

School Funding Reform Act of 2015

The School Funding Reform Act of 2015 is a reintroduced version of last year's Senate Bill 16, a proposal to replace Illinois' dated General State Aid (GSA) formula with a new, need-based system.

Background

Illinois has the second most regressive public school funding system in the country: Districts with significant low-income populations in Illinois get less combined funding from state, local and federal sources than districts with more affluent students. Last year's proposal passed the Senate and was designed to alleviate this disparity and increase transparency in the system.

The School Funding Reform Act is based on the findings of the bipartisan Education Funding Advisory Committee that was created to study this problem and recommend changes to a funding system that hadn't been updated or reviewed since 1997.

SB 16 would have:

- Created a single, need-based funding formula (Primary State Aid); replacing GSA and an outdated grant-based system
- Increased transparency by requiring individual schools to account for how they spend state funds, replacing the old district-by-district reports
- Prioritized state resources to help school districts and students who most need them
- Included Chicago in the new, need-based formula—eliminating the Chicago Public Schools block grant

Updates

School Funding Reform Act of 2015 (SB 1) has evolved based on discussions with more than 400 local superintendents and statewide town halls involving parents and educators.

The new bill includes the following improvements to SB 16:

Regionalization: Considers regional differences when determining state aid for districts. The new legislation uses the National Center for Education Statistics' Comparable Wage Index to measure variation in salaries and cost of living from district to district.

Low-income calculation: Calculates the low-income population of a district based on the number of students receiving services from the Illinois Department of Human Services (generally students below 200 percent of the poverty line). This replaces the number used under SB 16, which was based on the number of students receiving free and reduced lunch (generally students below 185 percent of the poverty line).

Adequacy study: Expedites a study that will analyze the adequate amount of funding for education and develop a base level funding for adequate student growth. The study will consider how student characteristics, tax rates and preschool expansion should be factored into the funding formula.

Adequacy grants: Provides additional funding for districts that are collecting taxes at or above state averages but are spending below a calculated adequacy target— the Education Funding Advisory Board's adequacy recommendation weighted for each district. This would protect underfunded districts from losses under SB1.

ELL reporting: Requires school districts receiving state funding for English Language Learner (ELL) programs to report their revenues and costs related to bilingual education.

Special education flexibility: Ensures that districts with above average special education needs will be funded based on their number of special education students, rather than the statewide rate of 13.8 percent.

***Projections from the Illinois State Board of Education will be distributed when they become available. ***