



**Advance**  
ILLINOIS  
EVERY STUDENT WORLD READY

# **Meeting student needs: Creating an equitable school funding system in Illinois**

Senator Andy Manar  
Presentation to the Governor's Commission on School  
Funding Reform  
September 7, 2016

# We need an equitable funding system to ensure every child has resources needed to achieve

- What is equity and why is it essential?
- How do we understand adequacy through equity?
- How will we know if we've created an equitable system?
- What's the role of revenue in creating an equitable system?





What is equity and why is it essential?

# Some students need additional supports.

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Third Graders Reading at Grade Level



*Equal Supports*



*Equitable Supports*



# What does equity mean?

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- An equitable system takes into account the needs of students and provides them with resources they need to achieve.
  - Low-income students, English Learners, and Special Needs students have greater needs.

In an equitable system per-pupil funding increases as the number of low-income, EL, and special needs students increase.



# Equitable funding can help close achievement gaps

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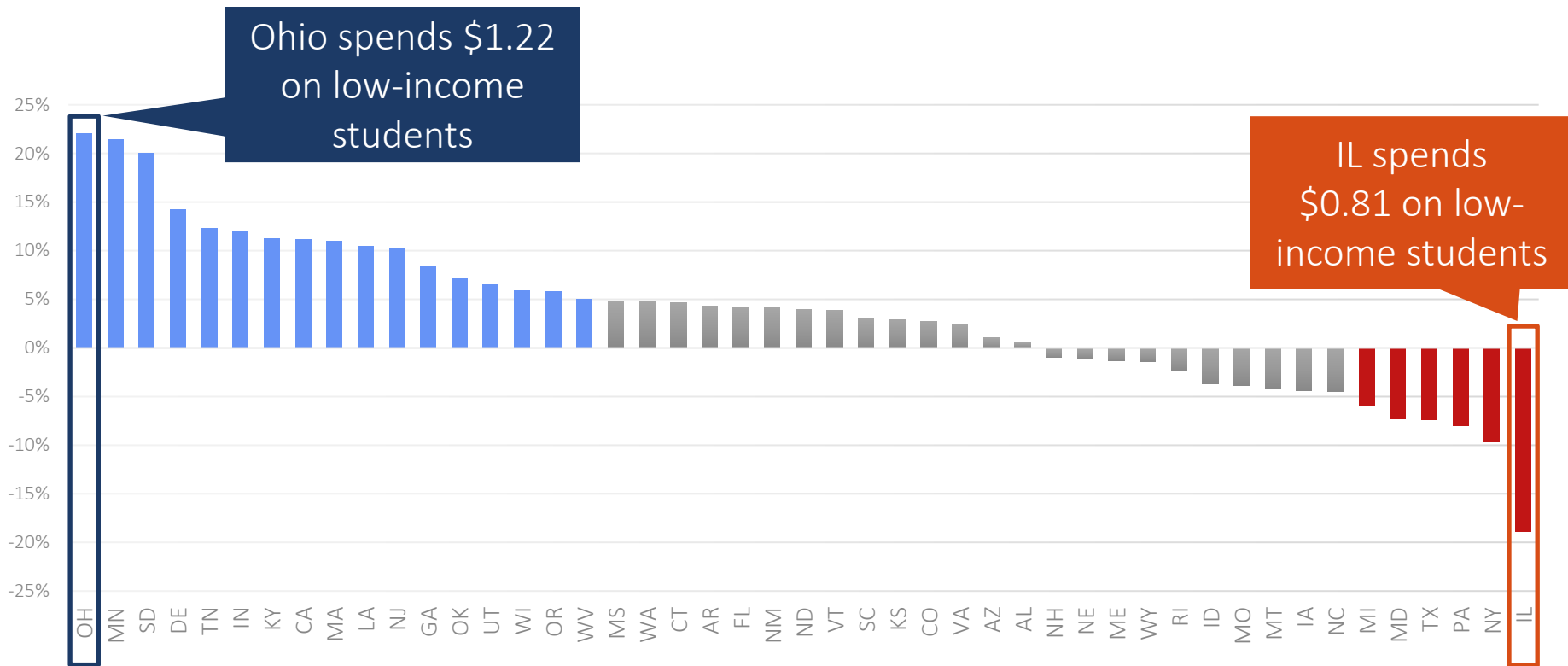
- “But to close achievement gaps, schools need funding that is equitable — funding that accounts for the fact that **it simply costs more to educate low-income students**, many of whom start school academically behind their more affluent peers. Beyond standard curricula, these schools may need, for example, materials to help build vocabulary and background knowledge, extra learning time, or liaisons with outside service providers, such as the healthcare or foster care systems.”

