

**F**or decades, public school finance issues in Illinois have been much the same: heavy reliance on local property taxes, inadequate and unstable state funding, and huge fiscal disparities among school districts. In FY2006, the state share of total revenue for elementary and secondary education in Illinois was only 32 percent—far below the U.S. average of 47 percent and second lowest among the 50 states. Comparative data also show that Illinois has very large fiscal disparities among school districts. In FY2006, the difference in total revenue per pupil between districts at the 95th and 5th percentiles was almost \$8,400, the widest funding gap in the Midwest.

Most local revenues for Illinois school districts come from property taxes, which reflect both property wealth and property tax rates. Although there is not a simple correspondence between school district property wealth and family characteristics, districts with lower levels of property wealth per pupil tend to have higher concentrations of low-income students and higher concentrations of Black and Latino students. These differences are most pronounced within the six-county Chicago metropolitan area. In FY2007, low-income enrollment was 65 percent for elementary school districts in the bottom quintile



of property wealth per pupil and only 11 percent for those in the top quintile. Among elementary districts in the bottom quintile, enrollment was 43 percent Black, 36 percent Latino and 18 percent White. The student body composition was quite different in the top quintile: 75 percent White, 10 percent Latino and 3 percent Black. Similar but less extreme patterns are evident among high school and unit districts.

Local resources for school districts vary widely by geographic area within the state. In FY2007, local revenues per pupil were more than \$10,000 in suburban Cook, DuPage and Lake counties and less than \$5,000 in the Danville, Decatur and St. Louis metropolitan areas, as well as non-metropolitan parts of central and southern Illinois.

Fiscal disparities are most glaring, however, when we compare specific school districts. Huge differences in local resources per pupil are only partially offset by state funding. For example, among elementary school districts in FY2007, local revenues per pupil ranged from less than \$2,000 in Posen-Robbins (southern Cook County) to more than \$18,000 in Kenilworth (northern Cook). After the addition of state revenues, funding per pupil in Posen-Robbins rose to about \$8,600—still less than half the level in Kenilworth (\$18,600). School district profiles in this section show comparable disparities among high school districts and unit school districts.

**Huge differences in local resources per pupil are only partially offset by state funding.**

continued on page 58

# SCHOOLS: Education Funding cont'd.

General State Aid (GSA) is designed to mitigate fiscal disparities by providing a guaranteed minimum level of funding from the combination of state and local sources. For FY2009, the “foundation level” was set at \$5,959 per pupil. In FY2006, the Education Funding Advisory Board recommended a foundation level of \$6,405; adjusting for inflation, this would amount to \$7,205 in FY2009. School districts also receive supplemental GSA in the form of “poverty grants,” which are allocated on the basis of both number of students from low-income families and concentration of low-income students. In FY2008, poverty grants averaged \$1,185 per low-income pupil.

Despite the redistributive features of GSA, the overall impact of state funding is limited. GSA represents only 65 percent of state funding for school districts and less than one-fifth of aggregate school district revenue. From FY2001 to FY2007, GSA increased by 34 percent, but school district property tax revenue rose by 41 percent.

The Education Article of the Illinois Constitution declares that the state “shall provide for an efficient system of high quality public educational institutions and services” and that the state “has the primary responsibility for financing the system of public education.” Fiscal resources alone do not determine the quality of public schools, but educational opportunities in Illinois are too dependent on the property wealth of local school districts. There can be little doubt that the state continues to fall short in meeting its responsibility.



## Revenue Sources for Elementary and Secondary Education, Midwestern States and U.S., FY2006

	Local	State	Federal
Illinois*	59.1%	32.3%	8.5%
Indiana	45.9%	47.5%	6.5%
Iowa	45.9%	45.7%	8.4%
Michigan	32.6%	59.3%	8.1%
Minnesota	23.1%	70.7%	6.2%
Missouri	47.9%	43.6%	8.4%
Ohio	50.4%	42.3%	7.2%
Wisconsin	41.8%	52.2%	6.0%
U.S. total	44.4%	46.6%	9.0%

\* In the Census data, the corporate personal property replacement tax is counted as state revenue.

