



Funding Expectations

As Illinois public schools step up academic support for students, Illinois cannot step away from funding responsibilities

Challenging Times for Illinois Public Schools

Illinois advanced landmark reforms in recent years to improve instruction for the 2 million students in public schools. Yet the drain of state resources threatens to derail progress, hamstringing academic opportunities and unravel the basic education needed to prepare Illinois students for today's world.

Illinois confronts a financial crisis that further threatens its solvency. How Illinoisans – whether policymakers or parents, teachers or taxpayers – respond will shape the next generation of students.

The state's financial constraints and resulting budget cuts have pushed school districts to the brink. Two-thirds of school districts now are deficit-spending.¹ Districts have dismissed at least 6,400 educators and aides.² Others have shuttered schools, lengthened bus routes and curtailed classes in everything from art to foreign language.³

The financial strain is worse in disadvantaged districts with little local wealth and large concentrations of low-income students. Nearly half of Illinois students are economically disadvantaged,⁴ and for the first time, more than half of schools serve 40 percent or more low-income students.⁵ Such schools and districts – and the vulnerable students they serve – felt the sting of state budget cuts during recent years, cuts that deepened inequities between school districts.

We must do better.

“A fundamental goal of the People of the State of Illinois is the educational development of all persons to the limits of their capacities.”

CONSTITUTION OF THE STATE OF ILLINOIS
ARTICLE X, SECTION 1, 1970

School Expectations Climb Higher...

For the first time in a long time, Illinois has a comprehensive plan to strengthen the state's public education system and improve student performance, which has remained flat for much of the past decade.

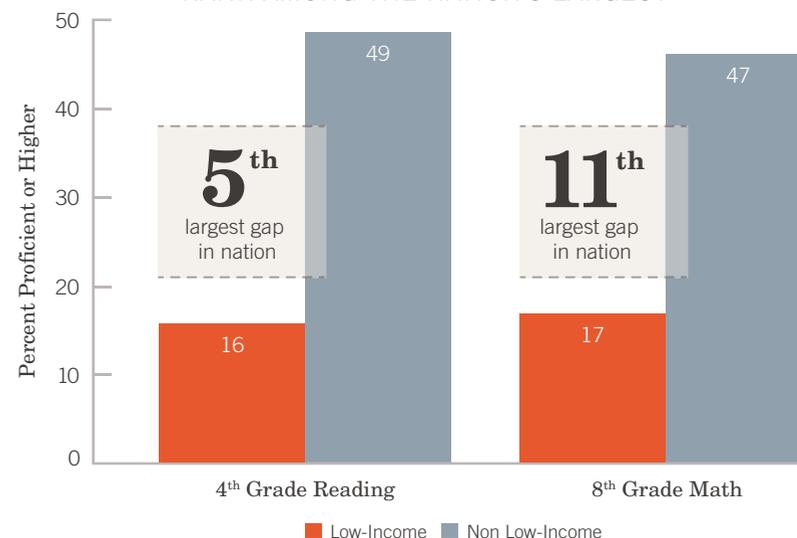
State education leaders raised standards for students,⁶ set a higher bar for aspiring teachers to enter the field,⁷ strengthened teacher and principal evaluations to provide feedback and improve instruction,⁸ redesigned school report cards⁹ to put key information in the hands of families, and intensified efforts to improve struggling schools and offer support to the students they serve.¹⁰ Such efforts pave the way for better outcomes and opportunities for students.

The hard truth is most Illinois students are not prepared for the challenges of an increasingly complex world.

Only one-third of students statewide reach key academic milestones like reading proficiently by fourth grade¹¹ or graduating high school academically prepared for college, career and citizenship.¹² Achievement gaps between Illinois low-income students and their classmates remain among the largest nationwide.¹³

As a state, we must continue to improve if we are to help all students achieve their full potential.

ILLINOIS ACHIEVEMENT GAPS RANK AMONG THE NATION'S LARGEST



Source: National Assessment of Educational Progress, 2011

...But School Funding Falls Short

Four years of cuts to Illinois public education threaten to derail much-needed improvements and strip away support for student performance.

When adjusted for inflation, Illinois slashed \$1.4 billion from the total K-12 budget since FY2009.¹⁴ That's down 18 percent. School districts confront the specter of another year of cuts if funding projections hold true.¹⁵

Such sustained reductions have magnified the systemic challenges within Illinois education funding and raised questions about whether Illinois provides adequate and equitable support for public schools.

