

OPPOSE HB 89 (FRANKS) AND HB 95 (McSWEENEY)

LUDA ED-RED LEND SCOPE CPS
ILLINOIS STATEWIDE SCHOOL MANAGEMENT ALLIANCE
ILLINOIS FEDERATION OF TEACHERS
ILLINOIS EDUCATION ASSOCIATION
CHICAGO TEACHERS UNION
STAND FOR CHILDREN ADVANCE ILLINOIS

House Bills 89 and House Bill 95 would have far-reaching negative impact upon already revenue-challenged school districts. HB 89 requires that districts in PTELL (tax capped) communities for which the total taxable Equalized Assessed Valuation (EAV) is less than the previous year, the allowable increase in a district's extension would be 0% or the rate approved by voters. HB 95 would automatically freeze a district's tax extension for three years unless local voters approved a different rate through referendum.

Currently, districts subject to PTELL are limited in their ability to increase local revenue – defined by the lesser of CPI or 5%. These proposals eliminate the authority of school boards to increase local revenue by inflationary costs.

Reasons for Opposition:

- Each year's levy is based upon the previous year's levy; therefore reductions are permanent, continuous, and compounding.
- The proposal eliminates a local school board's authority to levy based on the needs of the community and student population. School board members are elected to serve as fiscal stewards of our school districts and consider the impact of fiscal decisions on their community prior to adoption a levy.
- Districts in tax-capped counties are already limited in their ability to access additional local revenue due to PTELL provisions.
- Counties have the option to approve PTELL through voter referendum. These bills override the intention of the thirty-three counties that voted to approve PTELL. (Legislative action required Cook, McHenry, Lake, Kane, DuPage, and Will Counties to adhere to PTELL provisions in the early 1990s without voter approval.)
- A decrease in EAV can be caused or contributed to by many factors unrelated to declining home property values/assessments, including the county multiplier, a change in assessment factors, or large number of property tax appeals.
- Freezing local resources will increase the amount of General State Aid for which districts are entitled. For the last two years, the legislature did not approve enough revenue to fully fund GSA. In FY 2012, GSA was prorated at 95%. This year, GSA is prorated at 89%.
- School districts have already experienced reduced revenue through cuts in: Student Transportation, Elimination of the ADA Block Grant, GSA Hold Harmless, Special Education Extraordinary Hold Harmless, Gifted, Title IV and V, reduced investment revenue, and unreliable cash flow due to late state payments. Public schools are currently owed over \$700 million from the State of Illinois.