

Senate Bill 16 Overview

August 26, 2014



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Senate Bill 16

An education funding formula that provides additional weights for pupils with defined characteristics to arrive at a district budget from which available local resources are deducted.

$(\text{Foundation Level (FL)} \times \text{Combined Student Weight}) \times \text{District ADA} - \text{Available Local Resources} = \text{Primary State Aid}$

Primary State Aid is the greater of District Budget - Available Resources or a Flat Grant Amount (3.5% of FL).

Hold Harmless Provisions:

"Phase-In Period"

Year 1 - A district will realize 25% of the Gain or Loss compared to the base year

Year 2 - A district will realize 50% of the Gain or Loss compared to the base year

Year 3 - A district will realize 75% of the Gain or Loss compared to the base year

\$1,000 Per Pupil Loss Cap

No district will lose more than \$1,000 per pupil as compared to the base year. This provision is indefinite.

The model for Senate Bill 16 is based upon data from the 2011-2012 School Year and Fiscal Year 2013 Distributions.



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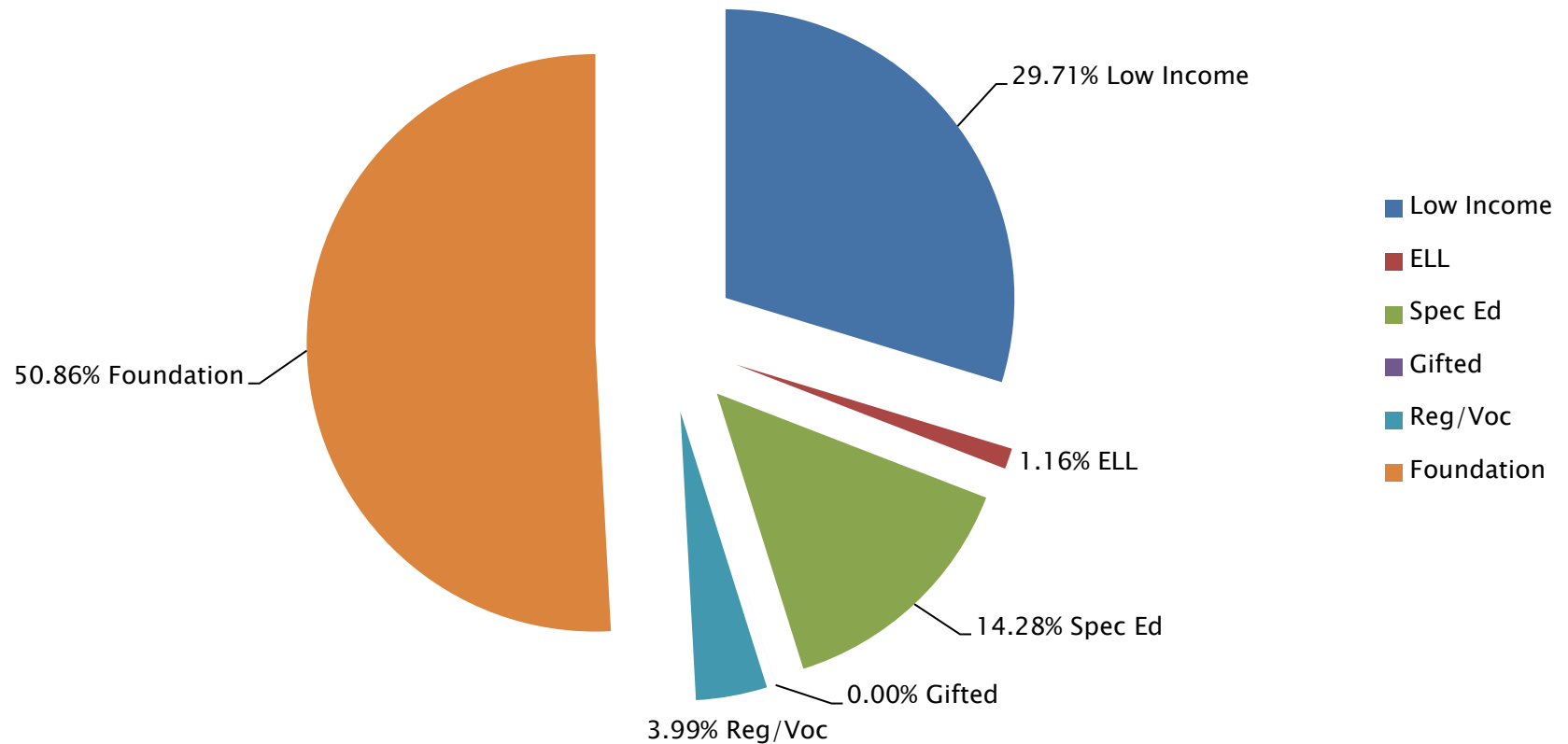
Senate Bill 16 Weightings