Illinois contributes a quarter of the total investment in K-12 education statewide, a diminishing level of support that ranks among the lowest nationwide. On average, other states cover half of total funding for public schools.

Illinois' stated goal is to provide funds to support an adequate public education for every student statewide.¹⁶ This includes providing additional and targeted funds for disadvantaged students, who research shows need more support if they are to succeed.¹⁷

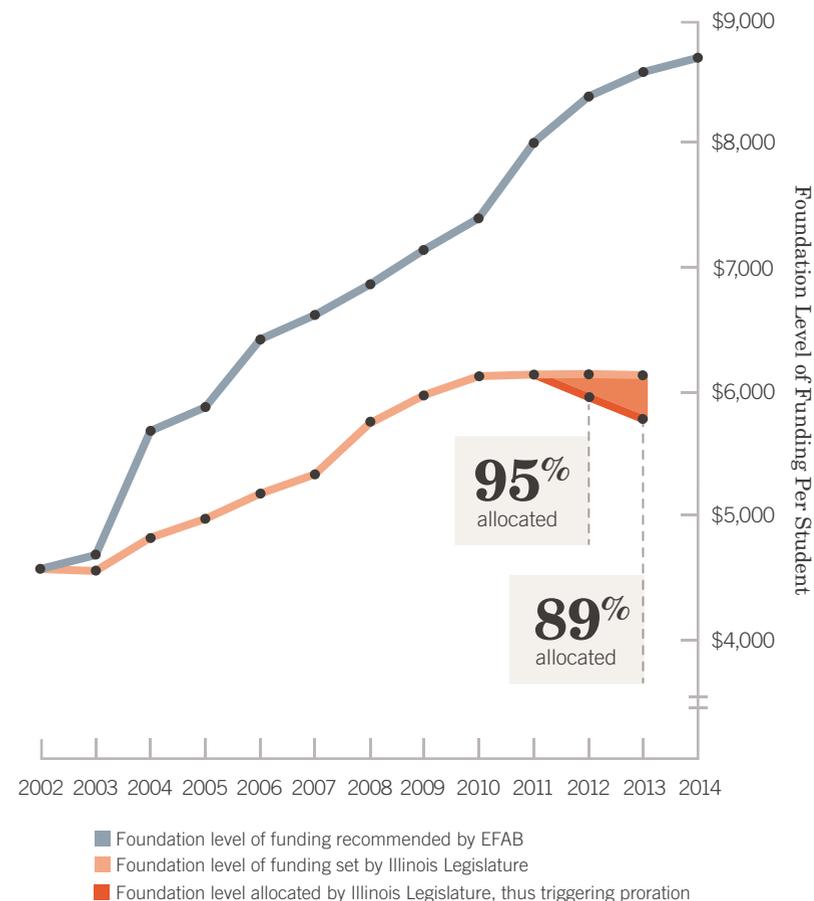
In practice, however, Illinois has not provided funding needed for an adequate public education in a decade. The funding gap continues to widen in Illinois between what the state's independent funding commission – the Education Funding Advisory Board – deems necessary, and what the Legislature determines the state will provide.¹⁸

With state funds limited, school districts increasingly rely on local property taxes¹⁹ to pay educators, buy instructional materials and keep the school doors open. School districts in affluent areas have the ability to raise more money, and do. School districts in impoverished areas can raise less. As a result, districts with the least wealth and greatest number of poor students fall furthest behind. Such disparities show no sign of easing given the state's financial constraints.

Illinois school districts are in crisis. Their ability to improve student outcomes and opportunities is at risk.

ILLINOIS FALLS FURTHER BEHIND

The gap widens between what the state's Education Funding Advisory Board recommends and what the Legislature determines to fund. Allocating a portion of the necessary funding, thus requiring the proration of payment to school districts, further widens the gap.



Source: Education Funding Advisory Board, Illinois State Board of Education

Illinois Must Act Now

How Illinois funds public schools is ripe for review. The current system provides neither adequate nor equitable education funding to meet the needs of today's students. The shortfall of state funds, the growing gap between what the state's funding commission recommends and what the Legislature determines to fund, deepening inequities between Illinois school districts and the lack of transparency merit a comprehensive, collaborative study about how to better support public schools – particularly as they confront higher expectations. The discussion cannot wait.

