



State Budget Impasse Talking Points

I. Overview

- A. All sectors of society, including Illinois public school students, have suffered the consequences of Illinois' financial problems over the past couple decades.
- B. For nearly the past two years, Illinois has operated with just a partial budget for education and "stopgap" or Band-Aid measures. These measures mean frozen and reduced budgets at local government entities, community organizations, and education agencies that support our families and communities. Even though education has been funded, schools and students still suffer due to the lack of certainty, inequitable funding and current unpaid bills from the state.
- C. The state, by constitutional mandate, has the primary responsibility for funding its public schools but has never come close to covering even 50 percent of the cost. Germantown Hills School District receives about 26% of its funding from the state.
- D. It is the job of the Governor and the Members of the General Assembly to create a comprehensive, balanced budget that supports all citizens, especially our students, our future.

II. New Initiative: Pass Illinois' Budget!

- A. We are calling on the Illinois General Assembly and Governor Rauner to do the following:
 - Immediately and with bipartisan support an end to the state budget impasse
 - Improve the state's education funding formula and invest in students, including students in higher education institutions.
 - Pay school districts what they are owed this year

III. Step One: Pass a State Budget

- A. Lawmakers say they want to pass a budget but do not have any proposal before them.
- B. This is at a time when we are ranked as having one of the worst tax structures in the country, one of the highest property tax rates, and one of the poorest and most inequitable education funding structures.
- C. The lack of a spending plan has impacted many educational institutions and social service agencies. It led to some higher education institutions cutting instructional days, laying off staff, and seeing their financial status get downgraded for a "weakened cash flow" in part caused by the state budget impasse. A March survey of human service agencies done by the United Way of Illinois found that 69 percent of agencies had received no or only partial payment for state services delivered in fiscal year 2017. That's up from 35 percent last fiscal year. These cuts impact us all.

IV. Step Two: Improve the State's Education Funding Formula

A. The current funding formula does not adequately and equitably fund education in Illinois. There are some proposed solutions, but all require the state to pass a budget with revenue to support it.

V. Step Three: Pay School Districts What They Are Owed

A. The state has delayed payments because there is not enough revenue being received by the state to cover the expenditures that are due.

B. As of April 26, 2017, the total owed to Germantown Hills School District is \$345,792.

Here are the largest funds due:

- Transportation - \$101,705
- Special Education - \$244,087

C. These unpaid bills mean that Germantown Hills School District will need to reduce expenditures in Fiscal Year 2018 since we are not receiving all of our budgeted revenue. We will likely delay purchases of new buses and computer equipment.

VI. What Happens if a Budget is not Passed?

- A. In Germantown Hills School District, we receive about 26% of our revenue from the state. The General State Aid payments are being paid on time, however the categorical payments are not. We have received one categorical payment for this fiscal year amounting to about 20% of what was approved by the state last fall.
- B. Like any business, we need to know several months - preferably more - in advance how much money we'll receive so that we can make thoughtful spending decisions, from hiring staff to allocations for curriculum, maintenance and repairs, and much more for the coming school year
- C. Residents and companies alike are not likely to stay or move to a state that has not passed a budget in nearly two years. This impasse hurts our current well-being as well as our state's economic future.

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