Category	Weighting Factor	Weighting Percentage
<u>Low-Income Pupils – the higher of:</u>	Additional Weight Capped at 0.75	
<u>A. Regular Low-Income Method (0.25 x LI%)</u>	0.25	Prior Year ADA ÷ District Prior Year ADA
<u>B. Low-Income Concentration Method (0.90 x LI%²)</u>	0.90	(Prior Year ADA ÷ District Prior Year ADA) ²
<u>Limited English-Speaking Ability</u>	0.20	Prior Year ADA ÷ District Prior Year ADA
<u>Children with Disabilities</u>	1.00	13.8%
<u>Special Education Summer School</u>	0.03	Prior Year ADA ÷ District Prior Year ADA
<u>Gifted Pupils</u>	0.01	Prior Year ADA* ÷ District Prior Year ADA *(capped at 5% of Prior Year ADA of K – 8 th Grade)
<u>Regular Transportation Pupils</u>	0.06 Most Dense Quintile 0.10 Least Dense Quintile	Prior Year ADA ÷ District Prior Year ADA
<u>Extraordinary Transportation Eligible Pupils</u> Resulting from consolidations or students who live a significant distance from school (Effective 2015 – 2016 School Year or Year 2)	Not to exceed 0.12	Prior Year ADA ÷ District Prior Year ADA
<u>Vocational Transportation</u>	0.12	Prior Year ADA ÷ District Prior Year ADA
<u>Advance Standing Pupils</u> (Effective 2016 – 2017 School Year or Year 3)	0.02	Prior Year ADA ÷ District Prior Year ADA
<u>Career Pathway Completers</u> (Effective 2016 – 2017 School Year or Year 3)	0.03	Prior Year ADA ÷ District Prior Year ADA