Source: The Education Trust, “Funding Gaps 2015,” March 2015



# Is Illinois' system equitable?

For each dollar spent on non-low-income students ...



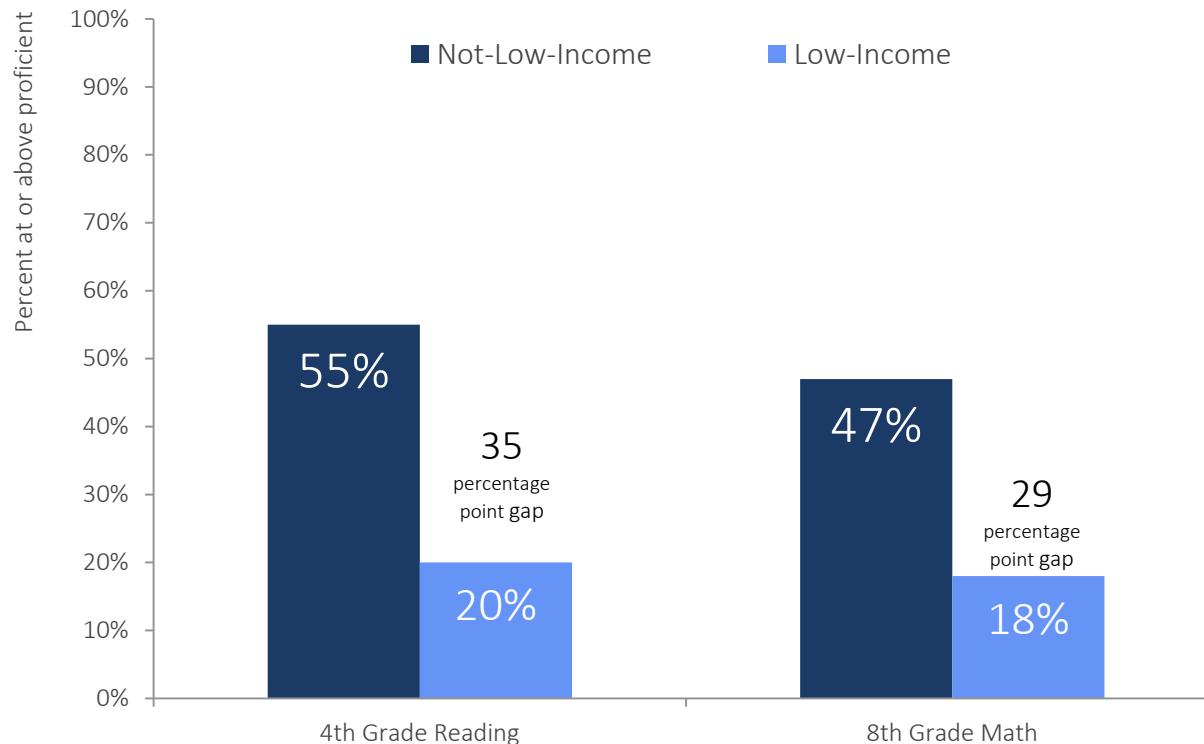
NOTE: Low-income students are defined as those who qualify for free or reduced-priced lunch. Source: Funding Gaps, Education Trust, 2015

Illinois has the most inequitable funding system in the country



# Illinois faces some of the largest income-based achievement gaps

Low-income achievement gap: students at or above proficient, 2015 NAEP.



Source: NAEP 2015.





