funding line item out of the integrated formula and maintain it as a categorical reimbursement**. ISBE and the Illinois Department of Transportation will work collaboratively to identify opportunities to ease transportation mandates and increase collaboration while continuing to prioritize student safety.

Current statutes allow school districts to spend less money on public school children who attend district-authorized public charter schools than on children who attend traditional district-run public schools. Given that the majority of children who attend charter schools qualify for free/reduced-price lunch, this may result in inequitable treatment. Consensus was reached that **district-authorized charter schools should receive adequate funding that is equitable to the funds allocated to district-managed public schools on a per pupil basis**.

The sheer number of school districts in Illinois makes for system inefficiencies and contributes to the inequity within the state. Existing consolidation incentives and initiatives have been underfunded and have often focused on rural school districts rather than consolidating dual school districts into single unit districts. Commissioners agree that **consolidation in certain areas of the state is important but that the solution to this problem should not be reached through funding formula reform**.

Increasing school funding will not result in improved outcomes for students unless a district and school strategically plan for use of those funds, drawing upon best practices and local context, and then execute all aspects of their educational plan with fidelity. In exchange for local control, districts must be transparent in how funds are being spent and whether or not

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<sup>11</sup> See Appendix II: Adequacy Elements

increased school funding results in increased student growth and higher proficiency rates for students from kindergarten through college and career readiness.

The Commissioners agreed to a **spending transparency report that communicates federal, state, and local spending in a way that is understandable to the average person to be included on the Illinois State Report Card**. Such a report should give details of both district- and school-level spending, including for the purposes of examining intra-district equity. In addition, the state accountability system recommended through ESSA will be used to determine whether or not increased funding leads to improved student outcomes, specifically in terms of students' academic growth. A mechanism will be included in the law to require ISBE to investigate any district that is receiving increased investment with no improvement or a decline in outcomes. Depending on the results of the inquiry, the State Board may intervene and support the district.

## Outstanding Issues Requiring Resolution

### Mandate Relief

Currently, Illinois school districts are required to adhere to over 100 “unfunded mandates” that have each been approved by general assemblies and governors. These mandates have varying costs but overall reduce available dollars, increase bureaucracy, and decrease flexibility for teachers and administrators. It is important to note that some of the management tools under consideration already exist at CPS, but no other school district has those tools available.

Several Commission members requested “mandate relief” in the scheduling of physical education classes; the use of licensed drivers’ education instructors and programs; the right to use third party contractors for non-instructional services; the right to exercise greater management flexibility; and the right to allow up to 40% of any general education class to include children with disabilities, as is allowed by federal law. These Commission members argued that, by allowing districts freedom to determine such issues at a local level, schools can better meet the needs of students, as for example through scheduling changes. In addition, they argue that, for districts already operating at or above their adequacy target, mandate relief may become the only local benefit, thus garnering bill support. Other Commission members requested further information regarding the actual savings that could be achieved through these changes, as well as an explanation as to how these changes could improve student outcomes.

### Location of Educational Services for Students with Disabilities

Regarding special education line items and/or integration into a new formula, ISBE staff will work collaboratively with the members of the General Assembly to determine how to ensure, through possible changes to the School Code and/or the funding formula, that funding does not influence whether students are placed in private or public special education settings. These discussions will include meeting the needs of medically fragile students. The recommendations of this group will be forwarded to and reviewed by the Commission for the Oversight and Implementation of the School Funding Formula.

### Chicago Public Schools (CPS) Block Grant

As discussed in the Commission, CPS currently receives additional funds through the special education, special education transportation, transportation, and other line item budget allocations via block grants. Audits indicate that CPS is spending these funds for these purposes. They would receive a lesser amount, however, if they applied for reimbursement of

those claims.<sup>12</sup> In this respect, CPS is unlike any other district, including those serving a higher percentage of low-income and minority students.

### Private School Tax Credits

Approximately 12% of Illinois children attend non-public schools. Governor Rauner and some members of the Commission support the availability of school choice tax credits for individuals or corporations donating money to fund scholarships for low-income students, as long as those schools are nonprofit and the accepting school publishes accountability data equivalent to what is required for public schools.

### **Closing Statement**

Education reform must be a top priority for the State of Illinois. The Commission would like to acknowledge the outside experts and advocacy groups that have given generously of their time and expertise to aid in the Commission's efforts. The Illinois State Board of Education has also provided tremendous resources and expertise. Without these groups, Commission work would not have been possible.

The funding formula in Illinois has been broken for far too long. While this Commission was given an aggressive timeline, it worked tirelessly over the past five months to achieve what many other funding commissions have not: a comprehensive framework that aims to adequately and equitably fund our schools while prioritizing the needs of individual students. The Commission also acknowledged the need for additional revenue to do so. It is the Commission's hope that this framework is the basis for comprehensive, bipartisan, bicameral education funding legislation that will ensure that all students in Illinois have the same opportunity for a high-quality education. We urge the Governor and the General Assembly to work quickly to resolve all outstanding issues needing resolution through legislative negotiations so that a new funding formula can be in place for Fiscal Year 2018.