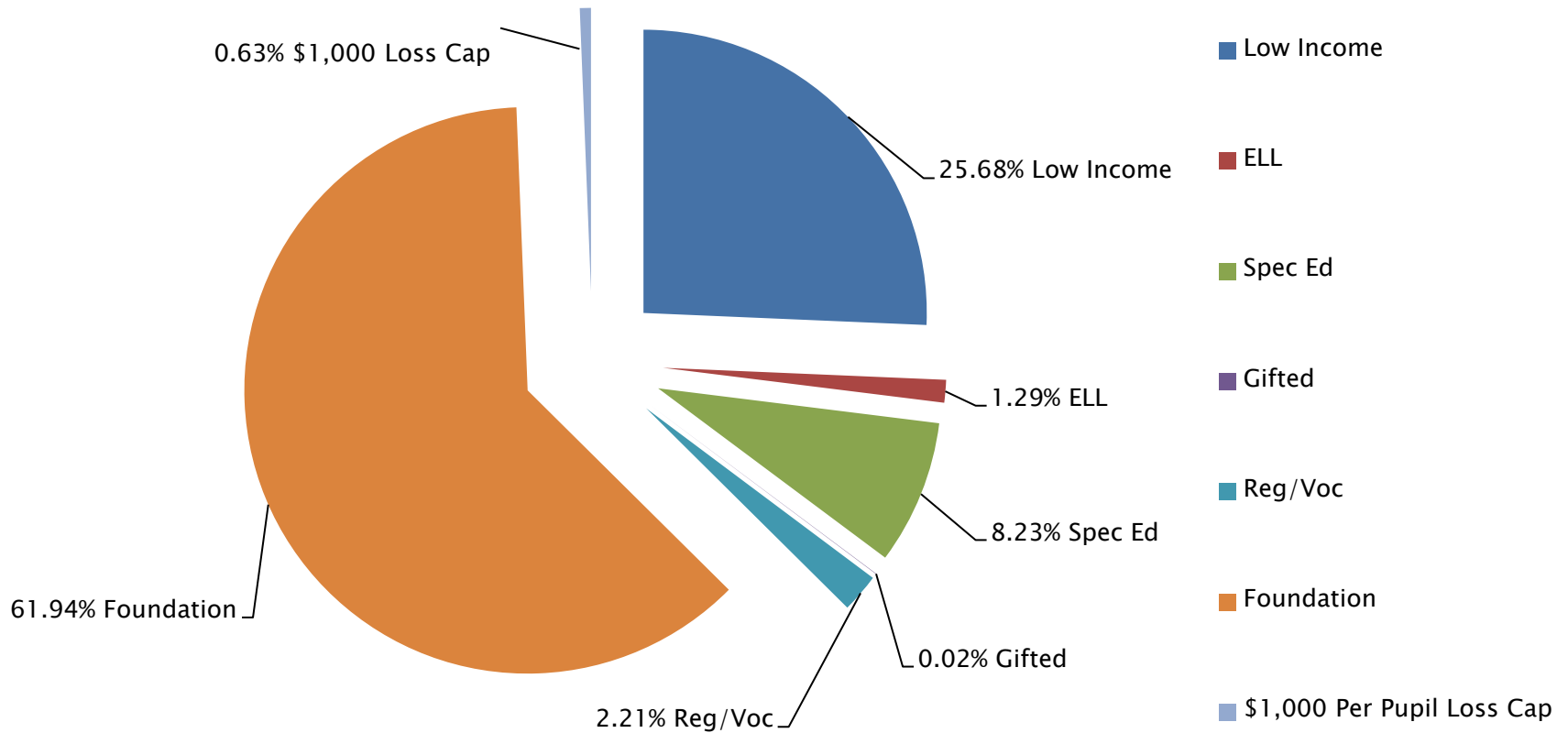


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FY13 Distributions By Categories



Senate Bill 16 Distribution By Categories



ISBE Withholding Amounts Special Education (0.5%) \$6.8m –English Language (1.5%) \$2.9m



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Senate Bill 16 Geographic Summary

	Gain/Loss Compared to FY13 Disbursements	# of Districts Gaining	# of Districts Losing	Avg Weighted FL	PTELL Adjustment	Districts Benefiting From PTELL Adj	\$1,000 Per Pupil Loss Cap	Districts Benefiting From \$1,000 Per Pupil Loss Cap
Downstate	\$215,727,864	402	173	\$7,242	\$23,834,945	102	\$1,104,961	13
Collar	\$(84,641,021)	20	123	\$6,927	\$68,413,024	41	\$5,130,560	11
South Cook	\$13,674,045	35	31	\$8,124	\$103,529,770	48	\$2,637,901	8
West Cook	\$(2,597,308)	9	29	\$7,326	\$51,629,848	13	\$14,267,033	8
North Cook	\$(104,078,579)	0	39	\$6,522	\$-	0	\$10,336,276	8
City of Chicago	\$(38,498,141)	0	1	\$9,935	\$514,757,229	1	\$-	0
ROE/Lab	\$(262,847)	0	79	n/a	\$-	0	\$-	0
		466	475		\$762,164,818	205	\$33,476,733	48



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Senate Bill 16 Geographic Summary

Amendments 3 & 5 – Continued

	Available Local Resources (ALR)	% of State ALR	Total Primary State Aid Distributions	% of Total Primary State Aid Distributions	FY13 Distributions	% of FY13 Distributions	% Diff
Downstate	\$2,587,532,865	20.6%	\$2,317,852,118	43.8%	\$2,102,124,254	39.7%	4.1%
Collar	\$3,969,577,408	31.7%	\$884,267,456	16.7%	\$968,908,477	18.3%	-1.6%
South Cook	\$898,501,141	7.2%	\$452,549,606	8.5%	\$438,875,561	8.3%	0.3%
West Cook	\$670,602,002	5.3%	\$286,916,172	5.4%	\$289,513,480	5.5%	0.0%
North Cook	\$1,716,285,923	13.7%	\$33,989,217	0.6%	\$138,067,797	2.6%	-2.0%
City of Chicago	\$2,698,871,893	21.5%	\$1,287,590,002	24.3%	\$1,326,088,143	25.0%	-0.7%
ROE/Lab	n/a		\$31,338,945	0.6%	\$31,601,792	0.6%	0.0%
	\$12,541,371,233		\$5,294,503,519		\$5,295,179,507		



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Available Local Resources (ALR) Quintiles

	ALR per Student Percentiles	ALR per Student Threshold	Gain / (Loss) from SB 16 Compared to FY 13 Payments	Range of Per Student Gain / (Loss)	# of Districts Gaining	# of Districts Losing
<i>Least Wealth</i>	0 – 20	\$2,709	\$162,296,102	\$2,700 – (\$1,000)	166	7
	20 – 40	\$3,736	\$106,110,011	\$2,330 – (\$864)	149	23
	40 – 60	\$4,981	\$103,018,864	\$2,980 – (\$1,000)	106	66
	60 – 80	\$8,145	\$(59,081,930)	\$2,026 – (\$1,000)	44	128
<i>Greatest Wealth</i>	80 – 100	\$54,138	\$(274,258,046)	\$136 – (\$1,000)	1	171
	CPS 299	\$7,719	\$(38,498,141)	\$(110)		1
				Totals	466	396

