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Illinois Overhauls System for Funding Public Schools.

Long the financial disgrace of the nation, Illinois made its mark in another way on Tuesday by passing landmark education-funding reform that will pump more state money into the neediest districts, give a major boost to Chicago's struggling school system and deliver one of the widest-reaching private scholarship programs in the country.

The Illinois Senate passed the measure on Tuesday, one day after the House. Gov. Bruce Rauner, a Republican, has said he will sign the bill.

The legislation adopts a new "evidence-based model" that delivers more state dollars to low-income school districts. Illinois schools have long relied heavily on local property taxes to finance their education system, creating what reform advocates have called the most inequitable school-funding system in the country. The legislation establishes a new formula by which state money will shore up districts lacking a robust property tax base.

The governor vetoed the original legislation, calling it a bailout of Chicago Public Schools, which he has long criticized as financially mismanaged. Lawmakers largely ignored Rauner's veto, which included amendments to the bill. Instead, they focused on securing a union-opposed, \$75 million private scholarship fund — a pilot for five years — as part of the deal. Cardinal Blase Cupich, the archbishop of Chicago, lobbied heavily for the private program, which would allow individuals and corporations to earn tax credits for donating to a scholarship fund that benefits eligible families who send their children to private schools.

"This has been a long and cumbersome process," said state Sen. Andy Manar, a Democrat who championed the education-funding overhaul.

The deal has the potential to drop a political lifeline to Rauner.

"For far too long, too many low-income students in our state have been trapped in underfunded, failing schools," the governor said in a statement. "The system needed to change. We have changed it. We have put aside our differences and put our kids first. It's a historic day for Illinois."

"Our leaders worked together to provide school-choice protection for parents who want the best education possible for their children," Rauner said. "This is accomplished by ensuring that district-authorized charter schools receive equal funding, and by providing families with limited financial resources the same access to private schools. The Tax Credit Scholarship program encourages individuals and businesses to enable families to choose the school that best meets the needs of their children."

Opponents criticized Rauner, saying he had criticized the legislation as recently as Friday.

"Today lawmakers overcame another of Bruce Rauner's manufactured crises," said Sam Salustro, a spokesman for the Democratic Governors Association. "After the legislature overrode his veto of the state's first budget in two years, Rauner could have refocused his administration toward making

progress. Instead he pushed the state right back into crisis by vetoing funding for schools and making demands even Republicans would not support. Illinois families will not forget how Rauner's failed leadership threatened public schools' ability to stay open for political gain."

The deal is a boon for Chicago Mayor Rahm Emanuel, giving the city's struggling school system more money to cover pensions, as well as allowing Chicago to levy another property tax.

Teachers unions in Illinois criticized the bill for allowing what they call a backdoor voucher program, taking potential tax dollars out of public classrooms.

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