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State budget crisis over - but just until December

By Jim Broadway, Publisher, Illinois School News Service

With a solid [105-4-1 vote in the House](#) and a unanimous 54-0 vote in the Senate, [SB 2047](#) (one of the five appropriation bills I told you Wednesday were the only ones positioned to pass both chambers in the same day) became a 801-page state budget funding PK-12 education a full year and everything else for six months.

The bill in its final form is [at this link](#). Funding for the ROEs and some ISBE costs are covered on Pages 248-249. Aside from a few other incidentals, the bulk of PK-12 education appropriations begin on Page 785 and continue almost to the end of the bill. You're right, this is [not the bill I told you about on Thursday](#).

That was SB 2054. At the time I wrote Thursday's commentary, it was the only bill with school funding provisions, and they were pending in an amendment filed on Tuesday by Senate President John Cullerton. It looked like a fairly strong bet to be the education funding vehicle bill. Except for one thing.

As I told you Thursday, SB 2054 had never been out of the Senate. To pass constitutionally (Do they care about that?), it would have had to be read by title in the House on three separate days. That would have delayed passage until Saturday at the earliest. By mid-morning Thursday, they had pulled the old switcheroo.

Was it something I wrote? No. If that were the case, the education funding parts of SB 2047 would be identical to the provisions of the amendment that was pending for SB 2054. But that is not the case. The biggest difference is in General State Aid. SB 2954 promised \$5,472,188,200; SB 2047 cut it back to \$5,078,585,900.

The difference is nearly \$400 million. Where did the money go? It seems to have disappeared in the fog of legal jargon that's in that long paragraph that began the ISBE budget lines of school funding in both bills. But the total in SB 2047 is still about \$446 million more than GSA funding for the fiscal year just ended.

There is a "hold-harmless" provision guaranteeing every district at least as much as it received from the state in FY 2016. There is an "equity grant" clause to narrow the gap somewhat in per-student resources available from district to district. Districts with little property to tax and high poverty rates get more funding.

The school funding provisions of SB 2047 - which Gov. Bruce Rauner is sure sign - seem in most other respects to be similar to [those I described Thursday](#) from the amendment to SB 2054. Mandated categoricals and most other programs are "even-funded." Early Childhood education gets a big funding boost.

How's the legislature's achievement going over in the media? The Chicago Tribune [may state it more harshly than most](#), but there's widespread recognition that SB 2047 just spends money. It is not a budget in the sense that the spending is balanced to any extent by revenue anticipated to arrive in the state's coffers.

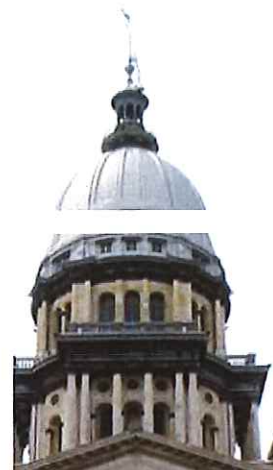
As legislators noted in floor debate, current unpaid bills to the state total about \$7 billion and, with current revenue streams, the state is spending about \$500 million more than it takes in each month. By the end of the calendar year, a total \$10 billion pile of unpaid bills is possible, not counting bonded debt and unfunded pension system liability. A hike in income taxes, application of the sales tax to services - such measures were tossed out as certainties.

The ["veto session" schedule](#) is November 15, 16, 17, 29, 30 and December 1. Yes, it starts exactly one week after the elections. At that point, the state will have spending authority limited to just a few weeks for everything except education and obligations far outstripping any expectations of revenue for the fiscal year.

What will happen then? I think the election outcomes will heavily influence the answer to that question. If the majority Democratic caucuses grow, it seems likely that the revenue steps outlined above will happen without any concessions to Rauner. If they shrink, Rauner's union-busting goals may become viable.

But at least the public education funding problem is solved, right? No, there's still a long way to go in that regard as well. The Funding Illinois' Future coalition expressed it well [on its web site](#) Thursday evening. Here's what they said:

Today, legislative leaders agreed on a suite of bills affecting education funding and immediately ending the budget impasse for schools. This agreement, along with action on the overall budget, brings much-needed certainty to students and



communities across the state. Finally, school leaders and social service organizations can get back to the business of educating children and supporting families.

However, these actions still amount to placing a band-aid on a broken leg. There is more work to be done. From Peoria to Pana, Elgin to Eldorado, Illinois has one of the most inequitable funding systems in the country. These bills show tacit agreement with that fact – our system is broken, outdated, and unfair. Illinois still falls short in upholding its obligation to provide all students with equitable resources regardless of zip code.

Funding Illinois' Future will continue to advocate for core principles that we believe constitute an equitable funding system. An equitable formula must 1) distribute dollars based on student need; 2) take into account local ability to pay; 3) use a single, weighted formula; and 4) fund all districts the same way—which includes how we fund pensions. We believe that these elements work together. While pension parity is a core principle, it needs to be done in conjunction with the rest of the elements in order to create an equitable system.

Illinois leaders must continue to negotiate for long-term structural reform to our education funding formula so that all students get the resources they need to succeed.

It is clear. Just as the legislators kept reminding each other that the budget crisis is not "fixed" by a long shot, not even close, most of them see that adding a few hundred millions of dollars to the GSA formula does not sufficiently narrow the equity gap, the chasm of inequity that divides Illinois school districts - not even close.

The Funding Illinois' Future coalition's work is not done. The districts and communities represented on the coalition have seen state support for their children's education erode, seemingly slowly perhaps, little-by-little, but in the aggregate, over the decades, they have suffered death by a thousand cuts.

Their challenge in the future is not just to push to enactment a true school funding "reform" measure, a state policy that focuses resources markedly on those districts and programs with the greatest need (high poverty counts and numbers of English language learners) and the least local property tax resources.

No, in addition to trying to advance their status to the point where the per-student resource gap from one district to another in Illinois is less obscene than it now is, they will have to be alert to prevent a backward creep, a return to the slow and steady erosion of their support from the state from year to year.

But the fiscal crisis has entered a lull period now. Next week - and this time I mean it - we will review legislation that is on Rauner's desk and other interesting school policy matters. After that, the newsletter will become a weekly for a while.

The ISNS Archives link is [at this URL](#). The secret password has been changed to: overtime. Please keep it a secret, just between us school policy insiders. The Archives page links you to every ISNS newsletter distributed this year and in 2015.

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