	ALR per Student Percentiles	ALR per Student Threshold	FY13 Actual Disbursements	FY13 Actual Disbursements Per Pupil	SB16 Disbursements	SB16 Disbursements Per Pupil	Gain/Loss Per Pupil
<i>Least Wealth</i>	0 – 20	\$2,709	\$1,009,600,138	\$5,522	\$1,171,896,240	\$6,409	\$888
	20 – 40	\$3,736	\$813,321,447	\$4,113	\$919,431,458	\$4,649	\$537
	40 – 60	\$4,981	\$1,078,885,047	\$3,031	\$1,181,903,912	\$3,320	\$289
	60 – 80	\$8,145	\$647,356,452	\$1,517	\$588,274,522	\$1,378	\$(138)
<i>Greatest Wealth</i>	80 – 100	\$54,138	\$388,326,487	\$1,000	\$114,068,440	\$294	\$(1,294)
	CPS 299	\$7,719	\$1,326,088,144	\$3,793	\$1,287,590,003	\$3,683	\$(110)



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Low Income Percentage Quintiles

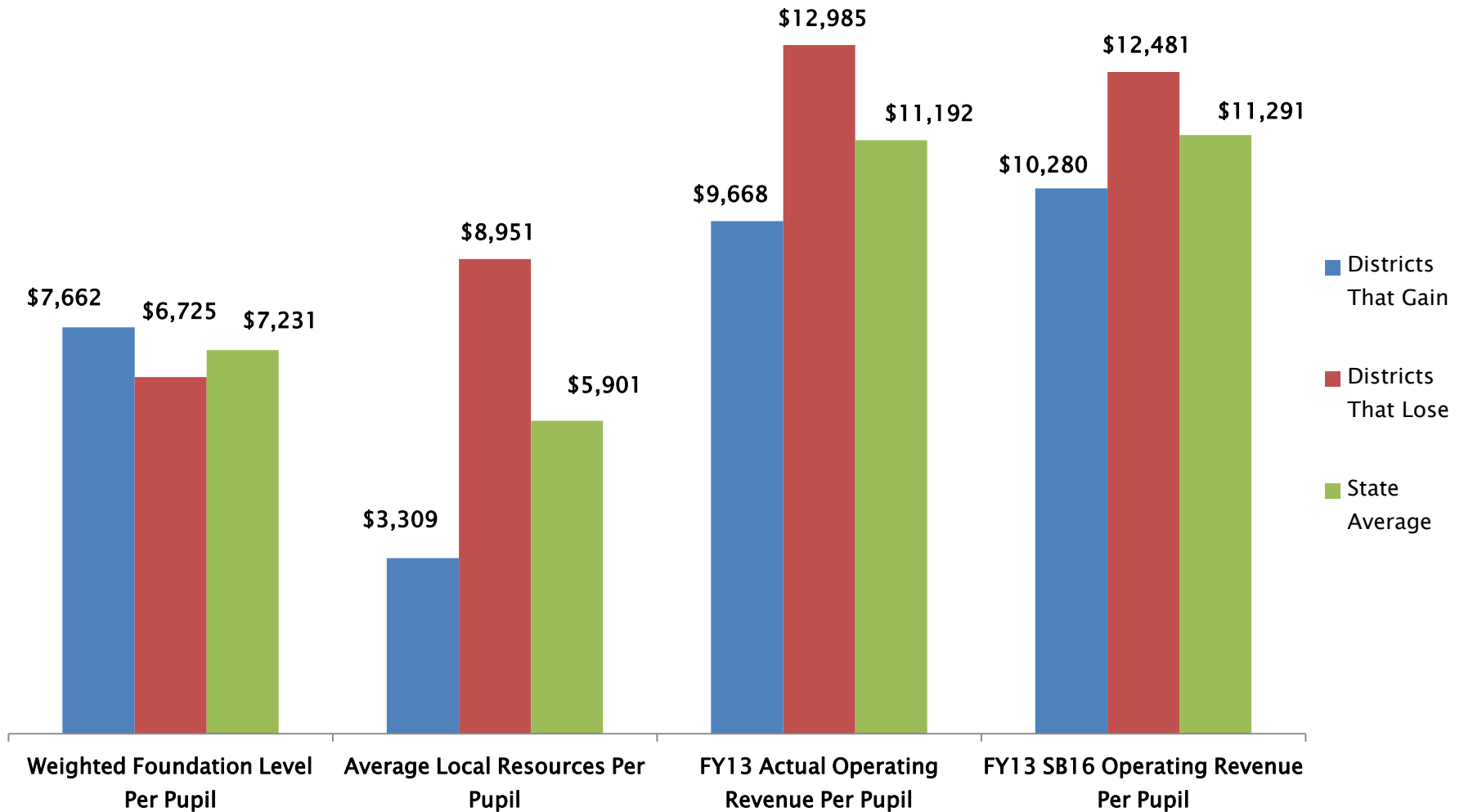
	Low-Income Percentage Percentiles	Low-Income Percentage Threshold	Gain / (Loss) from SB 16 Compared to FY 13 Payments	Range of Per Student Gain / (Loss)	# of Districts Gaining	# of Districts Losing
<i>Least % of Low-Income Students</i>	0 – 20	21.07%	\$(195,791,563)	\$473 – (\$1,000)	16	156
	20 – 40	34.53%	\$(106,401,022)	\$460 – (\$1,000)	55	118
	40 – 60	45.35%	\$(40,122,870)	\$642 – (\$1,000)	104	67
	60 – 80	58.90%	\$81,738,502	\$1,154 – (\$1,000)	141	32
<i>Greatest % of Low-Income Students</i>	80 – 100	100.00%	\$298,661,952	\$2,980 – (\$1,000)	150	22
	CPS 299	93.03%	\$(38,498,141)	(\$110)		1

