Good afternoon, ladies and gentleman of the Committee.

Thank you for the opportunity to testify as you consider how Illinois might better support public schools and the students they serve. The Committee’s work to create a comprehensive framework to fund public education will bear on future generations of students.

My name is Robin Steans. I am the executive director of Advance Illinois, an organization that for five years now has provided an independent, objective voice in support of a public education system that prepares all students for college, career and citizenship.

As we sit here today, most Illinois students are not prepared for the challenges of an increasingly complex world. Only one-third of students statewide read proficiently by fourth grade or graduate high school academically prepared for college and career. Achievement gaps between Illinois low-income students and their classmates remain among the largest in the country. (See Graphic I)

But as you well know, there has been much momentum during recent years to improve student opportunities and outcomes. With leadership from Superintendent Chris Koch, collaboration from stakeholders and support from legislators, Illinois has created a comprehensive plan to strengthen the state’s public education system.

Illinois’ financial crisis, however, threatens to undermine such improvement efforts. (See Graphic II)

Money alone cannot close the achievement gap or raise student performance – on that, the research is clear. But money matters.

While school funding is an incredibly complex topic with technical considerations that merit attention, we believe the heart of the matter can be distilled to two questions that we urge the Committee to bear in mind:

1) **How** do we distribute funds to support students’ education?

2) **How much** does it take for a student – whether a kindergartner who requires special education support, a low-income student who reads below grade level or a high-schooler enrolled in career and technical ed classes – to be educated for today’s world?

Illinois and most states typically begin the conversation by exploring the question of how much. We take a different view, and here’s why. We first consider the question of how...

...how does Illinois distribute funds to educate every student statewide, from Cairo to Crystal Lake and Carbondale in between?

...and how might the distribution of funds by changed to better support all students and, in particular, students who research shows need more help if they are to succeed?
How Illinois distributes education funds has long been the Achilles heel of our state. We rank as the second most regressive state in education funding, and I’ll speak to this in a moment. The fact is if we spend our money more effectively and direct state dollars where they most are needed, then the cost of reaching a truly adequate level of education funding goes down.

As I mentioned, Illinois ranks as the second most regressive state in education funding. There are some key reasons why:

1) Illinois contributes a quarter of the total investment in K-12 education statewide, a level of support that ranks among the lowest nationally. On average, other states cover half of total funding for public schools. In an era where Illinois’ contribution represents just a quarter of the total spend, it matters even more that every state dollar is put to effective use and directed where it is most needed. (See Graphic III)

2) With state funds limited, school districts rely on local property taxes to pay educators, buy instructional materials and keep the school doors open. School districts in affluent areas can raise more money, and do. School districts in impoverished areas can raise less.

3) In the current system, state dollars often work at cross-purposes. Right now, a hodgepodge of formulas drives the distribution of state education funds. Each formula allocates money differently; Some account for student poverty while others account for local wealth – the two differ in meaningful ways. This undermines our ability to consistently direct resources where they are most needed and achieve a truly adequate level of funding. Moving forward, state support must be consistently directed through a single formula to reach the students and districts they are intended to serve.

4) Such disparities have worsened with the proration of general education funds given the undue harm to the state’s neediest school districts. For three years now, the state has paid school districts only a portion of the general education funds owed, thus triggering proration. The districts most reliant on state support are hit hardest – impoverished school districts with little local wealth and high concentrations of low-income students. We must create a state funding system that ensures we never again are in a situation where proration occurs. (see Graphic IV)

While I have focused my testimony to date on the ‘how,’ we cannot overlook the very real challenge of ‘how much’ Illinois should invest in education. As it stands, we are more than $2,500-per-student lower than what the state’s independent funding commission – the Education Funding Advisory Board – deems necessary. This must be resolved. If this Committee and we, as a state, do our jobs as to ‘how,’ then we can address ‘how much’ in a more fiscally sound manner.

We can and we must do better. There are effective ways to support public education, and our hope is this Committee will develop a comprehensive funding framework. The detailed blueprint will follow, but during the coming months, we urge this Committee to think holistically about this issue.

The teacher in me would offer a few directions as the Committee begins its work:
Think comprehensively. We cannot patchwork a funding fix; indeed, such piecemeal approaches have compromised the current system, created undue complexity and hamstrung the state’s ability to direct funds where they are most needed. There has long been discussion about whether discrete elements such as PTELL adjustments, the Chicago block grant or mandated categorical grants are the most effective means to direct funds where they are needed. These must not be considered in isolation, but rather as part of a comprehensive funding solution.

Think long-term. This is not a one-year fix. We need only look to other states – including some of the highest performing – to see how they phased in comprehensive funding changes. California’s new local control funding will roll out during the course of eight years\textsuperscript{iii}; Massachusetts’ grand bargain took seven years\textsuperscript{x} and Maryland’s Bridge to Excellence was built during six years\textsuperscript{xii}. The scale of the challenge and the scale of the solution will require time.

Think about what we ought to expect of a public education in Illinois. If the state invests in education, it is reasonable to expect in return that 1) all students receive a public education that prepares them for a 21st Century world with subjects like art and music in addition to math and science, and 2) any dollars come with assurances that they will be well spent and achieve the results our students need if they are to succeed in the world.

Ladies and gentlemen of the Committee, I thank you for your time. I am happy to answer any questions you might have.

\textsuperscript{i} National Center for Education Statistics, NAEP Results State Comparison, The Nation’s Report Card, 2011.
\textsuperscript{ii} ACT, Illinois Profile Report, 2012.
\textsuperscript{iii} National Center for Education Statistics, NAEP Results State Comparison, The Nation’s Report Card, 2011.
\textsuperscript{iv} Jacob, Brian A. and Ludwig, Jens; “Improving educational outcomes for poor children,” Focus, 2009.
\textsuperscript{vi} Ibid.
\textsuperscript{vii} 105 ILCS 5/18-8.05.
\textsuperscript{viii} Advance Illinois analysis of FY2013 General State Aid entitlement calculations, 2013.
\textsuperscript{ix} California Legislative Analyst’s Office; “An Overview of the Local Control Funding Formula,” 2013.
\textsuperscript{x} Massachusetts Budget and Policy Center; “Public School Funding in Massachusetts: How It Works, Trends Since 1993,” 2005.
Graphic I: Illinois Confronts a Significant Income-Based Performance Gap

ILLINOIS ACHIEVEMENT GAPS RANK AMONG THE NATION’S LARGEST

5th largest gap in nation

16

4th Grade Reading

11th largest gap in nation

17

8th Grade Math

Low-Income

Non Low-Income

Source: National Assessment of Educational Progress, 2011
Graphic II: Illinois Has Not Provided Funding Needed for an Adequate Public Education in a Decade

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.

- Foundation level of funding recommended by EFAB
- Foundation level of funding set by Illinois Legislature
- Foundation level allocated by Illinois Legislature, thus triggering proration

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

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Foundation Level of Funding Per Student

-$9,000 $8,000 $7,000 $6,000 $5,000 $4,000

95% allocated
89% allocated
Graphic III: The Current State Funding System is Complex, and the State’s Contribution Has Been Shrinking

1. Includes special education. Note: Categoricals include some competitive grants. Additional competitive grants represent very small portion of total spend.
2. Illinois distributes an additional $3.5 billion in federal funds to support state and local education. (source: Illinois State Board of Education Budget Book).
Graphic IV: When The State Pays School Districts Only a Portion of General Education Funds, Proration Ensues and School Districts Most Reliant on State Support Are Hardest Hit

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.

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