# Illinois also has among the largest racial achievement gaps in the country, but minority growth outpaces white growth

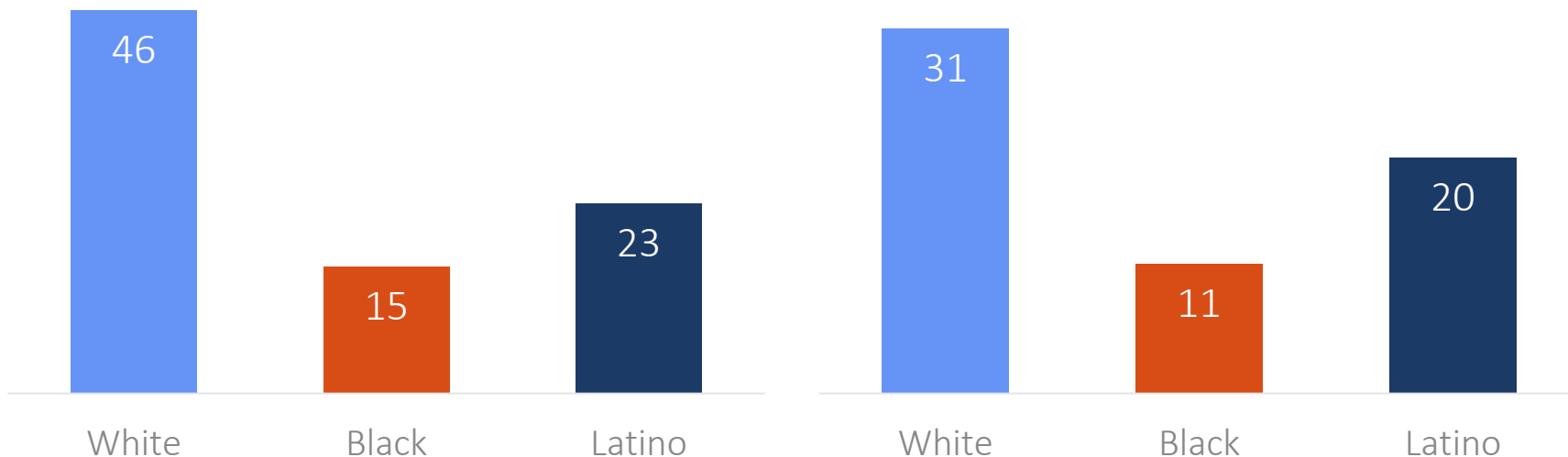
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4<sup>TH</sup> Grade Reading Proficiency

2015 Gaps  
Black/White: 31pp  
Latino/White: 23pp

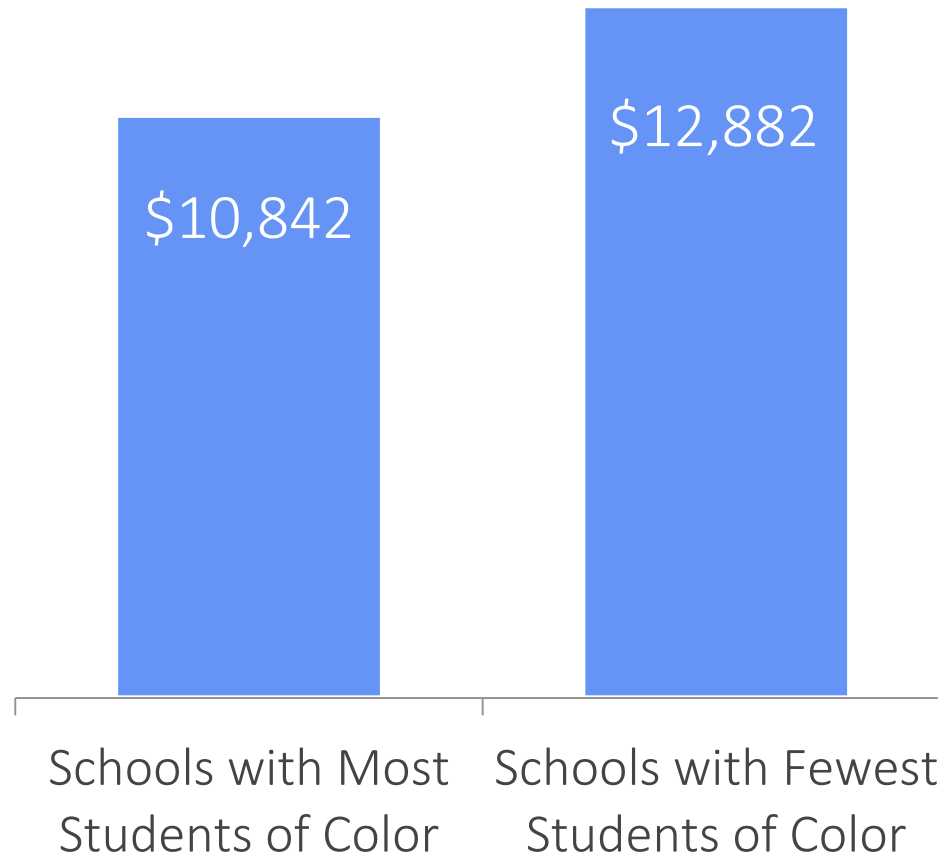
8<sup>TH</sup> Grade Math Proficiency

2015 Gaps  
Black/White: 20pp  
Latino/White: 11pp



# ...And provides **\$2,000 less** per student for districts with the most students of color

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Spending per Student in Illinois 2012

