

## **HB813 Overview**

### **School Funding**

HB813 would apply a three year “freeze” to the current school funding formula and provides school districts with the following:

**First:** The same level of funding they received in the current state budget, including any amount received from the additional \$85 million provided to needier schools.

**Second:** Any increases above the current level would go through a new “equity grant” system that will factor in a district’s low-income population and available local resources in order to provide additional funds to districts with higher concentrations of lower income students.

**Third:** Includes provisions so that no school districts receive less than the full foundation level.

### **Pension Parity for CPS**

The bill includes a provision that beginning in Fiscal Year 2017 (July 1, 2017) the state would pay the normal costs to the Chicago Teachers’ Pension fund, as it does for all other school districts in Illinois. That amount is \$205 million in FY17 and thereafter would be certified, similar to the other state pension systems, on an annual basis.

### **Property Tax Levy for CPS**

The bill will allow the Chicago City Council to pass an ordinance creating a new property tax levy of not more than 0.26 percent for teacher pensions.

- If the Council approves the full 0.26 percent levy, the amount raised will be \$175 million.

CPS currently pays pension contributions from its education fund. The pension levy would free up money from the education fund to go into the classroom.