Source: U.S. Census Bureau

## Total Revenues Per Pupil for School Districts at 5th Percentile, Median and 95th Percentile, Midwestern States, FY2006

	5th Percentile	Median	95th Percentile	Gap between 95th & 5th	Gap between Median & 5th
Illinois	\$7,133	\$9,124	\$15,508	\$8,375	\$1,991
Indiana	\$8,731	\$10,399	\$13,901	\$5,170	\$1,668
Iowa	\$8,451	\$9,725	\$15,492	\$7,041	\$1,274
Michigan	\$8,100	\$9,218	\$13,338	\$5,238	\$1,118
Minnesota	\$8,663	\$10,384	\$13,978	\$5,315	\$1,721
Missouri	\$7,003	\$8,785	\$12,830	\$5,827	\$1,782
Ohio	\$8,066	\$9,438	\$15,909	\$7,843	\$1,372
Wisconsin	\$9,951	\$11,407	\$14,689	\$4,738	\$1,456

Source: National Center for Education Statistics

## State and Local Revenue for Public Schools, Midwestern States and U.S., FY2006

	State	As a % of U.S. Average	Local	As a % of U.S. Average	State & Local	As a % of U.S. Average
<b>Per Pupil</b>						
Illinois*	\$3,398	68%	\$6,211	130%	\$9,609	98%
Indiana	\$5,243	104%	\$5,064	106%	\$10,307	105%
Iowa	\$4,464	89%	\$4,485	94%	\$8,949	91%
Michigan	\$6,462	129%	\$3,556	74%	\$10,018	102%
Minnesota	\$7,785	155%	\$2,542	53%	\$10,327	105%
Missouri	\$4,182	83%	\$4,594	96%	\$8,776	90%
Ohio	\$4,915	98%	\$5,855	123%	\$10,770	110%
Wisconsin	\$5,826	116%	\$4,665	98%	\$10,492	107%
U.S. total	\$5,018	100%	\$4,779	100%	\$9,798	100%

### Per \$1,000 of Personal Income

Illinois*	\$15.39	65%	\$28.14	125%	\$43.53	94%
Indiana	\$27.80	118%	\$26.85	119%	\$54.66	119%
Iowa	\$23.12	98%	\$23.23	103%	\$46.36	101%
Michigan	\$33.81	143%	\$18.61	83%	\$52.41	114%
Minnesota	\$33.42	142%	\$10.92	49%	\$44.34	96%
Missouri	\$21.05	89%	\$23.13	103%	\$44.18	96%
Ohio	\$23.80	101%	\$28.36	126%	\$52.16	113%
Wisconsin	\$27.84	118%	\$22.29	99%	\$50.13	109%
U.S. total	\$23.61	100%	\$22.48	100%	\$46.09	100%

\* In the Census data, the corporate personal property replacement tax is counted as state revenue.

Source: U.S. Census Bureau

# Education Funding

## School District Revenue Sources in Illinois (in \$ millions)

	FY2001	% Distribution	FY2007	% Distribution
<b>Local sources</b>	\$10,576	61.9%	\$14,733	64.9%
Property taxes	\$9,294	54.4%	\$13,076	57.6%
Other local funding*	\$1,281	7.5%	\$1,657	7.3%
<b>State sources</b>	\$5,228	30.6%	\$6,311	27.8%
General State Aid	\$3,058	17.9%	\$4,109	18.1%
Poverty grants	\$302	1.8%	\$675	3.0%
Other state funding	\$2,170	12.7%	\$2,202	9.7%
<b>Federal funding</b>	\$1,264	7.4%	\$1,657	7.3%
<b>Total revenue</b>	\$17,085	100.0%	\$22,701	100.0%

\* Includes corporate personal property replacement tax, which is collected by the state.

Source: Illinois State Board of Education

## Foundation Level for General State Aid, Illinois

Fiscal Year	Foundation Level per Pupil*	% Change
2001	\$4,425	—
2002	\$4,560	3.1%
2003	\$4,560	0.0%
2004	\$4,810	5.5%
2005	\$4,964	3.2%
2006	\$5,164	4.0%
2007	\$5,334	3.3%
2008	\$5,734	7.5%
2009	\$5,959	3.9%

\* Guaranteed minimum level of state and local resources

Source: Illinois State Board of Education

## State and Local Revenue Per Pupil by Type of School District, Illinois, FY2007

	Elementary District	High School District	Unit District
<b>Weighted average</b>	\$11,192	\$15,461	\$10,337
<b>5th percentile</b>	\$7,502	\$8,595	\$7,695
<b>Median</b>	\$10,118	\$13,069	\$9,242
<b>95th percentile</b>	\$17,490	\$22,488	\$12,566
<b>Gap between 95th &amp; 5th</b>	\$9,988	\$13,893	\$4,871
<b>Gap between median &amp; 5th</b>	\$2,616	\$4,474	\$1,547

Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## State and Local Revenue Per Pupil, by Metropolitan Area, FY2007

	Local Revenue per Pupil	State Revenue per Pupil	State & Local Revenue per Pupil
<b>Statewide</b>	\$7,724	\$3,310	\$11,034
<b>Northeast</b>			
Chicago	\$6,487	\$4,535	\$11,022
Suburban Cook County	\$10,811	\$2,529	\$13,340
Collar counties			
DuPage County	\$10,829	\$1,325	\$12,154
Kane County	\$7,880	\$2,633	\$10,513
Lake County	\$10,490	\$2,326	\$12,816
McHenry County	\$8,029	\$2,107	\$10,136
Will County	\$7,795	\$2,716	\$10,511
DeKalb County	\$6,980	\$2,950	\$9,930
Grundy County	\$8,871	\$1,509	\$10,380
Kendall County	\$7,406	\$2,661	\$10,068
<b>Northwest</b>			
Moline-Rock Island MSA	\$5,635	\$3,735	\$9,371
Rockford MSA	\$6,141	\$3,804	\$9,945
Not in MSA	\$6,500	\$3,547	\$10,047
<b>East Central</b>			
Bloomington-Normal MSA	\$7,076	\$2,315	\$9,391
Champaign-Urbana MSA	\$6,576	\$2,997	\$9,574
Danville MSA	\$3,723	\$5,032	\$8,755
Decatur MSA	\$4,696	\$4,441	\$9,137
Kankakee-Bradley MSA	\$5,011	\$4,471	\$9,483
Not in MSA	\$4,992	\$4,048	\$9,040
<b>West Central</b>			
Peoria MSA	\$6,178	\$3,496	\$9,674
Springfield MSA	\$6,348	\$3,436	\$9,784
Not in MSA	\$4,358	\$4,396	\$8,754
<b>South</b>			
St. Louis MSA	\$4,758	\$4,692	\$9,450
Not in MSA	\$3,650	\$5,102	\$8,752

MSA = Metropolitan Statistical Area

Sources: Commission on Government Forecasting and Accountability and Illinois State Board of Education

## School District Property Taxes, Illinois, Tax Year 2005

	Statewide	Cook County	Collar Counties	Rest of State
<b>Property tax extensions (in \$ millions)</b>				
School districts	\$12,329	\$5,391	\$4,188	\$2,750
Other taxing districts	\$8,810	\$4,528	\$2,226	\$2,056
School district share of total	58.3%	54.3%	65.3%	57.2%
<b>Average property tax rates</b>				
Elementary school districts	2.679	2.745	2.538	2.938
High school districts	1.926	2.040	1.739	2.113
Unit school districts	3.954	3.216	4.381	4.548

Source: Illinois Department of Revenue

## School District Property Wealth Per Pupil by Quintile, Low-Income Enrollment, and Enrollment by Race/Ethnicity, Cook County and Collar Counties, FY2007

	% Low Income	% White	% Black	% Latino	% Asian
<b>Elementary school districts</b>					
Bottom quintile	65.4%	17.8%	43.0%	35.6%	1.0%
Middle three quintiles	19.6%	63.9%	8.1%	18.3%	7.0%
Top quintile	10.6%	75.5%	2.7%	10.4%	9.4%
<b>High school districts</b>					
Bottom quintile	42.1%	25.2%	46.7%	25.4%	1.5%
Middle three quintiles	15.4%	69.0%	8.5%	15.0%	6.0%
Top quintile	10.5%	73.8%	5.9%	8.1%	10.8%
<b>Unit school districts</b>					
Bottom quintile	39.3%	32.9%	12.7%	49.3%	2.5%
Middle three quintiles*	24.4%	59.8%	9.2%	22.5%	6.2%
Top quintile	7.1%	80.9%	2.6%	6.6%	8.5%

\* Excludes city of Chicago

Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## Equalized Assessed Valuation Per Pupil, Illinois, FY2007 (in \$1,000s)