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<sup>12</sup>CPS Block Grant Reports: <https://www.isbe.net/Documents/cps-block-grant-claim-data-sy14-15.pdf>

## Appendix I: Commission Members and Meetings

Table 1: Commission Members

| Name                     | Role                                             | Appointed by                                                                         |
|--------------------------|--------------------------------------------------|--------------------------------------------------------------------------------------|
| Jason Barickman          | Senator                                          | Leader Christine Radogno                                                             |
| Jennifer Bertino-Tarrant | Senator                                          | President John Cullerton                                                             |
| Daniel Biss              | Senator                                          | President John Cullerton                                                             |
| Avery Bourne             | Representative                                   | Leader Jim Durkin                                                                    |
| Fred Crespo              | Representative                                   | Speaker Michael Madigan                                                              |
| William Davis            | Representative                                   | Speaker Michael Madigan                                                              |
| James Dimas              | Secretary of Department of Human Services        | Governor Bruce Rauner                                                                |
| Barbara Flynn Currie     | Representative                                   | Speaker Michael Madigan                                                              |
| Emily Gibellina          | Special Counsel and Policy Advisor for Education | Governor Bruce Rauner (appointed January 30, 2017 to replace Jennifer Hammer)        |
| Jennifer Hammer          | Deputy Chief of Staff for Policy                 | Governor Bruce Rauner                                                                |
| Sheri Jesiel             | Representative                                   | Leader Jim Durkin                                                                    |
| Dwight Kay               | Representative                                   | Leader Jim Durkin                                                                    |
| Kimberly Lightford       | Senator                                          | President John Cullerton                                                             |
| Dave Luechtefeld         | Senator                                          | Leader Christine Radogno                                                             |
| Andy Manar               | Senator                                          | President John Cullerton                                                             |
| Iris Martinez            | Senator                                          | President John Cullerton                                                             |
| Rita Mayfield            | Representative                                   | Speaker Michael Madigan                                                              |
| Emily McAsey             | Representative                                   | Speaker Michael Madigan                                                              |
| Dan McConchie            | Senator                                          | Leader Christine Radogno                                                             |
| Karen McConaughay        | Senator                                          | Leader Christine Radogno                                                             |
| Chris Nybo               | Senator                                          | Leader Christine Radogno (appointed January 30, 2017 to replace Senator Luechtefeld) |
| Bob Pritchard            | Representative                                   | Leader Jim Durkin                                                                    |
| Beth Purvis              | Secretary of Education (Commission Chairperson)  | Governor Bruce Rauner                                                                |
| David Reis               | Representative                                   | Leader Jim Durkin (appointed January 5, 2017 to replace Representative Kay)          |
| Sue Rezin                | Senator                                          | Leader Christine Radogno                                                             |
| Evelyn Sanguinetti       | Lieutenant Governor                              | Governor Bruce Rauner                                                                |
| Jodi Scott               | Regional Superintendent                          | Governor Bruce Rauner                                                                |

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| Christine Winger | Representative | Leader Jim Durkin |
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## Appendix I: Commission Members and Meetings

Table 2: Subject Matter Expert Presenters to the Commission

| Date               | Presenter                                                                               | Subject                                                                                     |
|--------------------|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| August 3, 2016     | Reverend James Meeks, Chair<br>Illinois State Board of Education                        | Commission Overview                                                                         |
| August 3, 2016     | Mr. Michael Griffith<br>Education Commission of the States                              | National Best Practices in School Funding                                                   |
| August 3, 2016     | Dr. Tony Smith, Superintendent<br>Mr. Robert Wolfe<br>Illinois State Board of Education | Illinois School Funding FY2017                                                              |
| August 16, 2016    | Mr. Richard Laine<br>National Governor's Association                                    | School Funding and Workforce Readiness                                                      |
| August 16, 2016    | Senator Jason Barickman<br>Representative William Davis<br>Senator Kimberly Lightford   | Principles of Adequacy                                                                      |
| August 16, 2016    | Dr. Michelle Turner Mangan<br>Concordia University – Chicago                            | Overview of Evidence-Based Model of School Funding                                          |
| September 7, 2016  | Senator Andy Manar                                                                      | Principles of Equity                                                                        |
| September 21, 2016 | Mr. Robert Wolfe<br>Illinois State Board of Education                                   | Principles of Hold Harmless                                                                 |
| September 21, 2016 | Ms. Jessica Handy<br>Stand for Children                                                 | Funding Formula Distribution Models                                                         |
| September 21, 2016 | Dr. Michael Jacoby<br>Illinois Association of School Business Officials                 | Funding Formula Distribution Models                                                         |
| October 5, 2016    | Mr. J. Thomas Johnson<br>Formerly of Taxpayers' Federation of Illinois                  | Illinois Property Tax System                                                                |
| October 5, 2016    | Representative Fred Crespo<br>Senator Karen McConaughay                                 | Illinois Property Tax System                                                                |
| October 19, 2016   | Mr. Bill Hinrichs<br>Formerly of the Illinois State Board of Education                  | Illinois Property Tax System,<br>Continued                                                  |
| October 19, 2016   | Mr. J. Thomas Johnson<br>Formerly of Taxpayers' Federation of Illinois                  | Illinois Property Tax System,<br>Continued                                                  |
| November 2, 2016   | Mr. Robert Wolfe<br>Dr. Kate Anderson Foley<br>Illinois State Board of Education        | Distribution of Funds to Children with Disabilities in the Current Illinois Funding Formula |

