

**COMMITTEE FOR LEGISLATIVE ACTION, INTERVENTION, AND MONITORING
FINANCE SUBCOMMITTEE**

PROPOSED IASB RESOLUTIONS

1. Two Year State Budgets

Submitted by: Oak Park SD 97

BE IT RESOLVED that the Illinois Association of School Boards shall support legislation requiring the Illinois General Assembly to determine the State budget, including the amount of funding for educational entitlements and General State Aid, on a rolling two year basis.

Rationale:

The State currently determines its budget, including the amount of funding for educational entitlements and General State aid, after school districts' budgets are due. Because school districts must set their budgets without knowing how much the State will give them for educational entitlements and General State aid, school districts are not able to confidently make long-term decisions regarding staffing and programming. If the State adopts two-year budgets, school districts would be able to engage in longer-term planning because they will be able to take the amount of educational entitlements and General State aid available for the following years which have been budgeted for by the State into account during their budget process.

2. Long-Term Budget Stability

Submitted by: Oak Park SD 97

BE IT RESOLVED that the Illinois Association of School Boards shall support legislation to better align the state's adoption of school funding commitments and the deadlines for school districts to lay off staff and adopt budgets.

Rationale:

The State currently sets its reimbursement rates more than a year after the fact. For example, the State adopted the foundation level for the 2010-2011 school year in May of 2011. Decisions about laying off teachers for the 2010-2011 school year needed to be made in late March of 2010 (fourteen (14) months before the foundation level was known) and even decisions about laying off teachers for 2011-2012 need to be made two (2) months before the level is known. When the reimbursements could be counted on to increase by roughly inflation, the disconnect did not cause major budgeting and forecasting problems. However, in this era of pro-rated and/or decreasing reimbursement amounts, forecasting errors can run to sizeable percents of the budget. The actual reimbursement after the service or product is delivered is acceptable and common in government and business. However, rational and accurate budgeting cannot be done when the service must be provided before the reimbursement rate is known, after the date staffing decisions must be made, and when the reimbursement rate cannot be reliably forecasted. This situation results in local districts, and through them local property tax-payers, taking on significant risk. This risk results in a reduced ability to provide continuity of program and instruction and frequently in budgetary shortfalls; both of which reduce the quality of education and adversely affect the local taxpayer.

3. School Funding Protection

Submitted by: Oak Park SD 97

BE IT RESOLVED that the Illinois Association of School Boards shall support legislation prohibiting any decrease in school funding commitments in the State budget from the prior year's level unless the State budget is adopted prior to the deadlines for school districts to set their budgets and make staffing decisions.

Rationale:

The State currently sets its reimbursement rates more than a year after the fact. For example, the State adopted the foundation level for the 2010-2011 school year in May of 2011. Decisions about laying off teachers for the 2010-2011 school year needed to be made in late March of 2010 (fourteen (14) months before the foundation level was known) and even decisions about laying off teachers for 2011-2012 need to be made two (2) months before the level is known. When the reimbursements could be counted on to increase by roughly inflation, the disconnect did not cause major budgeting and forecasting problems. However, in this era of pro-rated and/or decreasing reimbursement amounts, forecasting errors can run to sizeable percents of the budget. The actual reimbursement after the service or product is delivered is acceptable and common in government and business. However, rational and accurate budgeting cannot be done when the service must be provided before the reimbursement rate is known, after the date staffing decisions must be made, and when the reimbursement rate cannot be reliably forecasted. This results in local districts, and through them local property tax-payers, taking on significant risk. This situation results in a reduced ability to provide continuity of program and instruction and frequently in budgetary shortfalls; both of which reduce the quality of education and adversely affect the local taxpayer.