



Closing schools' resource gap

Illinois legislators look to reform funding structure under which richer, poorer districts diverge widely in educational outcomes

by Illinois Rep. Elgie Sims (repsims34@gmail.com)

Benjamin Franklin once said, “An investment in knowledge pays the best interest.”

These words exemplify efforts underway in Illinois to reform the state’s education funding system and improve the educational experience for students and families.

Developments as significant as those of the last six months regarding how the state funds elementary and secondary education have not been seen in Illinois since the early 2000s, when the state made major changes to its formula for general state aid and created the Education Funding Advisory Board.

During the spring legislative session, the speaker of the Illinois House authorized me and several other members to begin examining and proposing reforms to Illinois’ education funding structure. Additionally, following months of hearings, the Illinois Senate passed legislation, SB 16, with the goal of equalizing funding for Illinois schools.

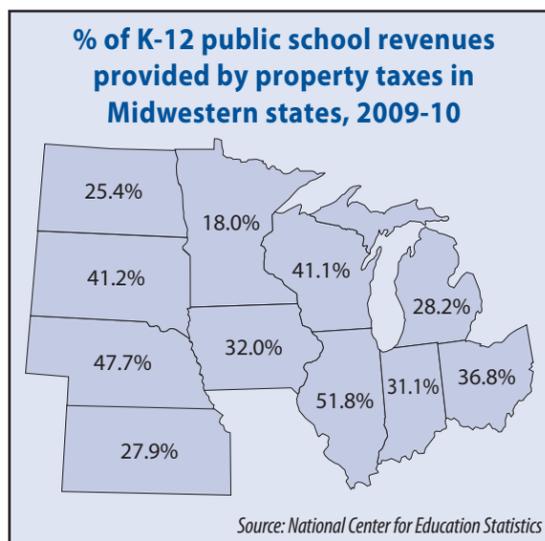
New opportunity for reform

These exciting developments constitute one of the best opportunities in years to reform an education funding system in which there are wide disparities in the amount of resources and academic options available to students.

For fiscal year 2015, 19 percent of Illinois’ general-funds budget is dedicated to elementary and secondary education. When coupled with local and federal spending, Illinois ranks fourth in the nation in total education spending; however, because of the regressive nature of the current funding system, the disparity between wealthy and poor school districts in overall education spending continues to grow.

During the 2012-13 school year, total per-pupil spending by districts ranged from a high of \$28,497 to a low of \$6,353, depending on district type, according to the Illinois State Board of Education.

Pursuant to the Illinois Constitution, the state bears the responsibility for providing “an *efficient* system of *high quality* public educational institutions and services” (emphases mine). The state fulfills this



responsibility, in part, through local school districts that are granted limited taxing authority.

Should a district be unable to generate adequate income from local property taxes, it receives “equalization” funding. Unfortunately, state equalization funds are often insufficient to compensate for differences in local wealth, creating a structural imbalance and inefficiencies in the resources available to school districts.

The disparity in funding is the result of three main factors: local property wealth, local tax effort and state equalization funding.

Under Illinois’ current funding structure, the value of real property determines the amount of money a school district can generate for its schools from local property taxes. Therefore, property-wealthy districts are able to invest greater resources and provide more academic options to their students with less tax effort. Conversely, property-poor districts are often forced to levy higher taxes in an effort to meet local obligations, yet remain unable to fully fund basic educational needs.

Illinois’ main source of state funding to school districts comes in the form of general state aid, which provides funding on a per-pupil basis to school districts after accounting for what the formula defines as “available local resources.”

Despite significant investments in general state aid — for which over \$4.5 billion is appropriated in the fiscal year 2015 budget — a school district relying on it as the primary source of funding has far less resources at its disposal than a district that is able to rely primarily on local property wealth for the majority of the resources it invests in the classroom.

Ultimately, more resources alone will not create a higher-quality education for students; however, equitable funding helps ensure that school districts with a large percentage of low-income students have the resources necessary to provide them with the same academic opportunities that

students from wealthy areas receive.

In his dissent in *Committee for Educational Rights v. Edgar*, an Illinois Supreme Court case addressing issues of equity in education funding, Justice Charles Freeman referenced two neighboring school districts, one property-wealthy and one property-poor; in his analysis he suggests that available resources have a direct impact on all aspects of a student’s educational experience, such as teacher recruitment and retention, course offerings, the age of textbooks available and the physical infrastructure of a district.

One example of this situation is a recent salary study of Illinois teachers, which shows that the lowest starting salary for a teacher was \$23,879, while the highest was \$57,456, depending on the type of district.

Disparities continue to grow

A recent study by Stanford University’s Center for Education Policy Analysis suggests that the disparities outlined in *Edgar* still exist and have gotten worse, as the achievement gap between affluent and low-income students is now four times what it was in the 1960s.

The structural inequities of the current education funding system have been debated for years. However, recent developments show real promise for implementing reforms that allow Illinois to continue living by our state’s constitutional mandate: “the educational development of all persons to the limits of their capacities.”

The final resolution will not be easy; it will require difficult discussions regarding complex educational issues, including

the adequacy of education funding, the quality of educational offerings, and how to equalize funding and close the resource gap.

Despite these challenging discussions ahead, Illinois is poised to make the reforms that are necessary to make its education funding system more beneficial to taxpayers, parents, and most importantly, students. ★

Illinois Rep. Elgie Sims, a Democrat from Chicago, was first elected in 2012.

The achievement gap between affluent and low-income students is now four times what it was in the 1960s.

State	% of total funding from source		
	Federal	State	Local/intermediate
Illinois	12.4%	28.4%	59.2%
Indiana	11.1%	47.2%	41.7%
Iowa	13.4%	40.0%	46.6%
Kansas	11.7%	52.7%	35.6%
Michigan	13.3%	54.2%	32.5%
Minnesota	12.5%	59.3%	28.2%
Nebraska	12.7%	33.0%	54.3%
North Dakota	22.1%	44.0%	33.9%
Ohio	10.8%	44.1%	45.1%
South Dakota	19.5%	31.1%	49.4%
Wisconsin	10.5%	44.8%	44.7%

Source: National Center for Education Statistics

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