For now, we urge Illinois legislators to stop cutting education funding, and end the proration of general education funds, given the undue harm to the neediest school districts.

For the coming year, the Illinois State Board of Education has requested \$5 billion in General State Aid,²⁰ funding that ensures school districts are able to provide a basic, adequate education to every child. This amount does not meet the funding level that the state's Education Funding Advisory Board recommends as adequate – \$8,672 per student next year. But it provides the dollars needed to support the current \$6,119 per-student foundation level of funding set by the Legislature. We support this funding request.

This year, the Illinois Legislature allocated just 89 percent of the funds needed to pay school districts what they are due under the \$6,119 foundation level funding, thus requiring proration. By law, the Illinois State Board of Education must pay school districts on a prorated basis when the state underfunds education.²¹

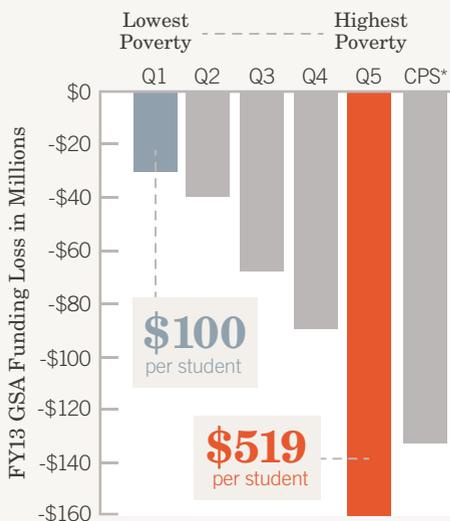
The sheer complexity of the state's education funding system clouds the adverse impact of proration on school districts.

CURRENT

Illinois must stop prorating payments to school districts, a budgetary tactic that has a decidedly regressive effect.

PRORATION HURTS POOREST DISTRICTS

The 20 percent of students who attend the poorest school districts are losing the most under proration, roughly \$160 million this year. The 20 percent of students who attend school districts with the fewest poor students are losing \$30 million.

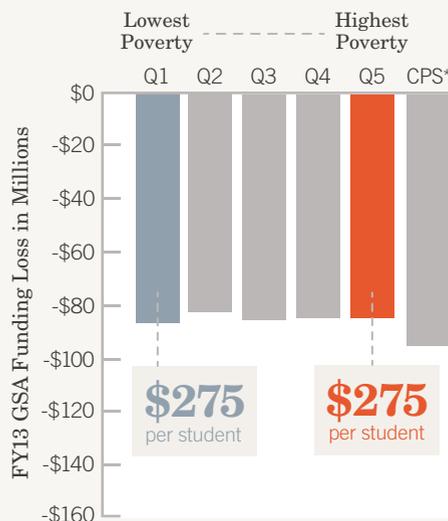


ALTERNATIVES

If Illinois does not fund the state board's budget request – and we hope this is not the case – the Legislature must equitably spread reductions among school districts. Below are two alternatives for how the state could have approached cuts, using this year's funding as an example.

LEVEL CUT FALLS EVENLY AMONG DISTRICTS

Reduce funding by a level \$275 per student from each school district's allotment of state funds. The loss would have been shouldered evenly among districts with differing spans of student poverty, each losing roughly \$85 million.



PROGRESSIVE CUT SHIELDS POOREST DISTRICTS

Determine the funding cut for school districts based upon the district's level of student poverty and local property wealth. This would have protected the state's most disadvantaged school districts and the students they serve.



*Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state's enrollment; CPS is not included within the other quintiles.

Note: The quintiles reflect an even distribution of the state's public school enrollment by student poverty. So, Quintile 1 represents the 20 percent of students enrolled in school districts with the fewest low-income students while Quintile 5 represents the 20 percent of students enrolled in school districts that serve the greatest number of low-income students.

Source: Advance Illinois analysis of FY2013 General State Aid entitlement calculations, February 2013

School Funding Must Support School Expectations

FACT

Illinois students, educators and schools face higher expectations. Yet deep cuts to education funding make it difficult to improve.

