Agenda Topic: Education Funding Advisory Board

Materials: None

Staff Contact(s): Gary Ey
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Purpose of Agenda Item

To update the Board on the progress of the Education Funding Advisory Board (EFAB) and to hear recommendations concerning the General State Aid foundation level and poverty grant amounts for FY 2003.

Expected Outcome(s) of Agenda Item

The Board will be aware of EFAB progress and recommendations.

Background Information

EFAB was created by the General Assembly in December 1997. Appointments were made by Governor Ryan in July 2000. Robert Leininger was named chairman. The Board consists of 5 voting members and 11 ex-officio members. The Board must make recommendations, in consultation with the State Board of Education, to the General Assembly in January of odd numbered years.

The first report was issued in January 2001. Most EFAB recommendations for FY 2002 were accepted and surpassed by the General Assembly and Governor. Those recommendations included a foundation level of $4,560, a reduction in the poverty grant threshold, the use of three-year average daily attendance and an extension of the hold harmless and continuing appropriation.

In August, the Board heard a report from Augenblick & Myers. The report provided a methodology for the determination of formula foundation levels based on high-performing low-spending districts. In November, the Board approved recommendations for FY2003 which will serve as the basis of an interim report to be issued in January 2002. The recommendations included a $120 increase in the foundation level and again extending the hold harmless and continuing appropriation provisions of the law. The Board delayed any recommendation regarding a poverty measure or change to the poverty grant formula until after the completion of the study by the Department of Human Services. That study explores the use of TANF, food stamp and Medicaid data
as a replacement for the decennial Census data now used as the measure of at-risk students.

Robert Leininger will meet with the State Board of Education to discuss these recommendations.

**Analysis and Implications for Policy, Budget, Legislative Action and Communications**

The Board, after hearing the EFAB recommendations, may decide to incorporate the recommendations, in whole or in part, into its FY 2003 budget proposal.

**Pros and Cons of Various Actions**

No action required.