	Elementary Districts	High School Districts	Unit Districts
<b>Statewide</b>	\$275.1	\$587.8	\$132.5
<b>Northeast</b>			
Chicago	—	—	\$165.4
Suburban Cook County	\$299.4	\$632.9	\$181.7
<b>Collar counties</b>			
DuPage County	\$399.9	\$808.8	\$210.5
Kane County	—	—	\$154.3
Lake County	\$352.7	\$755.2	\$159.7
McHenry County	\$239.1	\$483.3	\$146.5
Will County	\$198.8	\$490.4	\$127.4
DeKalb County	—	—	\$123.2
Grundy County	\$195.7	\$420.9	\$178.7
Kendall County	\$210.3	\$493.0	\$124.5
<b>Northwest</b>			
Moline-Rock Island MSA	\$103.5	\$243.6	\$89.8
Rockford MSA	\$130.9	\$289.4	\$92.6
Not in MSA	\$145.0	\$281.6	\$115.3
<b>East Central</b>			
Bloomington-Normal MSA	—	—	\$136.2
Champaign-Urbana MSA	\$102.4	\$259.7	\$139.1
Danville MSA	\$139.8	\$120.9	\$58.5
Decatur MSA	—	—	\$96.4
Kankakee-Bradley MSA	\$127.7	\$293.2	\$84.0
Not in MSA	\$126.2	\$239.8	\$81.8
<b>West Central</b>			
Peoria MSA	\$126.0	\$289.5	\$109.3
Springfield MSA	—	—	\$112.2
Not in MSA	\$133.2	\$284.1	\$75.5
<b>South</b>			
St. Louis MSA	\$136.5	\$301.9	\$77.4
Not in MSA	\$87.0	\$189.5	\$63.7

MSA = Metropolitan Statistical Area

Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

# Education Funding

## Profiles of Selected Illinois Elementary School Districts, 2006-2007

	County	Enrollment Fall 2006	Low-Income	White	Black	Latino	Asian	EAV per Pupil TY2005 (\$1,000s)	Property Tax Rate TY2005	Local Revenue per Pupil FY2007	State Revenue per Pupil FY2007	State & Local Revenue per Pupil FY2007
Pleasant Valley SD 62	Peoria	556	62.9%	52.3%	36.2%	0.4%	0.2%	\$68.5	2.82	\$2,845	\$4,326	\$7,170
Posen-Robbins ESD 143-5	Cook	1,651	93.7%	5.6%	45.1%	48.7%	0.1%	\$74.6	3.41	\$1,948	\$6,641	\$8,589
Mount Vernon SD 80	Jefferson	1,471	72.7%	59.6%	31.0%	3.1%	1.6%	\$87.6	2.62	\$3,041	\$5,553	\$8,594
Bradley SD 61	Kankakee	1,493	17.8%	78.7%	5.9%	10.0%	1.4%	\$144.1	3.53	\$5,850	\$3,174	\$9,024
Troy CCSD 30C	Will	4,042	13.6%	60.7%	10.2%	21.6%	2.0%	\$213.8	3.04	\$8,940	\$2,295	\$11,235
Bloomington SD 13	DuPage	1,384	2.6%	78.1%	2.0%	6.4%	11.4%	\$459.7	2.37	\$11,307	\$1,382	\$12,690
Deerfield SD 109	Lake	3,122	0.1%	93.9%	0.3%	1.4%	2.5%	\$475.5	2.45	\$12,473	\$816	\$13,288
Kenilworth SD 38	Cook	581	0.0%	94.7%	0.0%	1.4%	1.5%	\$652.5	2.41	\$17,812	\$765	\$18,577

EAV = equalized assessed valuation (a measure of property wealth)

