

Description of Changes to HB2808

Change	Description	Rationale
Total Dollar Hold Harmless	The Base Funding Minimum will be a Hold Harmless from FY17 (including equity grant).	This allows all districts to truly be held harmless. Without this provision, there would be districts that lose dollars compared to the prior year.
Poverty Concentration Factor	Add a poverty concentration factor by creating a smaller class-size for low-income students.	There is general agreement that EBM needs to include a poverty concentration measure – lower class-size for low-income students does this. Research shows that smaller class sizes have a greater impact for low-income students. This aligns with the IL School Funding Reform Commission’s recommendations.
PTELL Adjustment	Use the lesser of PTELL or Real EAV when calculating a district’s local capacity target (LCT).	The current formula uses a PTELL adjustment to recognize that some districts cannot raise the total local contribution due to property tax caps. This adjustment accounts for the fact that it would be impossible (barring referendum) for PTELL capped districts to raise funds locally that equal their LCT.
Real vs Assumed Revenue	Use the LCT for all districts below 85% final adequacy. If a district is above 85% adequacy and has revenue greater than LCT, then adjust real revenue down toward LCT.	This adjustment means that a district’s real revenue is only considered if they are closer to being adequately funded. For property poor yet very high tax rate districts this provision helps provide sufficient local education funding by recognizing how much they should ideally contribute locally. It also provides an incentive for districts to lower their tax rates to align with the rate expected by the LCT.
Technology Element	Includes \$285 per pupil in the Adequacy Target (v. \$570) for technology Beginning year 2, districts in Tiers 1 and 2 can submit a district technology plan to ISBE to increase their Adequacy Target by an additional \$285 per pupil	This drives additional dollars to the most poorly funded districts in the state by inviting them to apply for an additional amount of technology funding. It also adds transparency and accountability to the system by requiring those funds are spent on specific technological improvements.
Add a floor to Regionalization Factor	The regionalization factor currently ranges from 0.75 to 1.06. This amendment creates a floor of 0.9.	A regionalization floor protects rural districts. Many of these districts are also further away from reaching adequacy. Including such a floor ensures that these districts can compete for high quality teachers because they would receive more funds than if their costs were adjusted downward to 0.75.
CPS Block Grant	The block grant items for special education personnel, summer school, and children requiring services are now included within the Base Funding Minimum (BFM). Block grant items outside the BFM, such as Early Childhood, will continue to operate as they do now.	This ensures that no district loses funds, including CPS. It is consistent with the hold harmless. Not maintaining the block grant items outside BFM as they are now could mean CPS could lose nearly \$200M annually.
Increases to Base Funding Minimum	Prior to consolidation of line items into the BFM, fully fund Special Education Summer School and Bilingual Education.	All line items consolidated into the formula need to be “fully funded” or else the inequities will be enshrined into the next formula. This would add up to \$38M for bilingual education (through a combination of the elements of the Adequacy Target applicable to English Learners and an addition of the remainder to the Base Funding Minimum) and \$1.7 million for Special Education Summer School.
Include additional reporting requirements for transparency	Have district spending plans articulate how funding is connected to expected student growth, how they plan to achieve goals, and report expenditures on low-income students.	The current GSA formula does not provide measures for transparency and is completely discretionary. These changes provide greater transparency, and support the measures for accountability in the state’s Every Student Succeeds Act (ESSA) plan.
Adjust Allocation Rates and Disbursement Amounts to Tiers	Lower the Allocation rate for Tier 1 from 50% to 40% and the amount of overall new funding going to Tier 1 from 50% to 40%.	These changes will spread out new dollars to districts below adequacy, rather than narrowly targeting only a few districts with additional dollars.

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