



Auburn Community Unit District No. 10



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From the Desk of the Superintendent

Education is Fully-Funded?

Earlier this month Illinois legislators passed a budget that "fully funds" education. What does that mean? It's a bit deceptive. Roughly half of our revenue for the Auburn School District comes from the State of Illinois. Nearly a decade ago when the State of Illinois started to realize financial shortfalls, the payments to school districts started arriving late. At the end of the fiscal year, late payments would arrive in the wrong fiscal year. Rather than calling them "late", the payments were figured in as "on time" for the new fiscal year and the late payments from the prior year were simply ignored. They never came. Then, if you recall, school districts started putting up signs on their marquee showing how much past debt was owed to them by the State.

Since the State of Illinois didn't have the money to pay their obligations to school districts, a new idea was implemented which somewhat disguised and skewed the calculations so the actual amount owed to districts was much less. Within the State payment formula is a number called the "Foundation Level". This number represents the minimum cost to adequately educate a student in one year and it serves as the foundation piece for calculating what school districts receive. Because expenses gradually increase each year, this number gradually grows by 2-3% as well. In 2009 this number was \$6,119. Despite the fact that providing the minimum education to a student in Illinois now costs more than \$8,200 per student per year, this number used to calculate the payments from the State has been frozen at \$6,119 ever since. This frozen foundation level intentionally makes the payments from the State much less than they should be. This became a double-whammy to struggling school districts who depend so heavily on State payments.

On top of late payments and an outdated formula came a third method to short school districts of what is owed by State Statute. This is the idea of Pro-ration. Pro-ration means that on top of late payments, missing payments and an outdated formula, only a portion of the outdated figure would be paid. Over the past few years that figure has ranged from 87% to 92%, shorting school districts hundreds of

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thousands to several million dollars compounding over many years. That would be like you telling the city that despite what you owe on your water bill, you were going to use the rates from 2009 and once that old figure was calculated you would pay only a percentage of your bill and call it done.

With an outdated Foundation Level coupled with Pro-rated payments to schools, the notion of inequitable funding between schools districts was an unintended consequence and fixing the inequities became the focus. Many legislators worked hard and are still working hard to address the inequities by taking payments away from poor districts and giving that money to poorer districts. This energy is somewhat of a distraction since the core problem is the lack of total funds which causes the inequities.

When the State of Illinois passed their education budget earlier this month ending Pro-ration of payments it was headlined as "fully funded"; "extra money for school", as though we won a bonus prize. "How will they spend it?" was one article I read. Auburn is to receive an "extra" \$412,000 from what we received in the prior year. Don't forget that with this announcement came the news that the Foundation Level was once again frozen at \$6,119. Also, we have been surprised in the past with mid-year late and missing payments despite a State budget.

What does this mean for Auburn? This past fiscal year, because of the combination of compounded financial shortfalls from the State, our deficit was over \$500,000, which was not uncommon for school districts across the State. At the same time, we were also listed by the Illinois State Board of Education as one of the more financially sound districts in Illinois who would remain open all year if no State budget were passed at all.

The promise to end Pro-ration for fiscal year 2017 is a big step towards making public education a priority in Illinois again. It means we will come closer to closing the financial gap between deficit spending and a balanced budget if the promise is kept and it is actually paid, but the notion of being "fully funded" is inaccurate and misleading.