



Illinois
State Board
of Education

School Funding Reform Act of 2014

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- Proposes a progressive system where the majority of state funding is means-tested and distributed based on local ability to pay.
 1. Creates a single funding formula that provides a simple, straight-forward and equitable means to distribute education funds to Illinois school districts.
 2. Prioritizes resources where there is greater student need through a weighted formula.
 3. Provides greater transparency about how funds are spent at the school level.
 4. Phases in the new funding formula over four years to allow districts to adjust to new funding levels.

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Single Funding Formula

- Creates a weighted student formula with approximately 95 percent of funds going through one funding stream that is equalized to account for district property wealth.
- Illinois' current funding system balances 44 percent of state education against local ability to pay.

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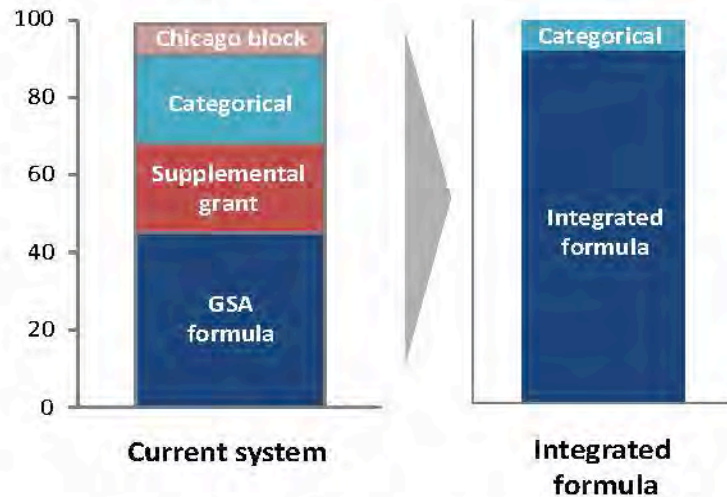
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An integrated primary State funding formula accounts for student need and local resources

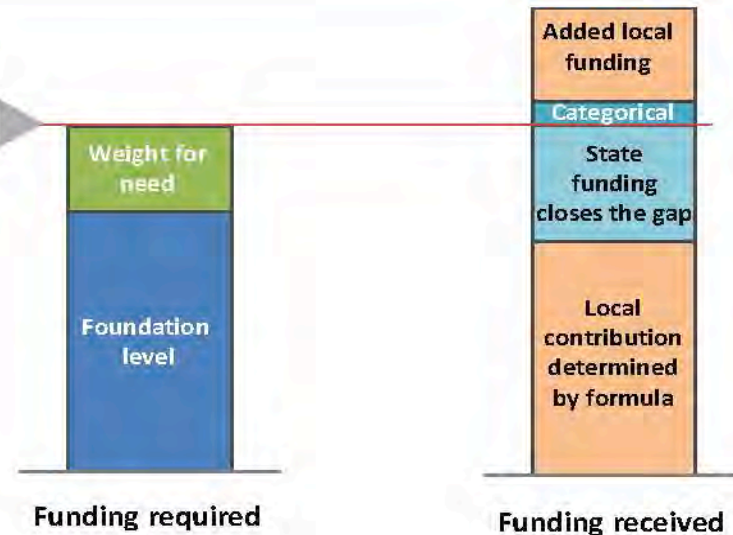
Simplify how state dollars are distributed...

...while funding districts according to student need and local ability to pay

% of state funding



Integrated formula



- Combine all GSA and most categoricals¹ and allocate according to a single, transparent, integrated formula
- Ensure distributions are anomaly free

- Foundation level set to provide base adequacy
- Weight for need according to student/district characteristics

- All funds means tested against local wealth
- State funding fills the gap to required amount
- Districts can fund more using local tax revenues

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Weighted Student Formula

- The Weighted Foundation Level is the foundation level, currently set at \$6,119, plus any additional weights the district receives based on the student characteristics.
- Student weightings will account for student characteristics such as English Language Learners, Special Education Students, Low-Income Students, Gifted pupils and Transportation.

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Weighted Student Formula Continued

- The Chicago Block Grant will be absorbed into the weighted system, giving all districts equal treatment in how special education funds are distributed.
- Senate Bill 16 makes clear that poverty counts are based upon students who receive a free or reduced-price meal rather than the percent of students who receive services from the Department of Health and Human Services.

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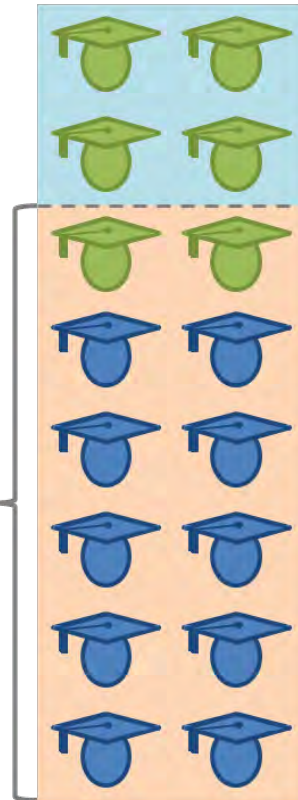


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The Illinois School Funding Reform Act of 2014

*Districts with limited
local resources*

*Districts with greater
local resources*



Base Amount

Additional
Student
Need

District Funding

State Funding

*Need includes poverty, special education, English language learners, etc.

