



- 6. Provides supplemental state aid for school districts experiencing rapid growth in enrollment over any two consecutive school years.
- 7. Implement continuing appropriation for education that mandates new funding from dedicated sources "shall be in addition to" base of total FY 2004 General Funds funding of education for: (i) Distributive Grants; (ii) Mandated Categoricals; (iii) Standards, Assessments & Accountability; (iv) Ensuring Quality Education Personnel; (v) Reading & Mathematics; (vi) Birth to Eight; (vii) Academic Difficulty; (viii) Learning Technologies; (ix) Career Preparation; (x) Regional Services; (xi) Administration; and (xii) Targeted Initiatives, and adjust said total amount annually thereafter by increases in the Employment Cost Index. Include recourse language allowing ISBE (if it still exists) the right to go directly to the Comptroller for this funding if the General Assembly appropriates a lesser amount.
  - Purposes - Eliminates "lottery shell game" concern by requiring appropriation of specific amounts from a dedicated source in addition to a defined base, and increases voter confidence that new tax revenues will be used for schools.

8. Implementation of Property Tax Relief:

- Structure 25% Property Tax Relief as an abatement, with a guaranteed minimum per school district, e.g., each school district will receive at least 20% property tax relief, but some in poorer areas would receive a greater percentage. Differential will be allocated taking into account poverty and tax effort.
- Structuring as an abatement ensures no school district loses any funding, because they continue to assess as if no relief is coming from Springfield. When relief comes, property tax bills are adjusted showing the relief on the bill before transmission to taxpayers. A line would be added to local property tax bill, such as "Amount of your property taxes paid by the state of Illinois - \$X".

**Sample Property Tax Bill**

<b>Individual Property Tax Bill – River Forest, Illinois</b>	
Total assessed property tax	\$13,000
= > Portion of assessed property tax used to fund education	\$10,000
= > Portion of assessed property tax <i>paid by State of Illinois</i> (20% of education portion)	(\$ 2,000)
<b>Net property tax bill</b>	<b>\$11,000</b>

- Having a guaranteed minimum amount of relief with a float ensures all school districts receive significant relief, while maintaining flexibility to provide poor school districts with greater relief.

- Advantages - Transparent to taxpayers, addresses public skepticism that property tax relief will actually materialize. Provides greater dollar relief to affluent districts and greater percentage relief to poor districts. No school district can lose any funding.
  - Can implement a two-tiered approach, with a different range of property tax relief for individuals than businesses (e.g. individuals could receive 20%-25% in the aggregate while businesses could receive 15%-20%). Providing greater property tax relief to businesses that locate in poor areas could be used/sold as an economic development incentive (it also reduces inefficiencies of the current state tax system).

9. Create Property Tax Abatement Fund:

- Purpose - Dedicated fund that uses an identified portion of the newly raised state-based revenue to reduce 25% of the property taxes currently used to fund education.
- Administration - Uses last, complete year's assessments, require DOR to issue implementing regulations.
- Political Advantage - Receives mandatory funding from the new revenue enhancements, addresses voter concerns that Springfield will not live up to property tax relief promises, addresses some of the "lottery & shell game" concerns.

10. Make Accountability a Key Feature of Reform.

\* Dollar figure assumes loophole closures recommended in the Governor's FY2005 budget are enacted.

*For further information, please contact Ralph Martire, Executive Director, at 312/332.1049 or visit our website: [www.ctbaonline.org](http://www.ctbaonline.org)*

**Mission Statement**

*The Center for Tax and Budget Accountability is a bi-partisan 501(c)(3) non-profit research and advocacy think tank that promotes fair, efficient and progressive tax, spending and economic policies.*