Source: Education Trust



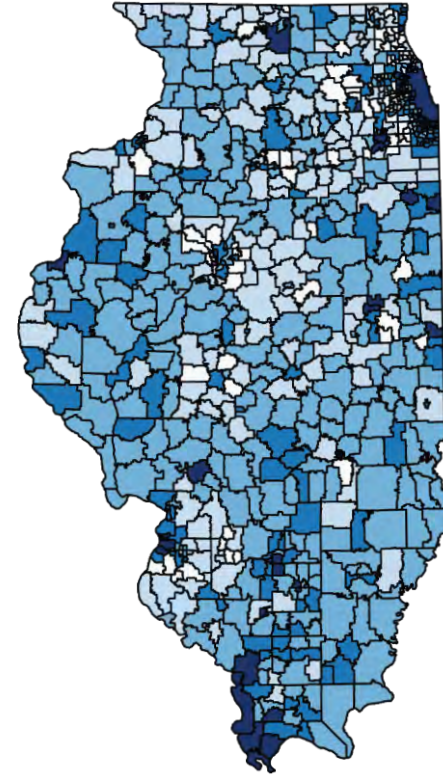
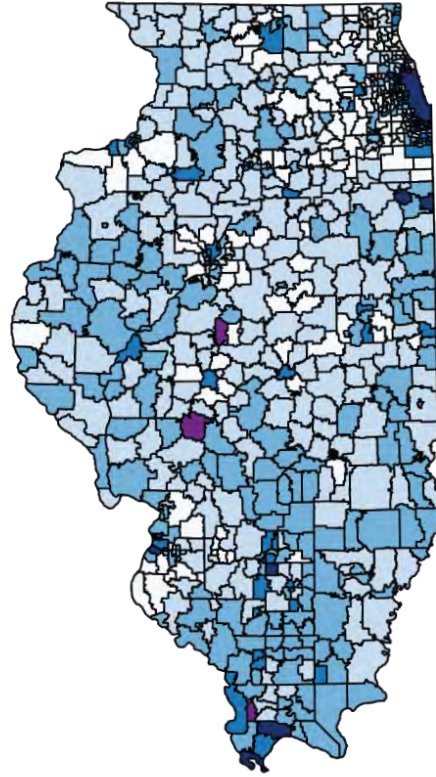
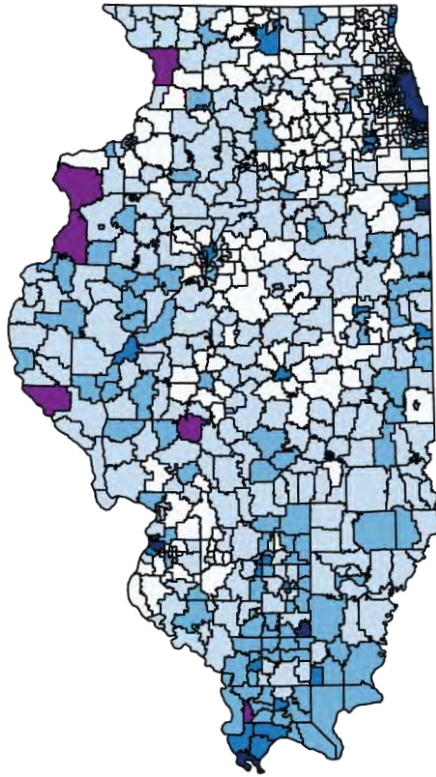
# More districts are dealing with concentrated poverty: 44% of districts over 50% low-income, up from 13% in 2005

0-20% 20-40% 40-60% 60-80% 80-100% No Data

2005

2010

2015



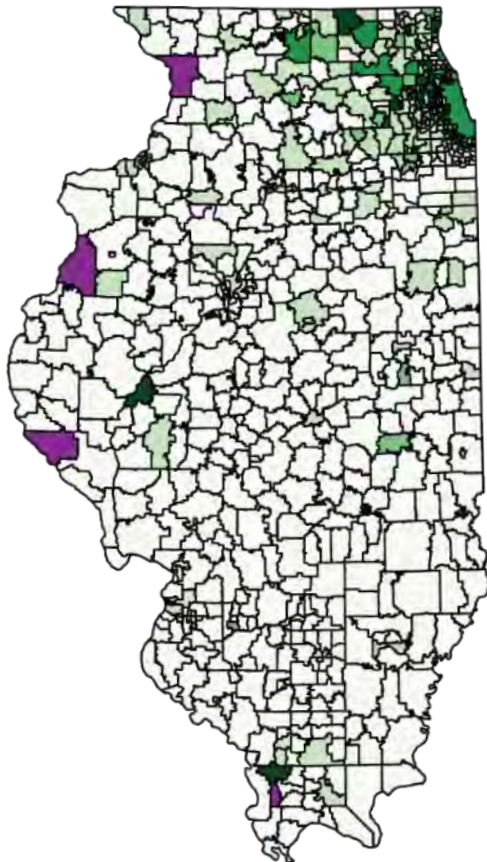
*High concentration of poverty may also be proxy for deeper poverty, meaning students may have even greater needs*

# The number of English Learners is growing across the state ...

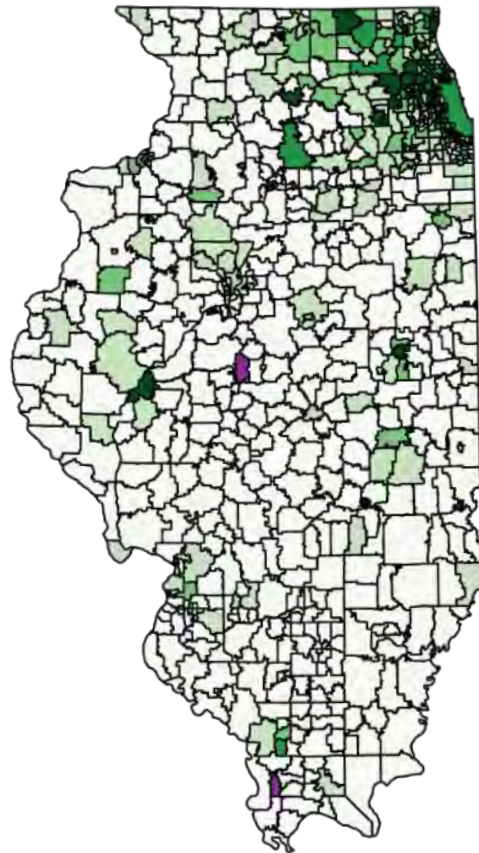
- Since 2005 the number of school districts serving at least 10% EL has doubled