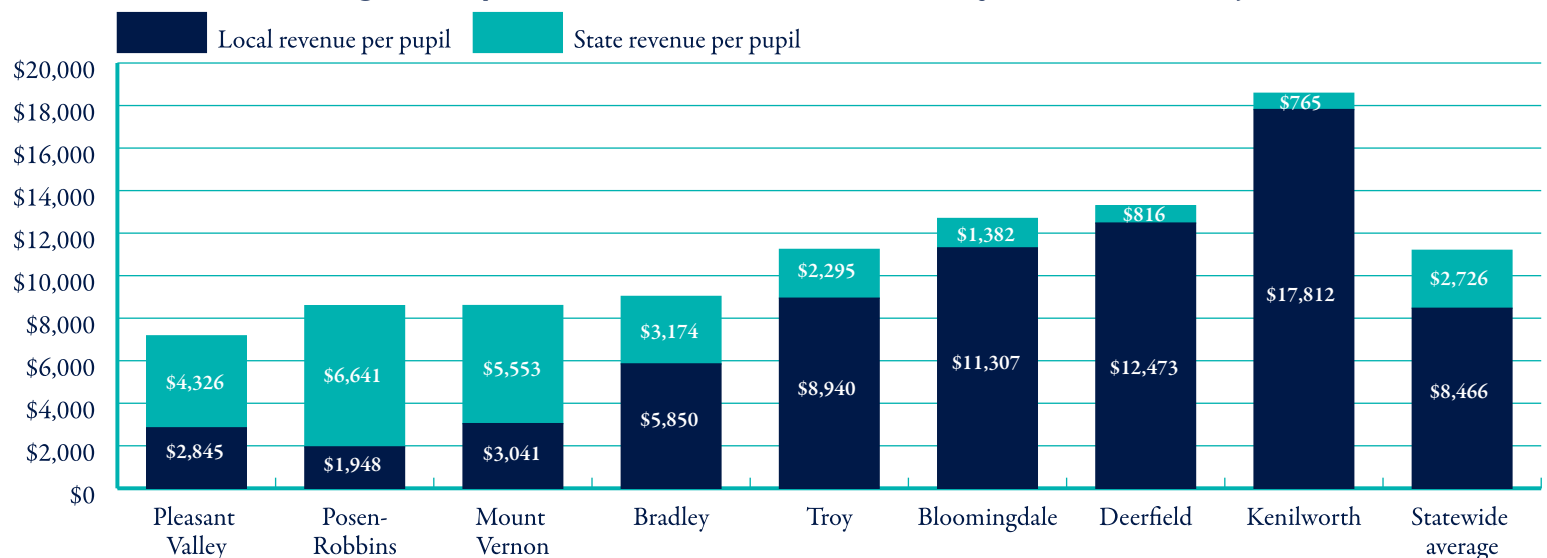
TY2005 = tax year 2005 (property taxes paid in 2006)

Per pupil amounts based on average daily attendance in 2006-2007

Local revenue includes corporate personal property replacement tax, which is collected by the state.

Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## State and Local Funding Per Pupil for Selected Illinois Elementary School Districts, FY2007



Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## Profiles of Selected Illinois High School Districts, 2006-2007

	County	Enrollment Fall 2006	Low-Income	White	Black	Latino	Asian	EAV per Pupil TY2005 (\$1,000s)	Property Tax Rate TY2005	Local Revenue per Pupil FY2007	State Revenue per Pupil FY2007	State & Local Revenue per Pupil FY2007
Salem CHSD 600	Marion	843	33.6%	97.6%	0.7%	0.7%	0.7%	\$148.4	2.39	\$4,611	\$4,264	\$8,875
United Township HSD 30	Rock Island	1,780	39.3%	67.2%	8.8%	17.1%	1.9%	\$243.6	2.02	\$7,293	\$2,960	\$10,254
Belleville Township HSD 201	St. Clair	5,009	29.1%	65.3%	27.8%	1.9%	1.9%	\$320.7	1.97	\$7,836	\$3,618	\$11,455
Bloom Township HSD 206	Cook	3,215	64.0%	19.5%	55.5%	23.1%	0.2%	\$313.8	3.00	\$9,569	\$3,638	\$13,207
Lockport Township HSD 205	Will	3,801	5.9%	80.2%	6.1%	9.8%	1.3%	\$565.3	1.87	\$11,734	\$1,542	\$13,275
Lake Park CHSD 108	DuPage	3,067	8.0%	74.5%	5.1%	11.3%	8.6%	\$833.9	1.76	\$16,128	\$1,269	\$17,397
Maine Township HSD 207	Cook	6,859	16.6%	67.0%	2.8%	15.9%	13.5%	\$725.9	1.76	\$16,525	\$1,215	\$17,741
Lake Forest CHSD 115	Lake	1,767	0.0%	92.2%	1.0%	2.1%	3.5%	\$1,741.0	0.97	\$20,548	\$612	\$21,166

EAV = equalized assessed valuation (a measure of property wealth)

