

I. Roll Call

- A. Senator Berman X
- B. Mr. Cepeda X
- C. Ms. Davis X
- D. Mr. Demitro X
- E. James Dougherty – Not Present

II. Pledge of Allegiance and Moment of Silence for Pope John Paul II

III. Board Member Introductions

IV. Public Participation

A. Sean Noble – Voices for Illinois Children, presented by Senator Berman – Statement for the EFAB by Sean Noble, Senior Policy Associate, Voices for Illinois Children – Commends EFAB for working toward goal and Gov. for appointment these members. Urges EFAB to encourage Gov. and GA to go beyond simply accepting this new funding recommendation as a worthy aim to be achieved some time in the future. We need to make comprehensive, meaningful school revenue funding reform as well as protecting other vital services. There is no way to avoid the necessary role of general tax increases in this work. FY 2006 is not too early to take these bold steps, in fact it's too late for the generation that has grown up without adequate education funding

B. Kathryn Nesburg – Supports SB750 State of Illinois operating a tax system that is broken. 750 addresses the needs of the state for adequate predictable revenue. Equity, progressivity, simplicity and progressive income tax, broad based sales tax.

The current system of taxation fails to meet these criteria. 750 addresses and corrects the problems and failures of the current system. The league calls on EFAB to support

Linda Riley Mitchell and Toni Waggoner to present methodology used to calculate the foundation level and state poverty grant.

Directed to make certain changes to the initial calculations of the EFAB suggested foundation level. Change was made to use ECI instead of CPI. After further review wanted to confirm calculation.

District-weighted average of \$6405.00. Other information provided shows what the impact would be in financial costs associated with that recommendation, as well as the foundation spending that was incurred in past years for Chicago, Cook and Collar/Downstate areas.

Poverty Grant calculations – Toni Waggoner. Two page document gives overview of previous recommendations by previous EFAB. Last time alluded to the fact of a recommendation to tie the poverty grant to the foundation level, which was in January 2001. That did not get passed into legislation. The final recommendation that EFAB had in March 2002 was to change to the DHS count, to provide a constant amount for poverty students of districts under 15% poverty level that at 15% would provide \$355 per pupil to those districts.

The original recommendation was to phase it in, as there might not be enough money to implement it. There was no legislative action in 03, but, in 04 it was used. DHS count was used (two year), went with curvilinear formula and amount of \$355 under 15%. For 04 there was initially a four-year phase-in and phase-out of the formula. Each year up to the fourth year, it was supposed to phase in until it was 100%. Would go conversely down gradually for districts with dropping poverty rates. The phase out hasn't really begun, which would be 66% for FY 2006.

Hx data on poverty grant—table sheet info: FY 04 shows column where amount calculated would have been \$418 M. Both Foundation level and poverty grant are both funded through the appropriation. Required to fund the foundation level first, and with whatever is left, fund the poverty grant. The actual amount in poverty grant was \$410.8 M.

In similar situation, \$3.5 M short in FY 05. Without a supplemental, the poverty grant will have to be pro-rated by that amount.

Last two columns show how poverty grant could be adjusted by ECI.

Final page shows that three constants in the formula would be raised by the current ECI, raising from \$367 to....

Berman question – If EFAB recommends and the GA adopts and the Governor signs a continuing appropriation for the Foundation level and the Poverty Grant, will that prevent this reduction/proration from the poverty money to fund the foundation level?

Waggoner – Assumes that it would. Language in 18-805 has proration in it, but, continuing appropriation would over-ride that, but, might need to strike the poverty pro-ration language.

Berman – If EFAB takes action to address these shortcomings. Then, EFAB should recommend that the existing language about pro-ration of the poverty grant be stricken.

Furr – Most likely would not need to change language, as continuing appropriation would over-ride that.

Berman – Striking the existing language would clarify that. Don't want it to end up in the courts if the board goes that route.

Motion – Davis – Moves approval of the methodology as presented using the Augenblick and Myers updated information and the ECI – Berman second. Voice vote. Roll Call vote. – Motion carries.

Motion – Berman – Move that EFAB recommend a foundation level for FY 2006 in the amount of \$6405.00 based upon the ECI and Augenblick and Myers methodology. Davis – Second. Roll Call Vote – Unanimous.

Motion – Davis – Move approval of poverty grant as presented, using the ECI with a total of \$467.4 M – Berman second. Roll Call Vote – unanimous.

Motion – Berman – Move that EFAB adopt a recommendation for a continuing appropriation for the Foundation Level and the Poverty Grant and that the existing statutory language dealing with proration, which would no longer be necessary be stricken. Davis – Second. Discussion – Berman explained. Roll Call Vote – Unanimous.

F. Other business

- a. Senator Berman raised question as to should EFAB look at other related issues besides these three items that we've just adopted. The consensus was "yes", it certainly would be appropriate to look at how we fund these recommendations, what is a fair and equitable way to fund this for the future.
- b. Look at other issues addressed in the October 2002 EFAB report.

Demitro – Looking at the statute and seeing what powers EFAB has, interpretation as a lawyer, by statute we cannot determine the other part of the equation. This is the most important board in the whole state because without funding there is no education, so, I would love this board to meet again and to continue to meet. We owe it to Illinois' children to continue to meet.

Berman agreed.

Berman – Move to adjourn subject to the call of the chair and that Senator Berman applauds his fellow EFAB members for the very proper, courageous and necessary votes that were taken today.

Cepeda – Thanks staff for providing the numbers in a timely, accurate fashion.

Davis – Thanks to staff for getting EFAB on the same page and up to snuff, with modifications from going to ECI from CPI. Thanked Chair Demitro for his leadership to give thought into what EFAB is doing. Pleased to hear that will have continuing meetings to address ongoing issues and their ability to have a quality education.

Demitro – Thanked Davis. Said if he had a teacher like her he never would have dropped out of school. Honored to be a part of the board.

Berman – motion to adjourn. Davis seconded. – Roll call vote unanimous.

V. Approval of Minutes

A. March 9, 18, 24 – Motion, Davis; Second Berman, Voice Vote

B. Presentation of EFAB Methodology and Recommendations for Foundation