0% 0-5% 5-10% 10-15% 15%+ No Data

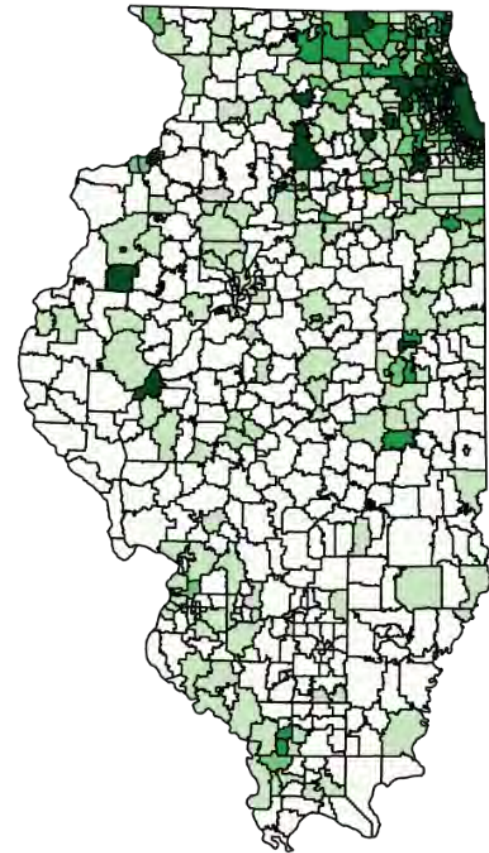
2005



2010

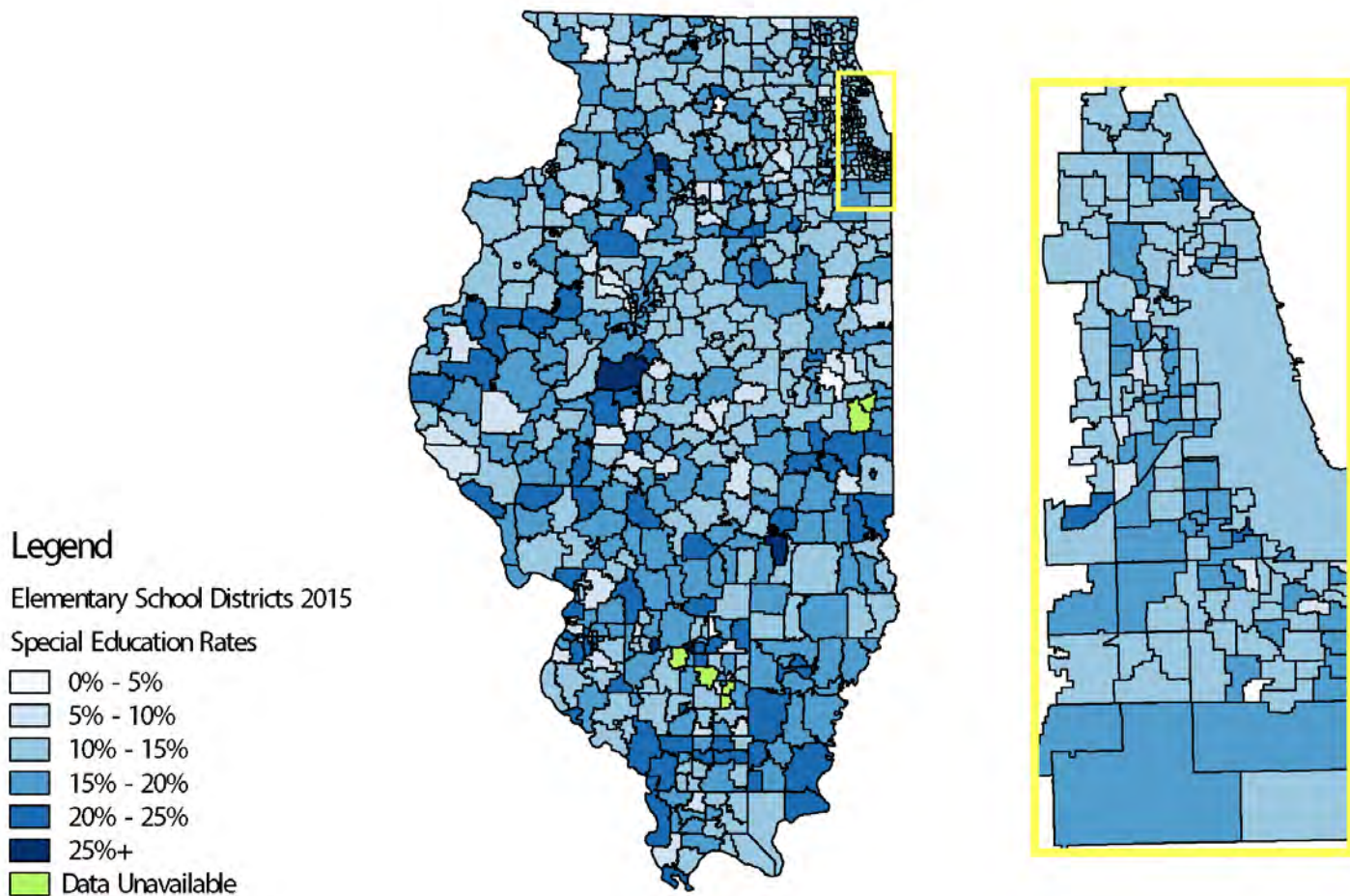


2015



ELs need additional native language supports

# And districts across the state continue to work with students with diverse learning needs





In an equitable system, student need determines  
adequacy

# Adequacy is the amount it takes to educate a child

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In an equitable system, adequacy will be higher for children with greater needs.

- English Learners
- Low-income students
- Students with special needs



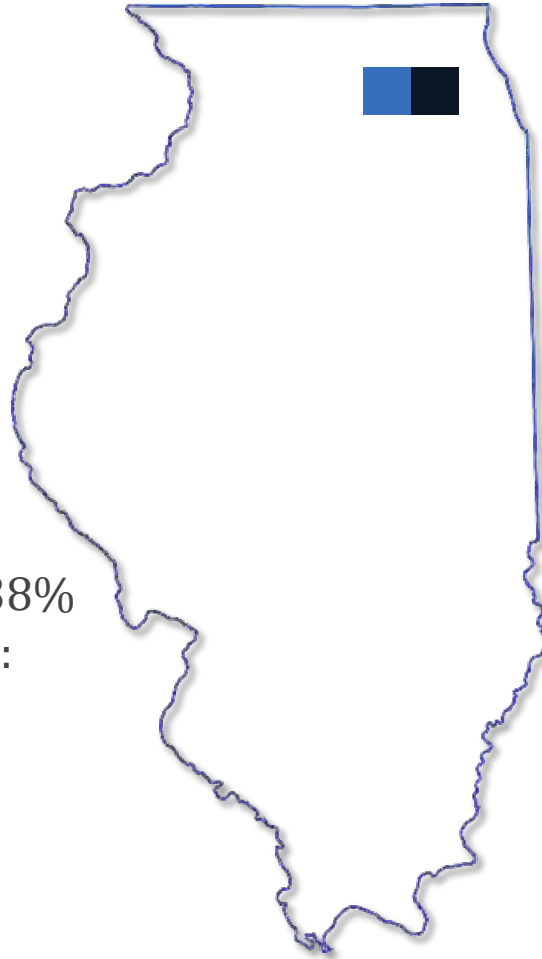
# Spending varies drastically between neighboring districts, but not based on need.