	Low-Income Percentage Percentiles	Low-Income Percentage Threshold	FY13 Actual Disbursements	FY13 Actual Disbursements Per Pupil	SB16 Disbursements	SB16 Disbursements Per Pupil	Gain/Loss Per Pupil
<i>Least % of Low-Income Students</i>	0 – 20	21.07%	\$509,882,388	\$1,198	\$314,090,825	\$738	\$(460)
	20 – 40	34.53%	\$465,021,301	\$1,723	\$358,620,280	\$1,329	\$(394)
	40 – 60	45.35%	\$476,426,972	\$2,278	\$436,304,103	\$2,086	\$(192)
	60 – 80	58.90%	\$770,084,133	\$2,802	\$851,822,635	\$3,099	\$297
<i>Greatest % of Low-Income Students</i>	80 – 100	100.00%	\$1,716,074,776	\$4,614	\$2,014,736,729	\$5,418	\$803
	CPS 299	93.03%	\$1,326,088,143	\$3,793	\$1,287,590,002	\$3,683	\$(110)



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What are the Characteristics of the Winners and Losers?

Districts that Win

- ▶ Average Low Income Concentration of 53%
- ▶ Average Available Local Resource Per Pupil \$3,309

Districts that Lose

- ▶ Average Low Income Concentration of 28%
- ▶ Average Available Local Resources Per Pupil \$8,952



PTELL Adjustment

Why does the PTELL Adjustment Increase So Much even with an 80% PTELL EAV Floor?

FY13 Gross GSA Claim PTELL Adjustment	\$502m
SB 16 PTELL Adjustment	\$762m
Increase	\$260m

The GSA Foundation Formula Claim has three different funding levels:

- ▶ Foundation Method 0% to 93% of the FL in ALR
- ▶ Alternate Method 93% to 175% of the FL in ALR (4% to 7% of FL)
- ▶ Flat Grant Method 176% in above of the FL in ALR (\$218)