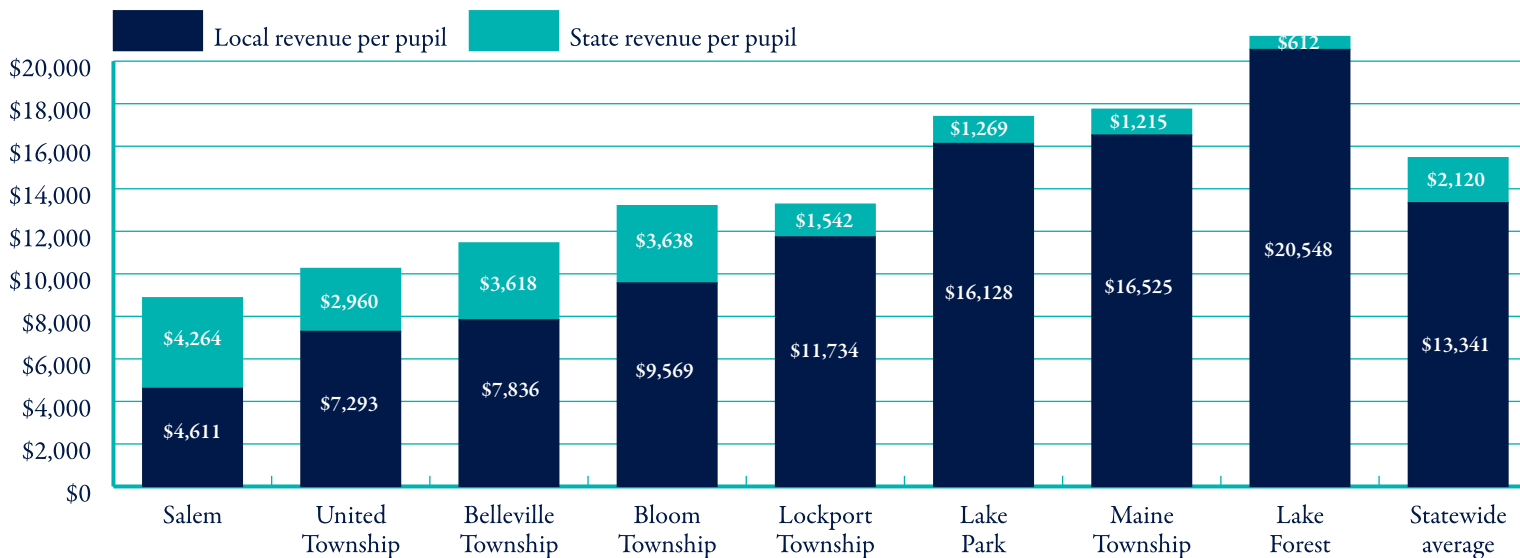
TY2005 = tax year 2005 (property taxes paid in 2006)

Per pupil amounts based on average daily attendance in 2006-2007

Local revenue includes corporate personal property replacement tax, which is collected by the state.

Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## State and Local Funding Per Pupil for Selected Illinois High School Districts, FY2007



Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

# Education Funding

## Profiles of Selected Illinois Unit School Districts, 2006-2007

	County	Enrollment Fall 2006	Low-Income	White	Black	Latino	Asian	EAV per Pupil TY2005 (\$1,000s)	Property Tax Rate TY2005	Local Revenue per Pupil FY2007	State Revenue per Pupil FY2007	State & Local Revenue per Pupil FY2007
Westville CUSD 2	Vermilion	1,268	45.7%	94.9%	1.4%	1.5%	0.5%	\$36.0	4.69	\$2,276	\$5,450	\$7,725
Galesburg CUSD 205	Knox	4,580	54.9%	71.3%	13.0%	5.4%	0.9%	\$80.3	4.12	\$4,333	\$4,125	\$8,457
Aurora East USD 131	Kane	12,496	68.1%	6.1%	9.2%	82.3%	0.7%	\$69.0	3.82	\$3,702	\$5,283	\$8,985
Peoria SD 150	Peoria	12,953	69.3%	31.4%	60.7%	4.9%	2.5%	\$95.4	4.32	\$5,851	\$4,642	\$10,493
City of Chicago SD 299	Cook	390,243	84.9%	8.3%	46.9%	38.9%	3.3%	\$165.4	3.28	\$6,487	\$4,535	\$11,022
Galena USD 120	Jo Daviess	823	22.0%	91.7%	0.0%	5.8%	0.0%	\$200.1	4.07	\$8,929	\$2,583	\$11,513
Lake Zurich CUSD 95	Lake	6,445	4.8%	87.6%	0.8%	5.6%	4.9%	\$242.2	4.08	\$10,921	\$1,064	\$11,985
Lisle CUSD 202	DuPage	1,646	12.0%	78.1%	6.5%	6.3%	6.0%	\$380.8	3.87	\$16,701	\$1,852	\$18,553

EAV = equalized assessed valuation (a measure of property wealth)