**Appendix I: Commission Members and Meetings**

| <b>Date</b>       | <b>Presenter</b>                                                                                                       | <b>Subject</b>                                                      |
|-------------------|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| November 2, 2016  | Ms. Elizabeth Brown<br>Mr. Tom Dempsey<br>Ms. Sally Sover<br>Illinois Association of Private Special Education Centers | Children with Disabilities in Nonpublic Schools                     |
| November 2, 2016  | Dr. Judy Hackett<br>Dr. Tim Thomas<br>Illinois Alliance of Administrators of Special Education                         | Special Education Funding in Public Schools                         |
| November 2, 2016  | Mr. Robert Wolfe<br>Ms. Cindy Zumwalt<br>Illinois State Board of Education                                             | Early Childhood Block Grant                                         |
| November 17, 2016 | Mr. Robert Wolfe<br>Illinois State Board of Education                                                                  | Distribution of Funds to Children who are English Language Learners |
| November 17, 2016 | Mr. Josie Yanguas<br>Illinois Advisory Council for Bilingual Education                                                 | Distribution of Funds to Children who are English Language Learners |
| November 17, 2016 | Mr. Martin Torres<br>Latino Policy Forum                                                                               | Distribution of Funds to Children who are English Language Learners |
| November 17, 2016 | Dr. Carmen Ayala<br>Berwyn North School District 98                                                                    | Distribution of Funds to Children who are English Language Learners |
| December 9, 2016  | Dr. Marguerite Roza<br>Georgetown University                                                                           | Evidence Based Model:<br>Discussion of the 27 Elements              |
| December 9, 2016  | Dr. Michelle Turner Mangan<br>Concordia University - Chicago                                                           | Evidence Based Model:<br>Discussion of the 27 Elements              |
| December 9, 2016  | Dr. Michael Jacoby<br>Illinois Association of School Business Officials                                                | Evidence Based Model:<br>Discussion of the 27 Elements              |
| December 14, 2016 | Dr. Beth Purvis                                                                                                        | Commission Progress Overview                                        |
| December 21, 2016 | Mr. Richard Ingram<br>Teachers' Retirement System                                                                      | Illinois Teacher Retirement Systems                                 |
| December 21, 2016 | Mr. Chuck Burbridge<br>Chicago Teachers' Pension Fund                                                                  | Illinois Teacher Retirement Systems                                 |
| January 4, 2017   | Commissioners                                                                                                          | Working Group Reports                                               |
| January 4, 2017   | Dr. Jodi Scott<br>Regional Office of Education 33                                                                      | Distribution of Transportation Funds                                |

|                 |                                                                               |                                      |
|-----------------|-------------------------------------------------------------------------------|--------------------------------------|
| January 4, 2017 | Superintendent Ralph Grimm<br>Galesburg Community Unit School<br>District 205 | Distribution of Transportation Funds |
| January 4, 2017 | Superintendent Jeff Whitsitt<br>United Community School District 304          | Distribution of Transportation Funds |

Table 2: Subject Matter Expert Presenters and Meeting Topics

| Date             | Presenter                                                                  | Subject                              |
|------------------|----------------------------------------------------------------------------|--------------------------------------|
| January 4, 2017  | Assistant Superintendent Dr. Brent Raby<br>West Aurora School District 129 | Distribution of Transportation Funds |
| January 12, 2017 | Mr. Robert Wolfe<br>Illinois State Board of Education                      | Pupil Transportation Reimbursement   |
| January 12, 2017 | Commissioners                                                              | Review of Report Draft               |
| January 17, 2017 | Commissioners                                                              | Review of Report Draft               |
| January 20, 2017 | Commissioners                                                              | Review of Report Draft               |
| January 27, 2017 | Commissioners                                                              | Review of Report Draft               |
| January 30, 2017 | Commissioners                                                              | Review of Report Draft               |
| February 1, 2017 | Commissioners                                                              | Review of Framework Draft            |

