CENTER FOR TAX AND BUDGET ACCOUNTABILITY

The Current Status of Public Education Funding in Illinois

The current Illinois school funding program is a national disgrace:

- Illinois has the most inequitable education funding system in the country, with per pupil spending ranging from a high of almost \$23,700 to a low of less than \$4,500.
- Illinois received the failing grade of D+ in school funding fairness by *Education Week*.
- Illinois ranks 50th in the nation in the amount of school funding provided by state revenues. Nationally, states provide an average of 51% of the funds for education. Illinois provides only 30%.
- Illinois' over-reliance on local property taxes to fund schools has tied the quality of a child's public education to the affluence of that child's community. This prevents thousands of children across the state from receiving a quality public education.
- In 2006, the Education Funding Advisory Board determined that an adequate education in Illinois would require a Foundation Level of \$6,405 per pupil. They also recommended the level increase every year by the Employment Cost Index (\$6,675 for FY 2007). The FY 2007 current foundation level is only \$5,334.
- Over 40% of school districts are deficit spending.
- Inadequate funding is forcing schools across the state to take drastic measures, including increasing class sizes, reducing staff, continuing the use of outdated textbooks and cutting extracurricular program, to name a few.
- As reported by the Education Trust, Illinois had a gap of \$2,065, the 2nd largest in the nation, between dollars available for students between the highest and lowest poverty districts.
- In a typical school of 1,500 students, that translates to a gap of over \$3 million.

The State's inadequate, inequitable school funding system has had a severe, negative impact on student academic performance:

- In 2002, 49 Illinois schools were on the Academic Watch list. By 2005, the number was 516, an increase of over 955%
- Throughout the state, academic proficiency scores are lower in high-poverty schools and schools enrolling large numbers of racial and ethnic minorities, special education students and students that speak English as a second language.
- Children that reside in communities of concentrated poverty or significant minority concentration are more likely to attend a school on the state's academic watch list.
- In Illinois, three of every four African-American students, as a group, rank last on state tests in every grade and subject.

Statewide tax reform is necessary to achieve school funding reform:

- The state's structural deficit is the primary reason Illinois doesn't pay its fair share of school funding.
- The state must fix its tax structure so it can generate adequate, reliable, sustainable revenue now and into the future, in a fair fashion with rates that are competitive nationally.