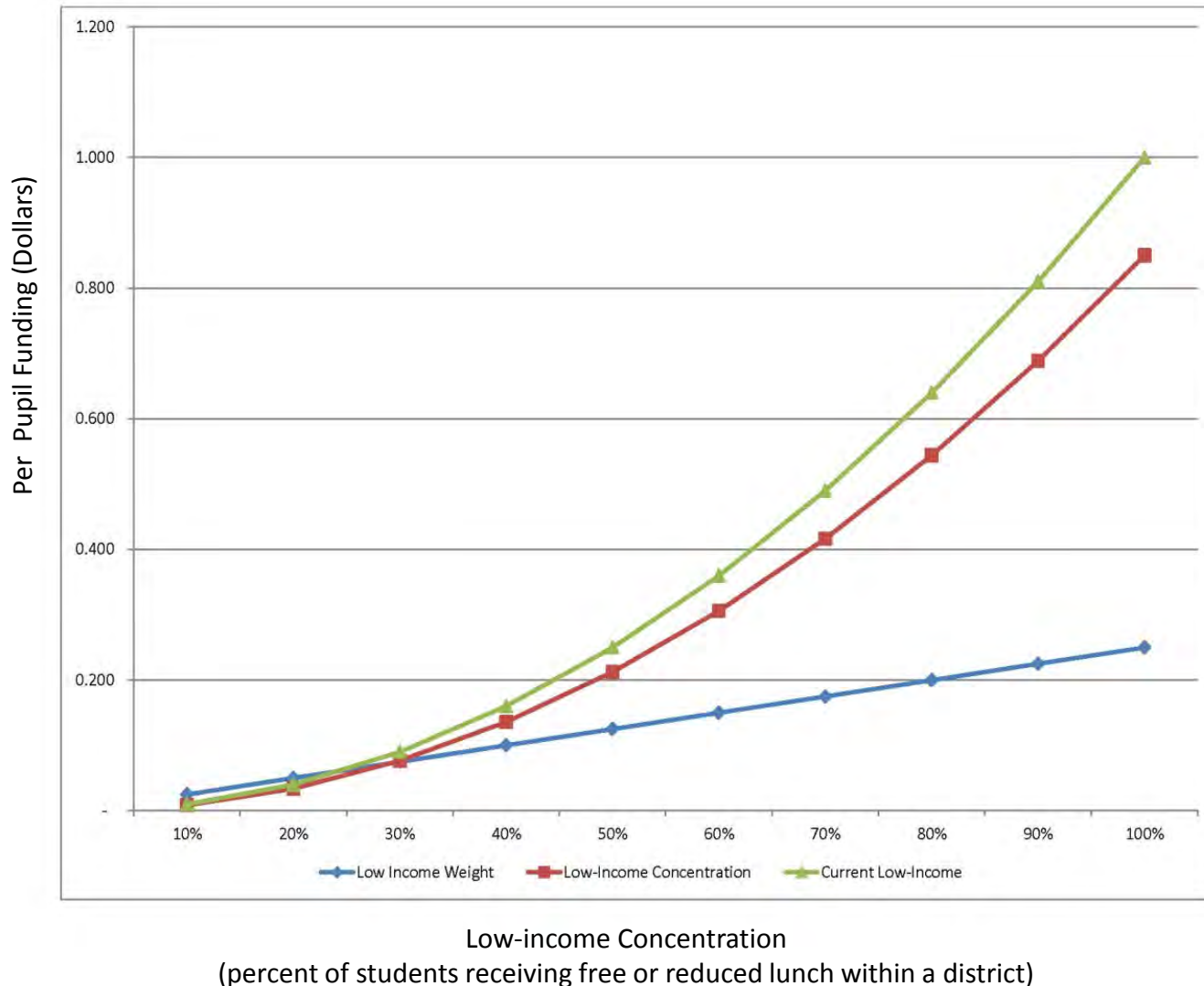
*Resources are based on local property values

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Low-income Weight Tied to Concentration



- A district with a poverty concentration that is less than 30 percent, will receive an additional weight of 25 percent above the base amount for every low-income student.
- A district with a poverty concentration above 30 percent will receive an additional weight between 25 and 85 percent above the base amount for every low-income student, based on the district's concentration of poverty

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Greater Transparency

- School-based accounting in which districts must account for revenues and expenditures at the individual school level.
- Districts that are required to submit district improvement plans will be required to demonstrate how they will use state and local funds to meet the educational needs of low-income students, ELL students and children with disabilities. These districts must also demonstrate the amount of local and state funds budgeted for these purposes is equal to or higher than the portion of the weighted foundation level attributable to pupils in these categories.

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Phasing In the New Formula

- Increases and decreases in funding will be phased in from a Fiscal Year 2014 baseline over a three-year period. Allowing school districts to adjust to new funding levels over time.
 - FY 15: 15% of increase; 15% of decrease
 - FY 16: 40% of increase; 40% of decrease
 - FY 17: 70% of increase; 70% of decrease