

CENTER FOR TAX AND BUDGET ACCOUNTABILITY

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Q and A on Need for Reform in Illinois

Question: Does Illinois really need school funding reform?

Answer: YES - The state's current 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 more than \$18,000 to a low of less than \$5,000.
- Illinois is the ONLY state in the country to receive the failing grade of "F" in school funding fairness by *Education Week*.
- Illinois ranks 48th in the nation in the amount of school funding provided by state revenues. Nationally, states provide an average of 50% of the funds for education. Illinois provides only 36%.
- 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 2001, the Education Funding Advisory Board determined that an adequate education in Illinois would require a Foundation Level of \$5,665 per pupil (\$5,954 in real 2004 dollars) - the current foundation level is only \$4,810.
- Approximately 80% of school districts are deficit spending and nearly half of those districts have had deficit budgets for at least two consecutive years.
- 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across the state to take drastic measures, including increasing class sizes, reducing staff, continuing the use of outdated textbooks and cutting extracurricular program, to name a few.

Question: Does the state's funding problem really have a negative impact on education?

Answer: YES - Inadequate, inequitable school funding has had a severe, negative impact on student academic performance.

- In 2002, 49 Illinois schools were on the Academic Watch list. By 2003, the number was 363, an increase of over 600%.
- 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.

Question: Is statewide tax reform necessary to achieve school funding reform?

Answer: YES - All viable solutions to the school funding problem require comprehensive reform.

- The state's inadequate tax system 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.
- HB750, Senate Amendments 1 and 2, provide a comprehensive solution that reforms both the tax system and the way public schools are funded in Illinois.

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