Is State Funding of K-12 Education in Illinois Adequate and Equitable?

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THE SOURCES OF FUNDING

The Constitution of the State of Illinois says “the State has the primary responsibility for financing the system of public education.” That having been said, in recent years the state has largely failed to live up to its commitment.

The share of funding for K-12 education provided by the state is low and has been declining, from 28 or 29 percent in 2001 to about 25 percent now. The principal source of funding for K-12 education has been local property taxes, with the share from this source rising from about 62 percent in 2001 to about 67 percent today. The remaining 8 to 10 percent of funding comes from the federal government. The national average of states’ share of funding for K-12 education is about 43%. Illinois’ share, at 25%, puts Illinois at or near the bottom of the 50 states.

HOW MUCH IS NEEDED?

In 1997, the Illinois General Assembly established the Education Funding Advisory Board (EFAB), whose purpose was to advise the General Assembly as to the minimum amount of funding from all sources (state, local and federal) that was necessary to provide an adequate education for each student. In 2010, EFAB’s recommendation was a minimum of $6,119 per student, which at the time was less than half the per student national average for K-12 expenditures. EFAB has continued to increase its recommended minimum funding, and it now stands at $8,899 ($9,201 recommended for next year). Nonetheless, the so-called “foundation level” authorized by the General Assembly has remained at $6,119. For the state to guarantee that each school district has the recommended minimum to educate each student, state funding would need to increase by $5 billion – more than double the current appropriation.
**HOW THE MONEY IS ALLOCATED**

The statutory formula the state uses to allocate funding to local school districts is widely viewed as “broken.” The formula attempts to measure how much each of the state’s 860 or so school districts should be able to pay for education based on property values in the district. The intention is then that the state will make up the difference between that amount and the “foundation level.” However, only about 44% of the state’s funding is based on this calculation, with the remainder earmarked for early childhood education, transportation, poverty grants, a special block grant for Chicago, etc.

Attempts have been made to fix the formula over the last 20 years, beginning in Governor Jim Edgar’s administration. In 2013 and again in 2015, a bill was introduced in the Illinois Senate to change the formula. Both bills passed the Senate, but no action was taken on either bill in the House. A few months ago, Governor Rauner established a commission of members of the Illinois House and Senate, which was charged with making recommendations by February 1, 2017 for a new funding formula.

There is consensus that state funding for K-12 education should be “adequate and equitable.” How to achieve those goals is the problem. As discussed above, state funding is arguably inadequate. And, according to a study by The Education Trust, the disparity between the amount of money spent per low-income student vs. non-low-income student is the greatest in Illinois of any of the 50 states, making Illinois arguably the most inequitable of any state in its attempt to ensure that education funding is adequate for all students. Communities where low-income, mostly minority students live have lower property values, compared to communities where students from wealthier families live. Since property taxes are the primary funding source for education, local resources for educating low income students are limited, and state funding does not adequately compensate for the difference.

**OBSTACLES TO REFORM**

One of the greatest obstacles to achieving agreement on a new funding formula is that no state legislator is eager to vote for a new formula that reduces state funding for the school districts he or she represents. Many of those legislators argue that the answer is for the state to substantially increase its funding of education, so that, while the poorer school districts get a greater share of the increase, all school districts benefit from at least some of the increase. They argue that the state should address the “adequacy” of its funding before or concurrent with addressing the “equity” of its funding.

Given Illinois’ financial predicament and the competing priorities for state resources, it seems highly unlikely, however, that the state will substantially increase its funding of K-12 education anytime soon. Legislators representing the school districts likely to benefit from reform of the state’s funding formula also support an overall increase in state funding. But, in the absence of an overall increase, they ask: why not fix what we can fix? (i.e., a reallocation of state funding under a new formula that provides more money to the school districts that need it the most).

**CONCLUSION**

Given the financial and political constraints facing Illinois, the state is unlikely to substantially increase funding for education. And with many state lawmakers reluctant to sacrifice funding for schools in their districts so that funding can be reallocated to schools in poorer areas, Illinois’ state funding of K-12 education remains largely inadequate and inequitable.

**LINKS TO ADDITIONAL RESOURCES:**

“Every Student Counts”, Advance Illinois’ report on public education in Illinois:

Report of the Illinois School Funding Reform Commission dated February 1, 2017:

Listing of members of the Illinois General Assembly: