Fact Sheet: Changing Illinois Public School Demographics and Education Funding
March 2013
Division of Public Information, Illinois State Board of Education

In recent years, the makeup of the Illinois student population has changed substantially even though enrollment levels have remained relatively constant at about 2 million pupils. Poverty rates and homeless counts have increased, as have the number of children classified as Limited English-Proficient (LEP). As a result of these demographic shifts, the costs of educating students have continued to grow – even while the State budget allocation for P-12 education has been cut since FY 2009 by more than $861 million, or nearly 12 percent.

Poverty

From 2003 to 2012, State Report Card data shows the proportion of Illinois students qualifying as low-income has increased from 37.9 percent to 49 percent, meaning more than 1 million students in Illinois today - nearly half the total school population - now qualify as low-income.¹ The increase has been most rapid following the economic downturn that began in 2008.

The growth in low-income students has occurred in all geographic regions of the state, as the table below demonstrates.

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</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>296,940</td>
<td>$667.0</td>
<td>324,382</td>
<td>$796.1</td>
<td>27,442</td>
<td>9.2%</td>
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<tr>
<td>Other Cook</td>
<td>151,244</td>
<td>$211.8</td>
<td>197,543</td>
<td>$315.5</td>
<td>46,299</td>
<td>30.6%</td>
</tr>
<tr>
<td>Collar</td>
<td>149,535</td>
<td>$144.0</td>
<td>214,903</td>
<td>$243.9</td>
<td>65,368</td>
<td>43.7%</td>
</tr>
<tr>
<td>Downstate</td>
<td>276,815</td>
<td>$326.2</td>
<td>326,763</td>
<td>$418.2</td>
<td>49,948</td>
<td>18.0%</td>
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<tr>
<td>Total</td>
<td>874,534</td>
<td>$1,349.0</td>
<td>1,063,591</td>
<td>$1,773.7</td>
<td>189,057</td>
<td>21.6%</td>
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*Note the sums represented in this chart under “poverty claim” are in the millions for total of more than $1.7 billion.

Families who live in poverty struggle to meet their children’s basic needs in nutrition, healthcare and housing. Research tells us that children in areas of concentrated poverty often experience higher levels of stress and can exhibit more severe behavioral and emotional problems than children overall. These difficulties often impact a child’s likelihood of success in school, leading to lower achievement scores and higher dropout rates. With these inherent disadvantages, low-income children require a greater investment of educational resources in order to be adequately prepared for careers and postsecondary education.
ISBE has also tracked a statewide increase of more than 6,000 students classified as homeless from November 2010 to November 2012, when nearly 36,000 students statewide reported living without a stable home. However, despite this increase, state funding for this highly vulnerable population has dried up in recent years.

While ISBE distributes federal funds under the McKinney-Vento Homeless Assistance Education Act, no state dollars have gone toward homeless education since FY 2009. In that year, the legislature appropriated $3 million to ISBE for this line item, and the funds were distributed via a competitive grant process to 29 school districts. Districts were able to use these funds to support both educational initiatives and support services, including tutoring and after-school care, health service referrals, early childhood education programs, and domestic violence prevention for homeless students and their families.

**Limited-English-Proficient Students**

The percentage of student classified as Limited-English-Proficient (LEP) in Illinois has risen from 6.3 percent in 2003 to 9 percent in 2012. Meanwhile, funding for the state’s supplemental bilingual grant has been cut by $12.3 million or 16.2 percent since 2009. These funds help ensure that LEP students develop proficient English skills that enable them to participate in the general school program.

Under Illinois law, bilingual services are required for LEP students, although the format may vary depending on concentration of language spoken. Of the 178,277 students served in FY12, about 80 percent were Spanish-speaking. The remaining students spoke one of more than 123 other languages. Illinois expects to serve approximately 183,625 students in FY13, and will see a similar increase in FY 2014 due to rule revisions requiring pre-kindergarten LEP students to be identified and served in Illinois public preschool programs.

**Poverty Grant rising faster than equalization grant**

Recognizing that districts with high concentrations of poverty face additional challenges in educating their students, the General State Aid allocation formula includes a component known as the “Supplemental Poverty Grant.” This grant, referred to in above chart, allocates funds to districts according to a curvilinear formula, which pays a greater amount per pupil as the percentage of low-income pupils increases: from $355 per student at 0-15 percent poverty, to nearly $3,000 per student at 100 percent poverty.

Since FY03, the Supplemental Poverty Grant has seen an annual average growth rate of 16.5 percent, more than quadrupling from $388 million in FY03 to claims totaling $1.7 billion in FY13. It is conceivable that the state may soon pay out more through the Supplemental Poverty Grant than the standard GSA Formula Grant. In contrast to the Formula Grant, it is important to note that the Poverty Grant is not equalized, meaning it does not consider how wealthy a school district is in determining the award amount. Even the wealthiest districts receive some Poverty Grant funding.

**Budgetary implications of Supplemental Poverty Grant growth**

In recent years, the amount of funds appropriated by the Governor and General Assembly for GSA has been less than the amount derived by the GSA allocation
formula. As a result, ISBE has been forced to prorate GSA payments to districts, paying out only a portion of claim amounts through the formula grant and the poverty grant. Districts received 95 percent of their claim amount in FY12.

In FY13, the GSA claim was nearly $4.8 billion, but the amount appropriated was less than $4.3 billion, and so districts received only 89 percent of their claim amount. The supplemental poverty was also prorated at 89 percent. In FY 14, the total cost of the claim is expected to increase again unless changes are made to the calculations as defined in the School Code.

More Information about the education budget can be found at: http://www.isbe.net/budget/html/fy14-budget.htm Additional fact sheets, provided by the ISBE Division of Public Information, will be released throughout the spring of 2013.

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1 ISBE defines “low-income students” as those who live in households that receive Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance to Needy Families (TANF); are classified as homeless, migrant, runaway, Head Start, or foster children; or live in a household where the household income meets the United States Department of Agriculture (USDA) income guidelines to receive free or reduced-price meals (i.e. household income at or below 185 percent of the federal poverty level).