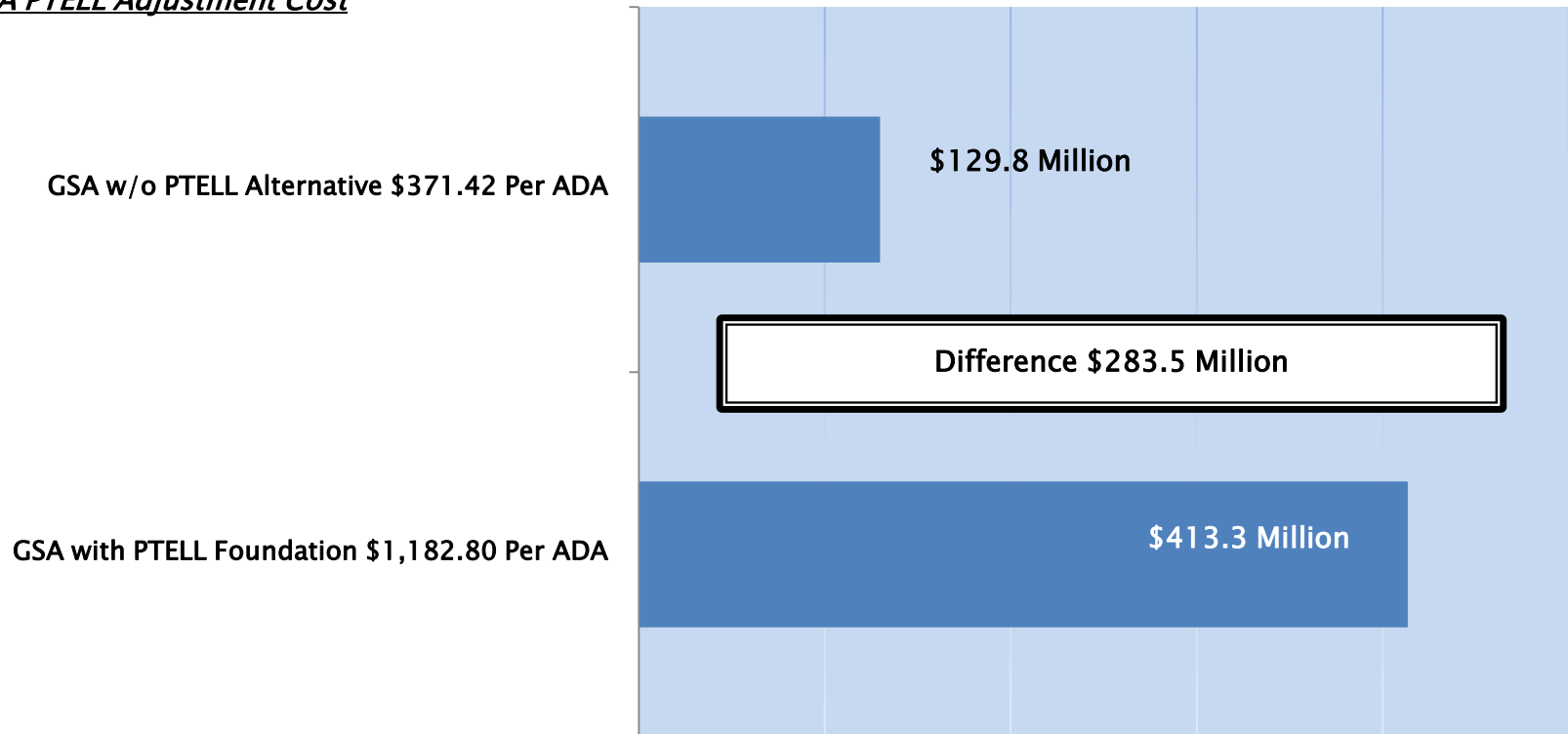
SB16 Eliminates the 2nd funding level and the PTELL Adjustment is now: $(\text{Real EAV} - \text{PTELL EAV}) \times \text{Assumed Rate}$



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PTELL Adjustment for CPS FY13 Gross General State Aid

GSA PTELL Adjustment Cost



PTELL Adjustment for CPS Senate Bill 16

SB16 PTELL Adjustment Cost

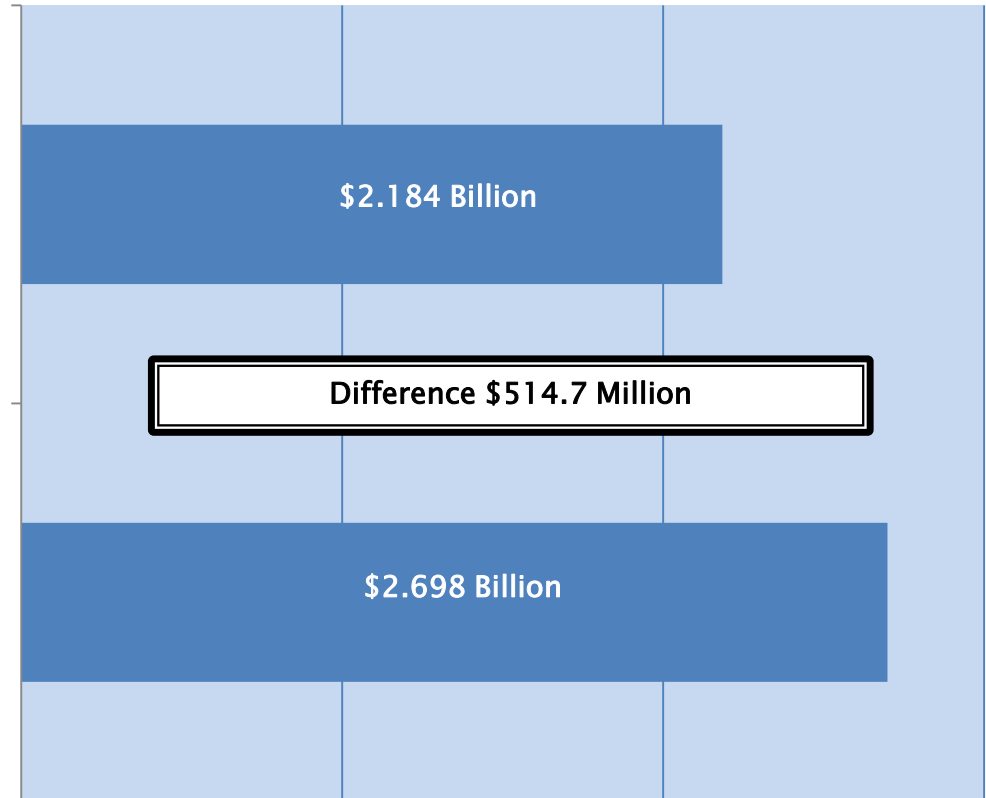
SB16 Available Local Resources – PTELL 80% Floor

