



## SUMMARY OF SB1 AMENDATORY VETO MODEL

Our analysis of the ISBE model shows the amendatory veto for what it is: a Trojan horse that masks inequities and will have severe consequences for districts in out years. The AV doesn't align with our principles, attacks the core of the evidence-based model and impacts districts long-term by doing the following:

### WHAT SENATE BILL 1 DOES

### WHAT THE AV DOES

#### PRINCIPLE: RECOGNIZES INDIVIDUAL STUDENT NEEDS

Calculates adequacy based on all costs of a quality education

Adjusts for regional wage differences

Adjusts costs to keep pace with inflation

Protects districts in the event of a pension cost shift

**Undermines adequacy and makes it impossible for many districts to ever reach evidence-based adequacy targets**

#### Caps regional wage differences

- 313 districts have their adequacy targets reduced
- The aggregate reduction is \$176 million

#### Does not adjust for inflation

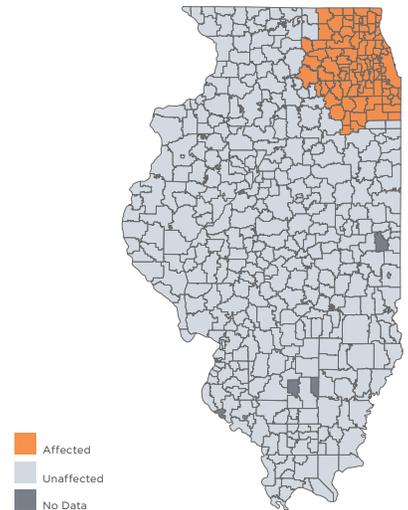
- The model uses FY17 state distributions, but does not adjust teacher salaries to reflect FY17 costs
- Impacts all districts in the model
- Costs are frozen at current levels. Schools will never have their true costs covered.

#### Removes protections against a pension cost shift

- The model does not add normal cost for districts into adequacy number, meaning all districts lose protection for new Tier 3 employees and the protection from a full cost shift
- Removes \$221 million in pension funding from Chicago Public Schools, to pay separately

#### GOVERNOR'S AV CAPS REGIONALIZATION

\$176 million omitted from the calculation of real costs to schools



#### PRINCIPLE: ACCOUNTS FOR LOCAL ABILITY TO PAY

Reflects local funds districts can access for education

**Includes all property wealth, including local funds districts cannot access**

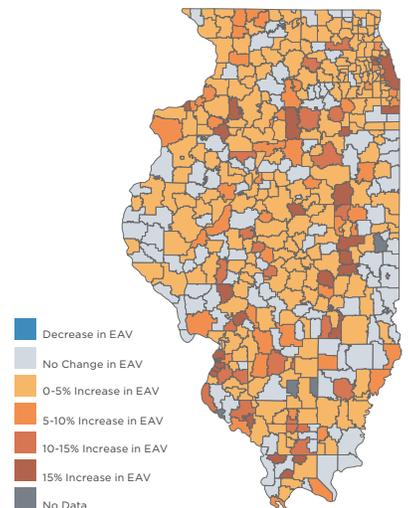
- Includes in the formula \$23 billion in property wealth for 574 districts that they cannot access to fund schools

#### Does not update EAV data for FY17

- This model updates FY17 state distributions, but does not update to use FY17 EAV. This means the model is not internally consistent

#### GOVERNOR'S AV ADDS \$23 BILLION IN PROPERTY WEALTH INTO THE SCHOOL FUNDING SYSTEM

Makes the school funding system more reliant on property wealth. 574 districts affected.



**PRINCIPLE: CLOSE GAPS BETWEEN LOW-INCOME AND WEALTHIER STUDENTS AND KEEP THEM CLOSED**

Begins to close gaps in adequacy

**Reduces state commitment to adequacy, below what evidence shows is actually needed**

- Decreases adequacy gap by \$1.133 billion
- Misrepresents new investment in education by redistributing \$203 million in existing funding
- Does not commit to future increases in state funding

**PRINCIPLE: PROVIDES A STABLE, SUSTAINABLE SYSTEM THAT GETS ALL DISTRICTS TO ADEQUACY OVER TIME**

Ensures hold harmless at the district level to take steps toward adequacy

Includes the minimum funding guarantee as protection for neediest districts if the state doesn't appropriate enough money

**Includes switch to per-pupil hold harmless in 2020-2021 school year**

- Takes districts off a path toward adequacy, resulting in lost state funding in the future for an estimated 333 school districts if it were implemented today

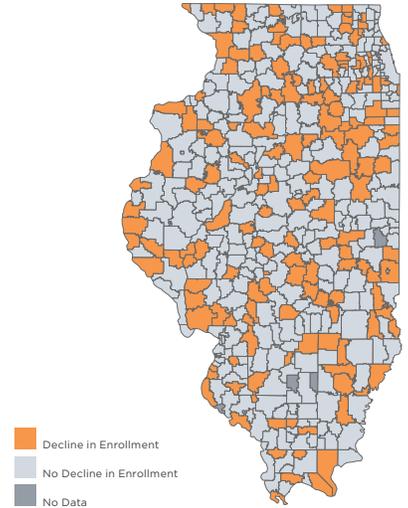
**Does not account for changes in enrollment**

- The model uses FY17 state distributions without updating enrollment data for FY17 – this data will be used to reduce hold harmless in future years

**Eliminates the minimum funding guarantee that protects the neediest districts, districts that have been hit hardest by pro-ration**

**UNDER THE GOVERNOR'S AV, SCHOOLS WITH DECLINING ENROLLMENT WOULD LOSE FUNDING IN 2020, EVEN IF THE SCHOOLS AREN'T ADEQUATELY FUNDED**

333 schools districts would be cut funding if enacted today



**PRINCIPLE: NO DISTRICT LOSES MONEY**

Ensures hold harmless for every district

**Does not guarantee that no district loses money**

- Cuts \$203 million from CPS students and redistributes to other districts

**Results in losses for 26 districts and more than 400,000 students versus Senate Bill 1**