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## ■ Aurora East

Low-income: 99%  
English Learners: 38%  
Spending per pupil:  
\$11,335



## ■ Naperville

Low-income: 15%  
English Learners: 4.2%  
Spending per pupil:  
\$14,545

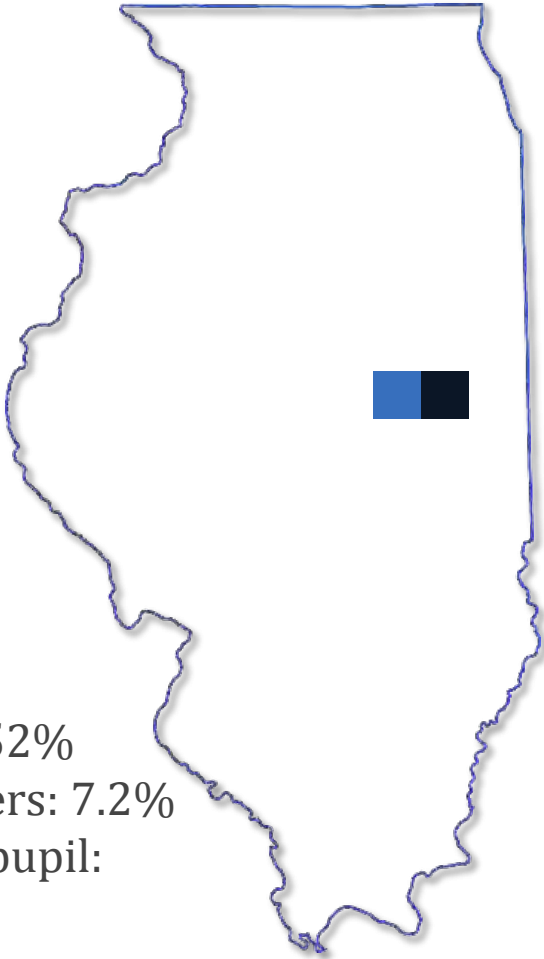


# Champaign County: Champaign and Rantoul



**■ Champaign**

Low-income: 52%  
English Learners: 7.2%  
Spending per pupil:  
\$13,200



**■ Rantoul**

Low-income: 89%  
English Learners: 15.9%  
Spending per pupil:  
\$10,429

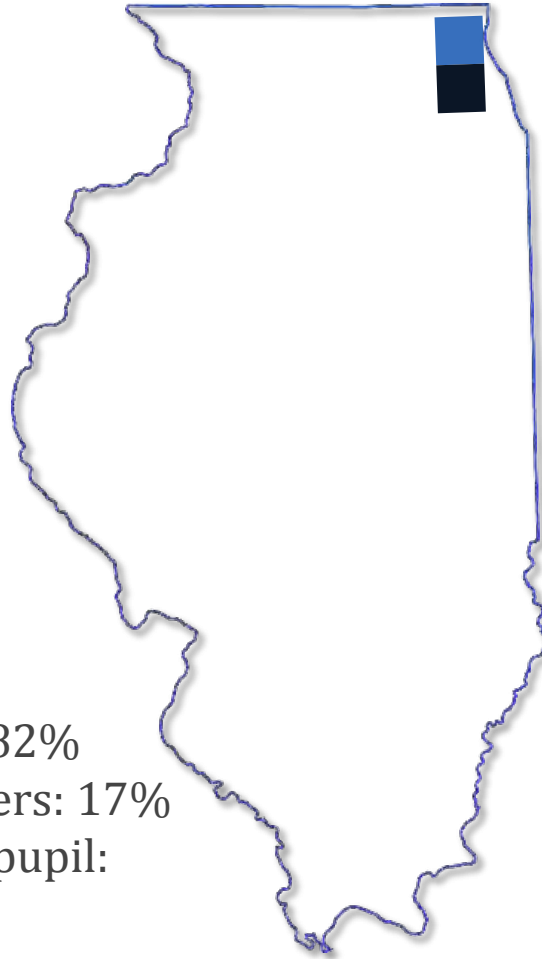


# Lake County—Zion and Lake Bluff



## Zion

Low-income: 82%  
English Learners: 17%  
Spending per pupil:  
\$11,093



## Lake Bluff

Low-income: 10%  
English Learners: 6.1%  
Spending per pupil:  
\$19,011



How will we know if we created an equitable system?