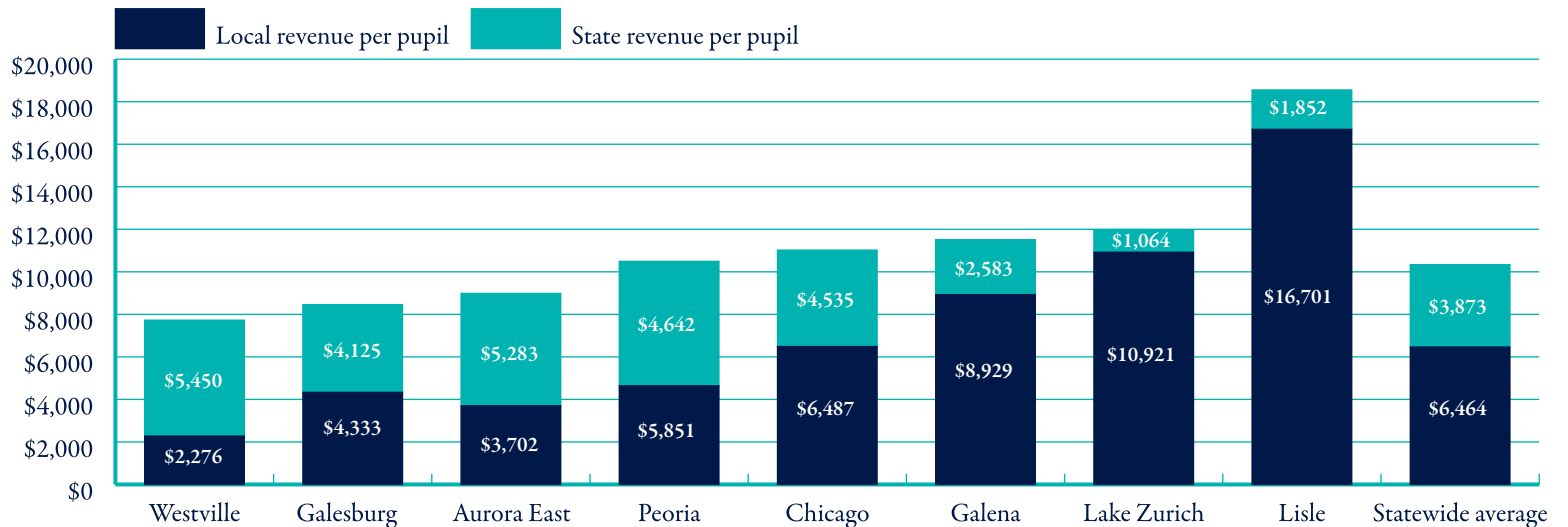
TY2005 = tax year 2005 (property taxes paid in 2006)

Per pupil amounts based on average daily attendance in 2006-2007

Local revenue includes corporate personal property replacement tax, which is collected by the state.

Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## State and Local Funding Per Pupil for Selected Illinois Unit School Districts, FY2007



Source: Budget & Tax Policy Initiative, Voices for Illinois Children, based on data from Illinois State Board of Education

## State General Funds Spending for Education (in \$ millions), Illinois

	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Average Annual % Change
State Board of Education	\$5,074	\$5,292	\$5,133	\$5,471	\$5,751	\$6,045	\$6,472	4.2%
General State Aid	\$3,061	\$3,266	\$3,206	\$3,483	\$3,709	\$3,917	\$4,147	5.2%
All other	\$2,013	\$2,026	\$1,927	\$1,988	\$2,042	\$2,128	\$2,325	2.5%
Teachers Retirement System	\$709	\$805	\$923	\$805	\$942	\$610	\$814	5.1%
Higher education agencies	\$2,470	\$2,637	\$2,471	\$2,284	\$2,210	\$2,190	\$2,269	-1.3%
Total education spending	\$8,253	\$8,734	\$8,527	\$8,560	\$8,903	\$8,845	\$9,555	2.5%
Total General Funds spending	\$24,583	\$24,899	\$23,925	\$25,149	\$26,224	\$27,162	\$28,473	2.5%
State Board of Education	20.6%	21.3%	21.5%	21.8%	21.9%	22.3%	22.7%	—
General State Aid	12.4%	13.1%	13.4%	13.8%	14.1%	14.4%	14.6%	—
All other	8.2%	8.1%	8.1%	7.9%	7.8%	7.8%	8.2%	—
Teachers Retirement System	2.9%	3.2%	3.9%	3.2%	3.6%	2.2%	2.9%	—
Higher education agencies	10.0%	10.6%	10.3%	9.1%	8.4%	8.1%	8.0%	—
Total education spending	33.6%	35.1%	35.6%	34.0%	33.9%	32.6%	33.6%	—
Total General Funds spending	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	—

Sources: Illinois Office of the Comptroller and Governor's Office of Management and Budget

