SB 16 creates a single, weighted formula combining state funding for General State Aid and the majority of funding/reimbursement programs administered by ISBE. The formula establishes a new foundation level and includes “weights” to provide additional resources for student populations including Special Education, bilingual education, low income, and gifted. It also includes additional weights for college and career enhancement programs such as AP and dual credit.

The amount that a district is eligible to receive through the weighted formula will be offset against a district’s local resources. If a district’s local wealth surpasses the amount they are eligible to receive through the formula, the district would receive 3.5% of the foundation level. Based on the current foundation level, this would be roughly the same as the current flat grant ($218). The amount that a district can “lose” under the formula is capped at $1,000 per pupil.

The current school funding formula is complicated and requires the agency to distribute state revenue based on formulae and calculations specific to each line item and reimbursement program. For example, reimbursement for Special Education personnel is based on the number of staff members serving in that capacity and funding for bilingual students is based on the number of students served. The change from a line item formula/reimbursement system to a weighted system will redistribute state funding and create a significant change in state support for Illinois school districts.

SB 16 passed the Senate 32-19-6 and was not considered in the House prior to adjournment. The House intends to spend the summer reviewing the legislation and determining its course of action. While SB 16 created a new avenue to discuss education funding, the proposal will require further analysis and stakeholder input before it moves forward. ED-RED will remain active in the dialogue and will host additional opportunities for our members to learn and comment on the legislation this fall.

The following is a summary of the major provisions in Senate Amendments 3, 5, and 6:

**Foundation level:** ISBE’s analysis is based on a foundation level of $5,169 which reflects the actual appropriation level for FY 14. The current foundation level is $6,119 in statute; however, the state has failed to appropriate adequate resources to fully fund the foundation level.

The new formula would establish the foundation level based on the amount of revenue appropriated by the state. Weights, based on the student population, are then multiplied by the foundation level. As an example, the bill includes a weight of .20 for ELL, meaning an ELL student would generate an additional 20% of funding above the base foundation level.
Weights:

- ELL: .20
- Low income: range from .25 - .85 depending on concentration
- Special Education: 1.0 (automatically applied to 13.8% of a district’s total ADA. 13.8% is the statewide average and may not reflect a district’s actual SpEd population.)
- Special Education Summer School: .03
- Gifted: .01 (no more than 5% of K-8 population)
- High School Outcomes (begins in School Year 2016-2017)
  - AP success (3 or above): .02
  - Dual credit (successful completion of 3 credit hours): .02
  - Career Pathways: .03
- Regular Transportation: range from .06 - .1 based on density per square mile (by quintile) with the low end of the weight assigned to high density areas
- Vocational Transportation: .12

Not included in formula/weights:

- High cost Special Education
- Special Education transportation
- Early Childhood Education
- Capital construction
- Tuition for students in DCFS facilities (the current orphanage tuition budget line includes support for DCFS facilities and foster homes)
- Career and Tech Ed (federal Maintenance of Effort is $38 million)

Formula changes and other provisions:

- CPS Block Grants: Eliminates several block grants (including the CPS set aside for Special Ed programs and Regular/Voc transportation) and includes CPS in the state formula
• Supplemental General State Aid (SGSA/low income grant): reduces the number of students eligible for the low income grant. Currently, students who qualify for Medicaid, CHIP, TANF, or food stamps (up to 200% of the federal poverty line) are defined as “low income” for the purpose of calculating a district’s SGSA. The legislation moves away from the current definition by defines “low income student” as a student eligible for Free/Reduced Lunch.

• Reimbursement for orphanage tuition: currently, districts receive reimbursement for students in DCFS facilities and foster homes. SB 16 does not provide reimbursement for students living in foster homes unless they qualify as a SpEd student, bilingual student, etc. and are therefore eligible for additional weighting. Tuition for students in DCFS facilities is not included in the formula and would be reimbursed separately.

• Reimbursement for private Special Education costs: equalizes the formula to reimburse districts for costs above three times the district’s per capita amount.

• PTELL Adjustment: capped at 80%. Currently, for districts subject to PTELL, GSA calculations may only use a portion of the actual property value to determine a district’s GSA claim. SB 16 establishes an 80% floor of the EAV used when calculating a district’s adjustment, meaning that the EAV used to determine a district’s GSA calculation cannot be less than 80% of the actual EAV of a district.

• New accountability: Requires districts to provide school-based (instead of district-based) accounting of expenditures.

• Phase in: includes a three year phase in period with full implementation in year four.

• Proration: if future legislatures under-appropriate GSA, the foundation level will be lowered to meet the actual appropriation instead of prorating the line item.

• New formula tax rates:
  o Unit: 3.07% (currently 3.0%)
  o Elem: 2.36% (currently 2.3%)
  o HS: 1.1% (currently 1.05%)