\$2.184 Billion

Difference \$514.7 Million

SB16 Available Local Resources w/o PTELL

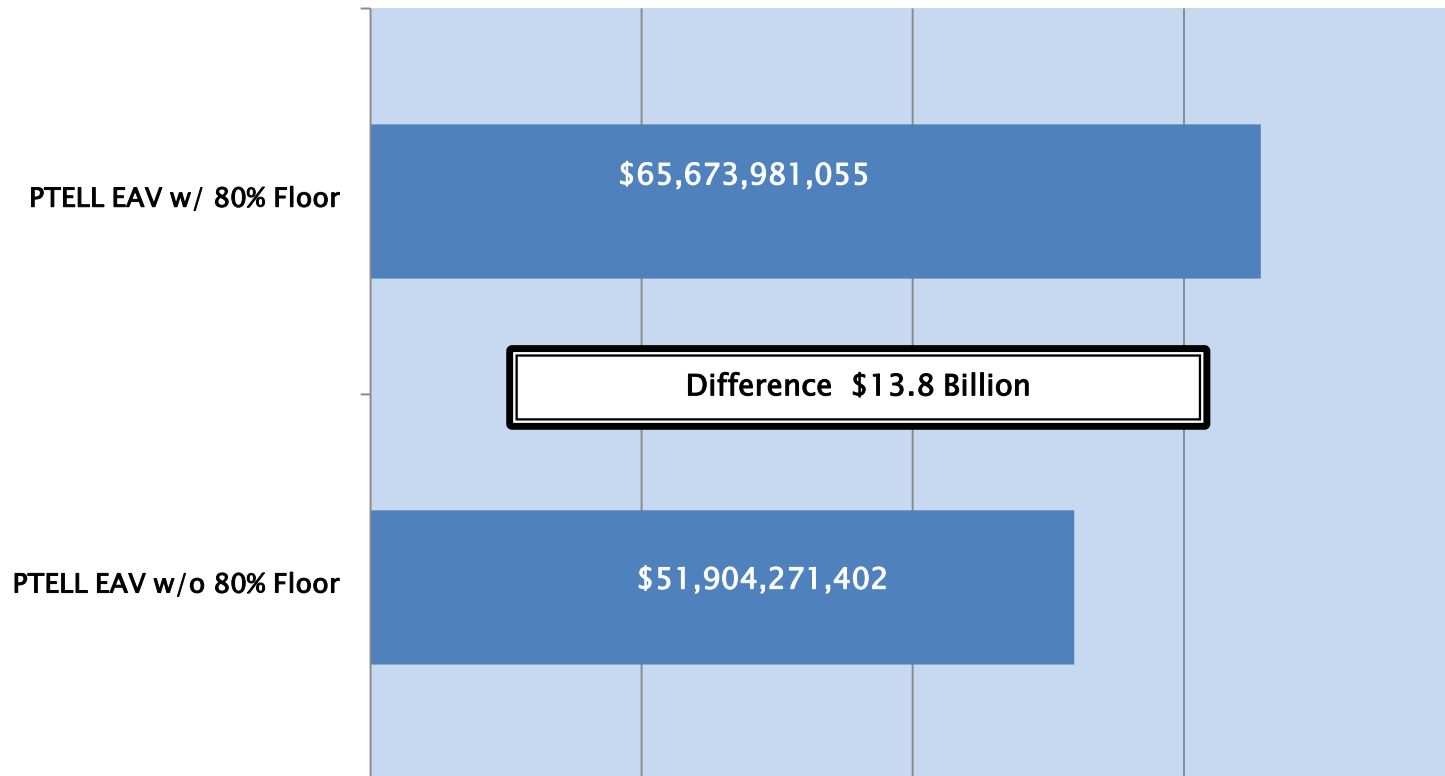
\$2.698 Billion



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PTELL Adjustment –Impact of 80% Floor– CPS

