

# *Illinois School Funding*

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# Education Commission of the States

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# Overview

- What should the goals be for a new a funding formula?
- What lessons can be learned from recent school funding changes in Colorado & Rhode Island?

# Goals for a State School Funding Formula

- Adequate
  - Total funding (federal/state/local) is sufficient to meet the state's and district's educational goals
- Just
  - Every student in the state receives the funding that they need to achieve state standards. This includes students who require additional resources to achieve those standards (At-risk, ELL, Special Education)
- Flexible
  - “*One size fits all*” never works. Districts have different financial and educational needs and different resources



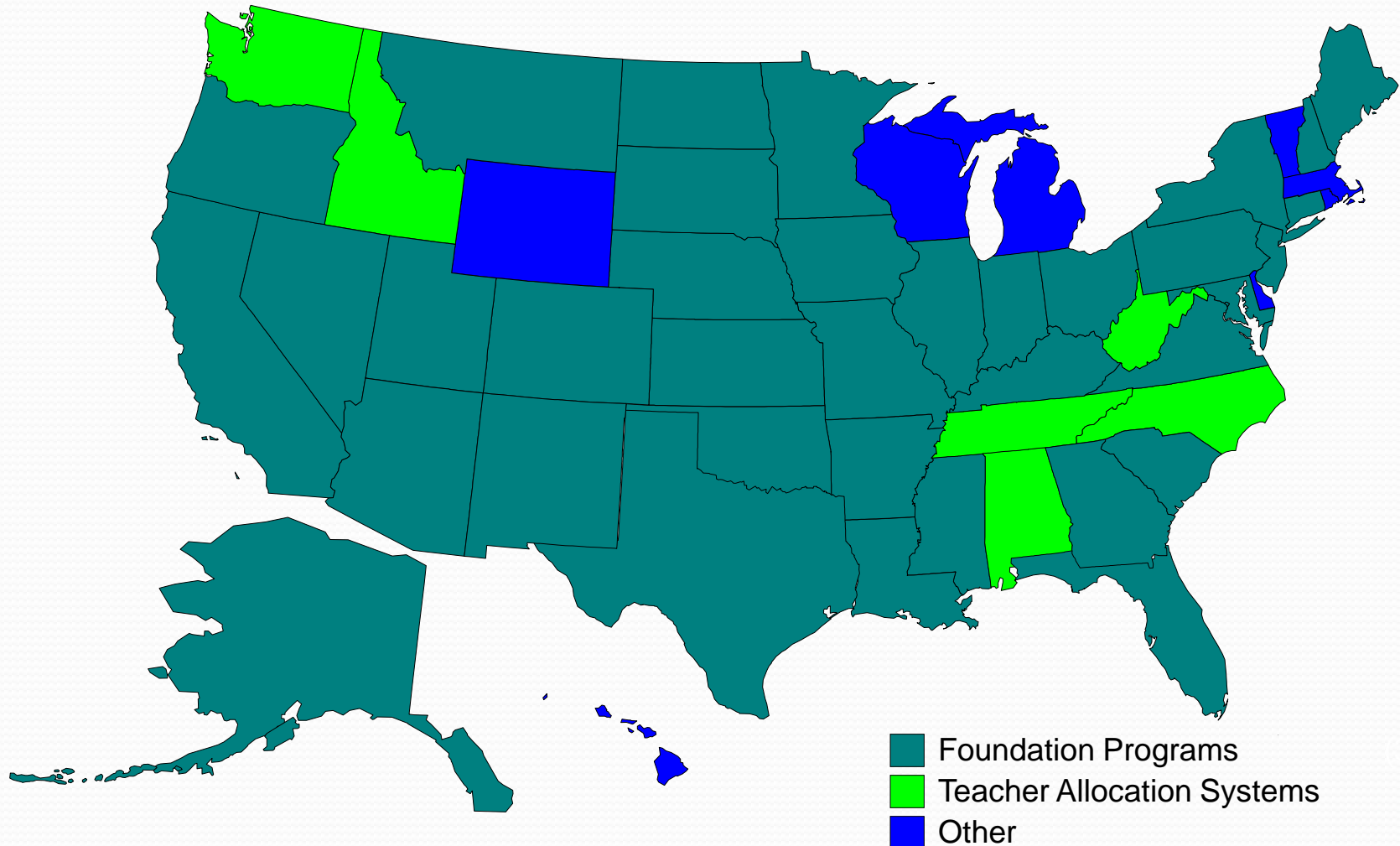
# Goals for a State School Funding Formula

- Predictable
  - Don't aim for simplicity – aim for predictability
- Anomaly Free
  - Remove provisions that are no longer of use
- Produces Educational Results
  - This should be the one goal that funding formalists strive for but most do not even address

# Foundation Formula

- The state determines a foundation (or base) funding amount for each student
- Certain student groups (at-risk, ELL, special ed.) are provided additional funding by providing them with weights
  - Example – At-risk weight of 0.4 means that at-risk students receive 40% additional funding
- The state then determines how that foundation amount will be shared by the state and local school districts

# School Funding Formulas





# How Have States Made These Changes?

## *Lessons Learned From Colorado & Rhode Island*

- What motivated the changes in the system?
- Were additional funds available for a change?
- What was the process?
- What were the final results?



# What motivated the changes to the system?

- Colorado
  - General unhappiness with the formula
  - Unanticipated changes to the system from the state's Taxpayers Bill of Rights (TaBOR)
- Rhode Island
  - The state had gone without a working formula for over 15 years

# Were additional funds available for a change?

- Colorado
  - There was an agreement that any change would require additional funding
  - However, no new additional funds were available
  - Any new funding formula would require additional funding from Colorado voters
- Rhode Island
  - No new funding was available
  - Any new system would need to be phased in over time

# What was the process?

## Colorado

- The process took place mostly outside of the government
  - Foundations and education groups put together initial meetings
  - These group did not commission their own study
  - They made use of studies that had been previously published
  - They held meetings with stakeholders throughout the state
  - A plan was presented to the legislature and was adopted with small changes

# What was the process?

## Rhode Island

- The process took place inside and out of the government
  - In 2009 the Board of Regents issued a set of recommended changes
  - The department of education (RIDE) worked with researchers at Brown University
  - RIDE worked with legislators and education groups to construct a formula using the research from Brown University
  - RIDE then held meetings throughout the state with stakeholders to gather input and revise the formula
  - The final formula was then passed by the legislature in June, 2010 – for the 2011-12 school year

# What were the final results?

## *Colorado*

- Makes adjustments to the current funding formula
  - Student count changes
  - State/district funding split change
  - Innovation fund
  - Increased At-risk/ELL, special ed. and G&T funding
  - Additional funding for early learning & full-day K
  - Districts need to start keeping budget data at school level
- Puts an additional \$950 million in K-12 public education
- Districts will be held harmless (*held positive*) for up to 10 years

All of this will only go into effect with voter approved income tax increase in November

# What were the final results?

## *Rhode Island*

- The state adopted a whole new funding system
  - Moved to a foundation formula
  - “*Student success factor*” provides 40% additional funding to F/R lunch students
  - No additional weight for special ed., ELL or G&T
  - Change in state/local funding split
    - based on local property values, median family income and the concentration of at-risk students
- The formula will be phased in over 7 years
- Districts will be held harmless for 10 years
- All new funding comes from budget growth and not tax increases



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