

SB 4062
Written Testimony
Senate Executive Committee Hearing
April 23, 2026
Virtual Hearing

Chair Castro, Vice-Chair Cunningham, Leader Curran -

Thank you for the opportunity to provide feedback on SB 4062 and its proposed framework for calculating school impact fees. We appreciate the effort to increase housing availability across Illinois and recognize the importance of balancing development goals with the fiscal sustainability of local taxing bodies, including school districts.

Through conversations with our member districts, it is clear that there is substantial variation across the state in how municipalities and school districts coordinate around new development. For that reason, we have significant concerns with a statewide uniform approach to calculating impact fees that may not adequately reflect local conditions, enrollment realities, land availability, construction costs, or existing school capacity.

In many communities, school districts are engaged early in the development process, maintain productive relationships with municipal leaders, and are able to negotiate impact fees that appropriately reflect the true local cost of serving new students. In these cases, a state-mandated formula could unintentionally disrupt successful local partnerships and reduce the flexibility communities currently rely upon.

In other communities, school districts report limited or no involvement in development discussions. These districts may experience the direct consequences of new growth, including increased enrollment, transportation needs, staffing pressures, and capital costs, without meaningful input into how impact fees are calculated. A single statewide formula risks repeating this problem if it does not require formal district participation and local review.

We also note that the need for impact fees is, in part, driven by long-standing challenges associated with Tax Increment Financing (TIF) practices across Illinois. TIF districts can divert critical property tax revenue away from schools while new development simultaneously increases student enrollment and facility demands. Without addressing these structural funding pressures, impact fees alone may not fully mitigate the strain placed on school districts. Under current law, school districts often have little formal authority in local development financing decisions despite being significantly affected by them.

While we understand the desire for consistency and predictability across jurisdictions, we believe the better approach is not a rigid statewide formula, but rather a framework that establishes minimum standards while preserving local decision-making. Illinois communities vary dramatically in housing stock, density, growth trends, construction costs, and school district capacity. A one-size-fits-all model cannot reasonably account for those differences.

As discussion on SB 4062 continues, we respectfully recommend the following:

- Ensure school districts have a formal role in the development, review, and updating of any impact fee formula.
- Preserve local authority to account for actual district capacity, enrollment trends, and construction costs.
- Prevent unilateral reductions in impact fees below calculated levels without district concurrence and allow for increases in impact fees above calculated levels, when appropriate and agreed to by the parties.
- Clarify the timing of fee collection and distribution so districts receive funds before costs are incurred.
- Reevaluate mandatory exemptions that may shift the burden of growth onto existing taxpayers.

We remain committed to working collaboratively on solutions that support housing growth while protecting the financial stability of school districts and their ability to serve students effectively.

Thank you for your consideration.

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