Impact of PTELL Floor for CPS (Tax Year 2010) EAV Data



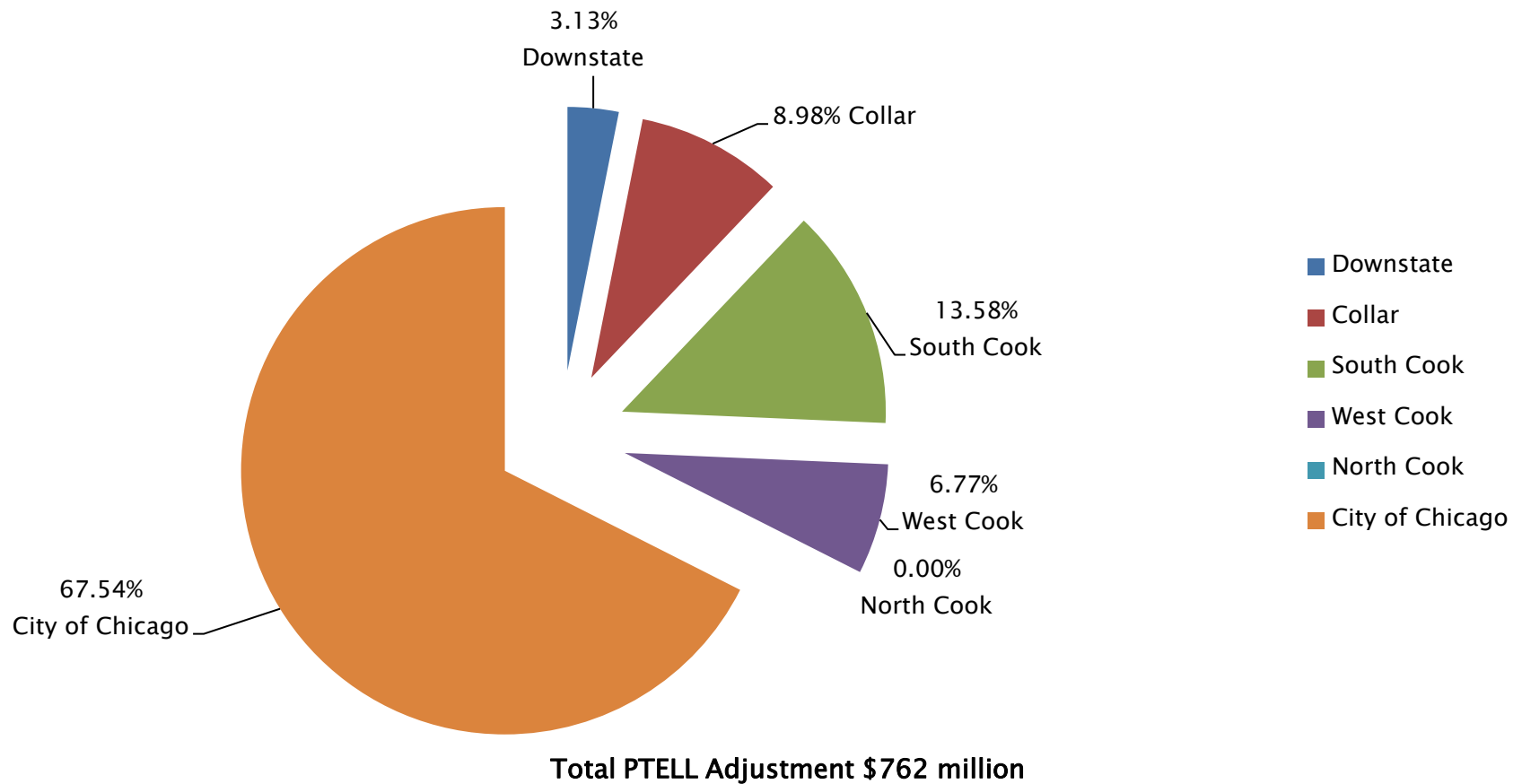
The 80% PTELL Floor Results in a \$422.7 million savings in the cost of the PTELL Adjustment for CPS
Total State Impact \$460.4 Million or 47 of 205 PTELL Districts



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PTELL Adjustment by Geographic Area



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PTELL Adjustment by Category

