

## EDUCATION FUNDING ADVISORY BOARD

August 10, 2010

1:00 p.m. – 4:00 p.m.

Room 9-040

James R. Thompson Center

Chicago, Illinois

### Members Present

Ms. Sylvia Puente, Chair

Mr. Ken Swanson

Mr. Arthur Culver

Mr. Ed Geppert, Jr.

### Members Absent

Mr. Dean Clark

### ISBE Staff Present

Linda Riley Mitchell

Scott Taylor

Jason Hall

Mary Fergus

1. **ROLL CALL:** All members were present, with the exception of Mr. Dean Clark.
2. **PUBLIC PARTICIPATION:** None
3. **REVIEW OF MINUTES FROM APRIL 28, 2010:** Approved with Mr. Ed Geppert, Jr. motioning and Mr. Ken Swanson seconding.
4. **ISBE FY 2011 BUDGET UPDATE:** Ms. Linda Mitchell stated that the State Board of Education met in June of 2010 and approved an allocation of \$7 billion from State General Funds (General revenue Fund, Education Assistance Fund and Common School Fund). Subsequent to that meeting the Governor vetoed \$35.6 million of lump sum allocation of the General Assembly and provided additional funding to ISBE programs of \$284 million. The Governor directed reserves against the regular Vocational Transportation Mandated Categorical Line Item of \$65 million. None of these actions impacted General State Aid. Later that same day (August 10, 2010), Congress voted to approve the Ed Jobs bill. The Ed Jobs Program funding will be distributed based upon the state's primary education funding formula which is GSA in Illinois or based upon Title I..
5. **DISCUSSION OF EFAB GUIDING PRINCIPLES:** Ms. Sylvia Puente stated that at the last meeting the members agreed to convene working group sub-committees to the EFAB and ask for volunteers from the broader education stakeholder's community. Ms. Puente said that there have been a committed group of 21 individuals who have met at least three times between April and August. Other sub groups have also met between the same times. Ms. Puente thanked the people for their time and commitment. The groups have discussed formula rates and PTELL (Property Tax Extension Limitation Law) adjustments, looking at poverty allocations, the current model in comparison with an adequacy model, and also how to consider English Language Learners (ELL) students, special education, mobility, and Rtl (Response to Intervention).  
  
Mr. Ken Swanson indicated it was also important to ensure categorical and other targeted funds are sufficient to achieve intended goals and are sustainable year to year.
6. **ADVISORY COMMITTEE DISCUSSIONS AND WORKING GROUP REPORTS:** Mr. Mike Jacoby spoke about the impact of PTELL as it relates to GSA formula; what is it doing, how many districts it is affecting and what are the costs. There are 460 districts that are subject to PTELL. If there were no property tax extension limitation adjustment (or double whammy adjustment), there would be 84 districts that would switch formula types. 48 of the districts would switch from foundation to alternate and 36 would switch from alternate to flat grant. Districts would be showing their greater wealth and that would reduce their opportunity for GSA. The value of the 84 districts that would switch would be \$536 million. Chicago District 299 is \$443 million of that. There are 52 districts that have less property wealth in their community than is being assumed in the formula. Nine of those districts would actually change formulas if there were no adjustments. In the non-PTELL districts they have

the choice to tax at the rate of the formula. Eight percent (8%) of the non-PTELL districts do not tax locally at the rate that the formula assumes. That means that they are not raising local revenue to the degree that the formula is assuming. Mr. Jacoby stated that he believes most of those districts are low income, but further analysis is needed related to incomes of citizens in these districts. Looking at all the other districts of PTELL and non-PTELL found that the rates of the GSA formula are sufficient to target approximately what districts are raising locally, if in fact, the rest of the districts are raising more than those rates. There are only a few unit districts that have lower rates than the \$3 rate on the unit district in the formula and a few of them are subject to PTELL. Most everyone else has rates in excess of those assumed in the formula. The working group felt that the tax rates assumed in the GSA formula are sufficient.

Mr. Ben Boer from Advance Illinois spoke about the successful schools model and the adequacy model (see attached Power Point presentation entitled, *EFAB Comparison of "Successful Schools" and Adequacy Model*). He indicated that there are several issues with the existing model that should be analyzed for the potential for improvement. Given the timeframe, he indicated the present EFAB would likely need to provide its recommendations based on the current adequacy model, but discussed the potential for the State doing a full fledged study for future consideration.

Mr. Boer was joined by Michele Turner-Mangan and Dea Meyer. They presented a report (attached) entitled *Comparison of Current Model with Adequacy Model: A Subcommittee Report of the Education Funding Advisory Board (EFAB) Advisory Board Committee*. This report compared two common data points from the Agenblick & Meyers' successful school district methodology with the evidence-based approach adequacy model currently being developed at National-Louis University (NLU).

- 7. REVIEW OF FY 10 GSA SUPPLEMENTAL POVERTY PAYMENTS VIA THE CURRENT FORMULA:** Mr. Larry Joseph from Voice for Illinois Children explained and spoke about the handouts that were given (see attached report). Mr. Joseph stated that the curvilinear model currently used in Illinois shifts resources away from districts with the middle percentages of poverty, and that other states generally used fixed poverty weights or a flat poverty grant; most do not adjust for poverty concentrations and if they do, they use a stepwise adjustment. Mr. Joseph stated that historically the DHS counts used had been lower than the free and reduced lunch counts. In recent years, in total, the two counts have been approximately the same, but there can be differences in the distribution of the two counts among school districts. He showed examples of districts where the DHS count substantially exceeded the reduced lunch count and vice versa. He advocated for allowing districts to use the "better" (i.e. higher) of the two counts in order to determine their GSA Supplemental (Poverty) Grant.
- 8. UPCOMING MEETINGS – SCHEDULE AND AGENDA ITEMS:** Ms. Puente said that the working group subcommittee will meet again on August 20, 2010. The next EFAB meeting is on September 15, 2010 in Springfield and on October 20, 2010 in Chicago. Looking at future agenda items, Mr. Arthur Culver stated that he would like to make changes to the EFAB Guiding Principles. Mr. Ken Swanson would like to look at other state's models. Ms. Mitchell said that the State Board of Education is attempting to review other state models at their October meeting and that the EFAB would be welcome to attend that meeting. It is also scheduled for October 20, 2010.
- 9. OTHER:** None
- 10. ADJOURNMENT:** The meeting was adjourned at 4:06 pm with Mr. Culver motioning and Mr. Geppert seconding.