Money alone cannot raise student outcomes or close the achievement gap – on that, the research is clear. But money matters.²² The steady drain of state funds undermines improvement efforts at a time when schools confront higher-than-ever standards that will change how teachers teach and students learn.

FACT

Illinois public schools lost \$1.4 billion when adjusted for inflation in state funds during the past four years.²³

Further cuts to education make it increasingly difficult for districts to step up instruction and meet higher standards. The Illinois Legislature must do all it can to protect education funding, and restore lost dollars at the earliest opportunity.

If, however, the state's financial crisis prevents the full funding of the state board's budget request, then the Legislature should reduce spending in a way that protects the most vulnerable students and does not exacerbate challenges within the current funding system.

FACT

For two years, the state paid school districts only a portion of the general education funds owed, thus requiring proration. School districts most reliant on state support were hit hardest – impoverished school districts with little local wealth and large concentrations of low-income students.

This year, FY2013, the Legislature appropriated 89 percent of the funding needed to meet the \$6,119 per-student foundation funding level set by the General Assembly. The underfunding amounted to an 11 percent cut, roughly \$522 million²⁴ less than needed to fully support the funding level set by the Legislature.

The budget cut most hurts disadvantaged districts. The 20 percent of students enrolled in the poorest school districts are losing \$160 million in general state education funds due to proration this year, while the 20 percent of students in school districts with the fewest poor students are losing \$30 million.

It is a measure of just how complicated the education funding system is that the adverse impact of proration on the state's disadvantaged school districts is not widely understood.

Support a better school funding system at www.advanceillinois.org/funding

¹ Illinois State Board of Education, School District FY2013 Operating Budgets Submitted to ISBE, 2012.

² Illinois State Board of Education, Reduction in Force Survey, 2009, 2010, 2011 and 2012.

³ State Journal-Register, "School board votes to close prep academy, 2 elementary schools," 2013; Sauk Valley News, "School districts cope with declining state aid," 2013; Belleville News-Democrat, "It honestly wears you down": Metro East schools struggle with funding problems," 2013.

⁴ Illinois State Board of Education, "Report Card," 2012.

⁵ Illinois State Board of Education "Report Card" 2004-2011; Illinois State "Report Card" 2001-2003 maintained by the Center for Urban Education Leadership, University of Illinois at Chicago.

⁶ Illinois State Board of Education, ISBE adopts new, more rigorous learning standards to better prepare students for college and the workplace, 2010; Illinois State Board of Education, ISBE raises ISAT performance levels, 2013.

⁷ 23 Illinois Administrative Code, Section 25.705.

⁸ Illinois Public Act 096-0861.

⁹ Illinois Public Act 97-0671.

¹⁰ Illinois State Board of Education, ISBE launches Center For School Improvement, 2012; School Improvement Grant Resources, 2012.

¹¹ National Center for Education Statistics, NAEP Results State Comparison, The Nation's Report Card, 2011.

¹² ACT, Illinois Profile Report, 2012.

¹³ National Center for Education Statistics, NAEP Results State Comparison, The Nation's Report Card, 2011.

¹⁴ Illinois State Board of Education, Enacted Operating Budget, FY2009, FY2010, FY2011, FY2012, FY2013.

¹⁵ State of Illinois, Governor's Office of Management and Budget, Three-Year Budget Projection, FY2014-FY2016.

¹⁶ 105 ILCS 5/18-8.05.

¹⁷ "Is School Funding Fair?" A National Report Card, Second Edition; Education Law Center and Rutgers Graduate School of Education, 2012.

¹⁸ Illinois Education Funding Advisory Board, Illinois Education Funding Recommendations, 2013.

¹⁹ Illinois State Board of Education; iLearn.

²⁰ Illinois State Board of Education, FY2014 Budget Request, 2013.

²¹ 105 ILCS 5/18-8.05.

²² Jacob, Brian A. and Ludwig, Jens; "Improving educational outcomes for poor children," Focus, 2009.

²³ Illinois State Board of Education, Enacted Operating Budget, FY2009, FY2010, FY2011, FY2012, FY2013.

²⁴ Prorating the payment of general education funds at 89 percent saves an estimated \$522 million this year, based upon Illinois State Board of Education projections. The savings reflect the difference between the state board's estimate of funds needed and the Illinois Legislature's appropriation of funds in FY2013.