Table 3: Working Group Meeting Schedule

| Meeting Date      | Working Group                                    |
|-------------------|--------------------------------------------------|
| December 27, 2016 | Hold Harmless                                    |
| December 28, 2016 | Property Taxes                                   |
| December 28, 2016 | Evidence-Based Model Elements                    |
| December 30, 2016 | Distribution Model                               |
| January 3, 2017   | Hold Harmless/Distribution Model                 |
| January 3, 2017   | Property Taxes                                   |
| January 5, 2017   | Evidence-Based Model Elements                    |
| January 6, 2017   | Hold Harmless/Distribution Model                 |
| January 10, 2017  | Property Taxes                                   |
| January 24, 2017  | Evidence-Based Model Elements                    |
| January 25, 2017  | Hold Harmless/Distribution Model                 |
| January 25, 2017  | Full Funding/Underfunding                        |
| January 26, 2017  | Property Taxes/Calculating Local Capacity Target |

## **Appendix II: Adequacy Elements**

As presented to and debated by the Commission:

### **Core Staffing:**

1. Full-Day Kindergarten
2. Core Elementary Class Sizes/Core Teachers
3. Secondary Class Sizes/Teachers
4. Specialist Teachers
5. Instructional Facilitators (Coaches)
6. Core Tier 2 and 3 Intervention Teachers
7. Substitute Teachers
8. Core Guidance Counselors and Nurses
9. Supervisory Aides
10. Librarians
11. Principal/Assistant Principal
12. School Site Secretarial Staff

### **Per Student:**

13. Gifted and Talented
14. Professional Development
15. Instructional Materials
16. Assessment
17. Computer Technology and Equipment
18. Extra Duty and Student Activities Stipends

### **Central Services:**

19. Maintenance and Operations
20. Central Office Operations
21. Employee Benefits

### **Staffing/Programs for Diverse Learners:**

22. Tier 2 and 3 Intervention Teachers
23. Additional Pupil Support Teachers
24. Extended Day
25. Summer School
26. English Learner Students
27. Special Education

### **Appendix III: Commission for the Oversight and Implementation of the School Funding Formula**

- Membership
  - Eight General Assembly members (two from each caucus, appointed by their respective leaders)
  - Two Governor's Office appointees
  - One State Board appointee
- Commission will be staffed by the State Board.
- Panel Members serve two year terms with no term limits.
- For the first three years, the panel will issue an annual report on progress toward the State's twin goals of equity and adequacy.
- Each year, based on available data, ISBE will recommend areas of focus to the Commission, enabling the Commission to seek external input from the appropriate stakeholders and experts.
- After year three, the panel will determine the appropriate frequency for future reports.

Commission came to broad consensus on Panel's purpose and role in the implementation of the formula. There were no substantive objections on the membership of the Panel.

#### **Appendix IV: Suggested Language**

“Funding for contractual services by a not-for-profit entity providing technical assistance, professional development, and other support to school districts and educators for services concerning English Learners (ELs) should be maintained as part of the funding allocated for the Illinois EL student population.”

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## 2016 -2017 Spring Meeting Schedule

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|                                              |                                                                                                                                                                                                                                    |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Friday, February 10</b><br>1:30 – 3:00 pm | <b>ED-RED Finance Legislation Meeting</b><br><i>Maine Twp. Administrative Offices, 1177 S. Dee Road, Park Ridge</i><br>Program: School Funding Reform: Ongoing Dialog<br>Special Guest: Brian Battle, Barrington #220/ED-RED Chair |
| <b>TBD March 2017</b>                        | <b>ED-RED Meeting</b><br>Location: TBD                                                                                                                                                                                             |
| <b>Friday, April 7, 2017</b><br>1:30-3:00 pm | <b>ED-RED Finance Legislation Meeting</b><br><i>Maine Twp. Administrative Offices, 1177 S. Dee Road, Park Ridge</i><br>Program: Legislative Update                                                                                 |
| <b>April 17-21, 2017</b><br>TBD              | <b>ED-RED New Member Orientation</b><br>Location: TBD                                                                                                                                                                              |
| <b>Friday, June 2, 2017</b><br>1:30-3:00 pm  | <b>ED-RED Finance Legislation Meeting</b><br><i>Maine Twp. Administrative Offices, 1177 S. Dee Road, Park Ridge</i><br>Program: 2017 Legislative Session Wrap Up                                                                   |

**Please note:** Additional meeting may be scheduled throughout the Spring Session and prior notice will be given.

All ED-RED Meetings will take place at the **Maine Dist. #207 Administrative Offices, 1177 South Dee Road in Park Ridge**, unless otherwise noted