## State General Funds Spending, Illinois State Board of Education (in \$ millions)

	FY2001	Share	FY2007	Share
General State Aid	\$3,060.6	60.3%	\$4,146.7	64.1%
Mandated categorical grants	\$1,144.2	22.5%	\$1,476.6	22.8%
Special education services	\$689.1	13.6%	\$830.6	12.8%
Transportation - disabled students	\$205.9	4.1%	\$326.5	5.0%
Transportation - regular & vocational	\$215.4	4.2%	\$286.0	4.4%
Illinois Free Lunch & Breakfast	\$20.5	0.4%	\$21.0	0.3%
Orphanage tuition	\$13.3	0.3%	\$12.5	0.2%
Early Childhood Block Grant	\$179.1	3.5%	\$317.6	4.9%
Reading Improvement Block Grant	\$83.0	1.6%	\$76.0	1.2%
Average Daily Attendance Block Grant	\$111.6	2.2%	\$74.8	1.2%
Bilingual education	\$62.5	1.2%	\$66.6	1.0%
Summer Bridges Program	\$23.0	0.5%	\$22.1	0.3%
Charter schools	\$8.6	0.2%	\$3.4	0.1%
Children's Mental Health Partnership	\$0.0	0.0%	\$2.9	< 0.1%
All other programs	\$401.6	7.9%	\$284.9	4.4%
Total	\$5,074.2	100.0%	\$6,471.6	100.0%

Sources: Illinois Office of the Comptroller and Governor's Office of Management and Budget

# Quality Education for All

By David Thigpen and Sharon Jones

*Thigpen is Vice President for Policy and Research at the Chicago Urban League*

*Jones is Executive Vice President and Chief Operating Officer at the Chicago Urban League*

In August 2008, the Chicago Urban League and Quad County Urban League filed suit in Illinois state court alleging that the state's system of public school finance discriminates against minority students, violates the Illinois Civil Rights Act and the basic rights guaranteed to all state citizens under the Illinois Constitution, and should be abolished. Two months later, the two Urban Leagues amended their lawsuit to add a multiracial, statewide coalition of parents and the Tri-County Urban League in Peoria.

The evidence supporting the lawsuit is persuasive. Throughout much of the state, education spending in public schools shows an unfortunate and damaging correlation with race: African-American and Latino boys and girls are far less likely to attend schools with high levels of spending than Whites, and minority students are heavily clustered in schools where spending is lower.

In the 2005 study "Still Separate, Unequal," Chicago Urban League showed that the average Black child attends a school that is 86 percent Black. Half of the city's elementary and high

schools are 90 percent or more Black, and a third are nearly 100 percent Black. A primary reason for this is Chicago's residential housing patterns: 74 percent of African Americans live in neighborhoods that are 90 percent or more Black. These statistics are strikingly significant because of the funding disparities that overlay residential and school segregation.

The culprit is Illinois' property tax-based system of school finance. Depending heavily on the dollars local communities provide, the current system locks in inherent disadvantages for schools located in property-poor neighborhoods. This disparity is especially stark in Illinois, which ranks 49th among the states in state-contributed support for its public schools. The low share of funding means that, on average, 59 cents of every \$1 spent by a school district for education comes from local sources. This, of course, means affluent communities can fill the gap much more easily than low-income districts.

And that gap affects everything: the quality of teachers a school attracts; whether a school can afford critical resources such as new textbooks and computers; if a school can provide help to troubled students; or even if it can fix a leaky ceiling.

Perhaps most important, however, is the effect this gap in funding has on student achievement. Students from property-poor neighborhoods, who frequently come from low-income families, receive the lowest quality education. Achievement gaps that appear in early elementary grades between students in well-funded and under-funded schools have been shown to widen by middle school and become yawning gaps by high school. Therefore, it is no surprise that currently in Chicago, African-American and Latino male freshmen only have about a 3 percent chance of obtaining a bachelor's degree by age 25.

Inferior schools are not new to Illinois. For several decades, education reformers have tried to find solutions to inequities in funding. But legislative gridlock and inhospitable courts have

kept a bad system in place, leaving thousands of students unprepared to compete.

Eliminating the property tax-based system and raising the worst-financed districts to higher funding levels will not only improve educational achievement but will also increase the number of students who finish college. High-quality education should be available to all, regardless of income.

Now is the time to overturn Illinois' current property tax-funded system and advance to a more equitable solution that will provide long overdue educational improvements for African-American and Latino students. Clearly, improving the education received by low-income students in Illinois public schools is more complex than simply throwing money at a few districts. But raising these schools and their resources to a much higher level is where any permanent reform surely must begin—for the benefit of the whole state.