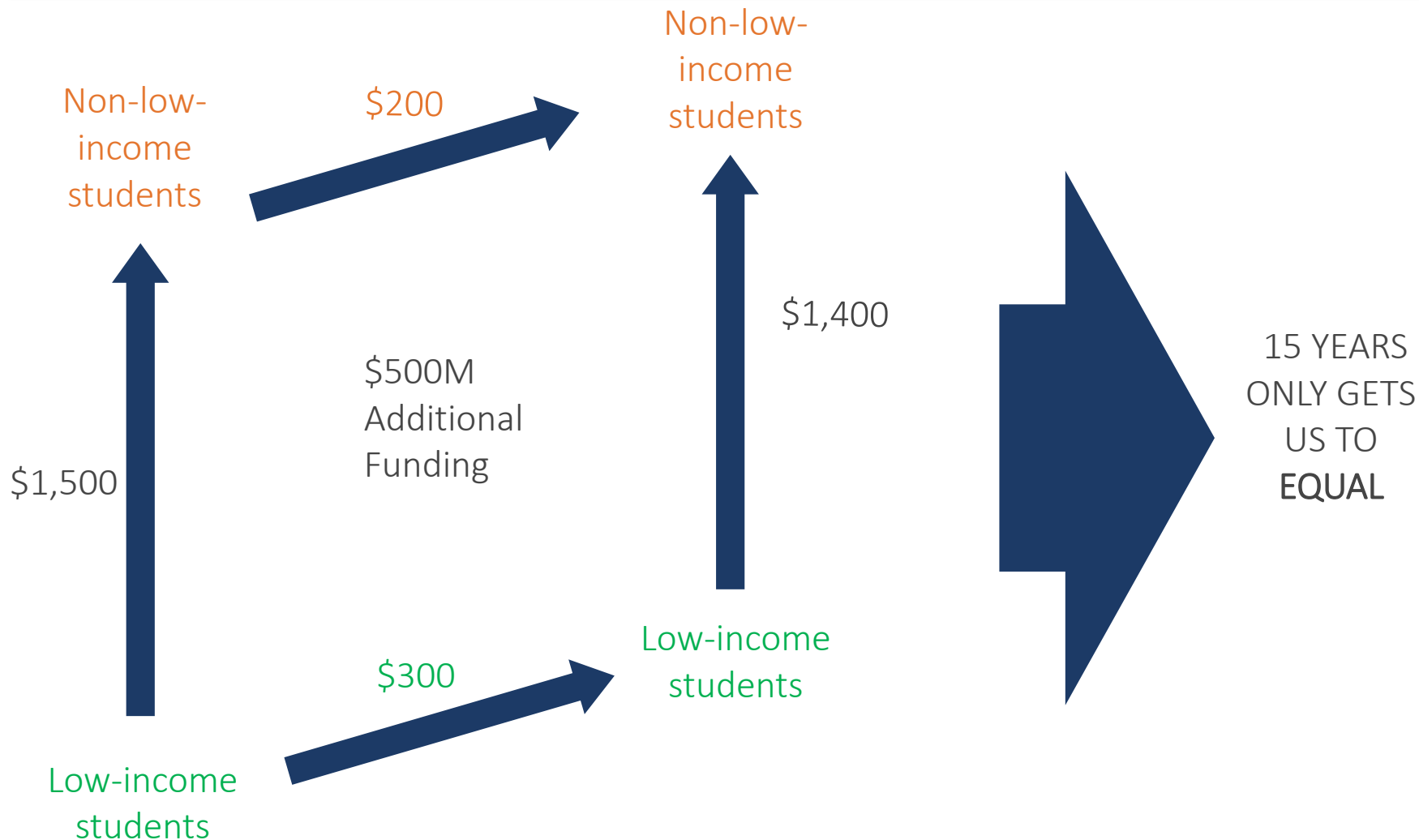
# An equitable system would ensure...

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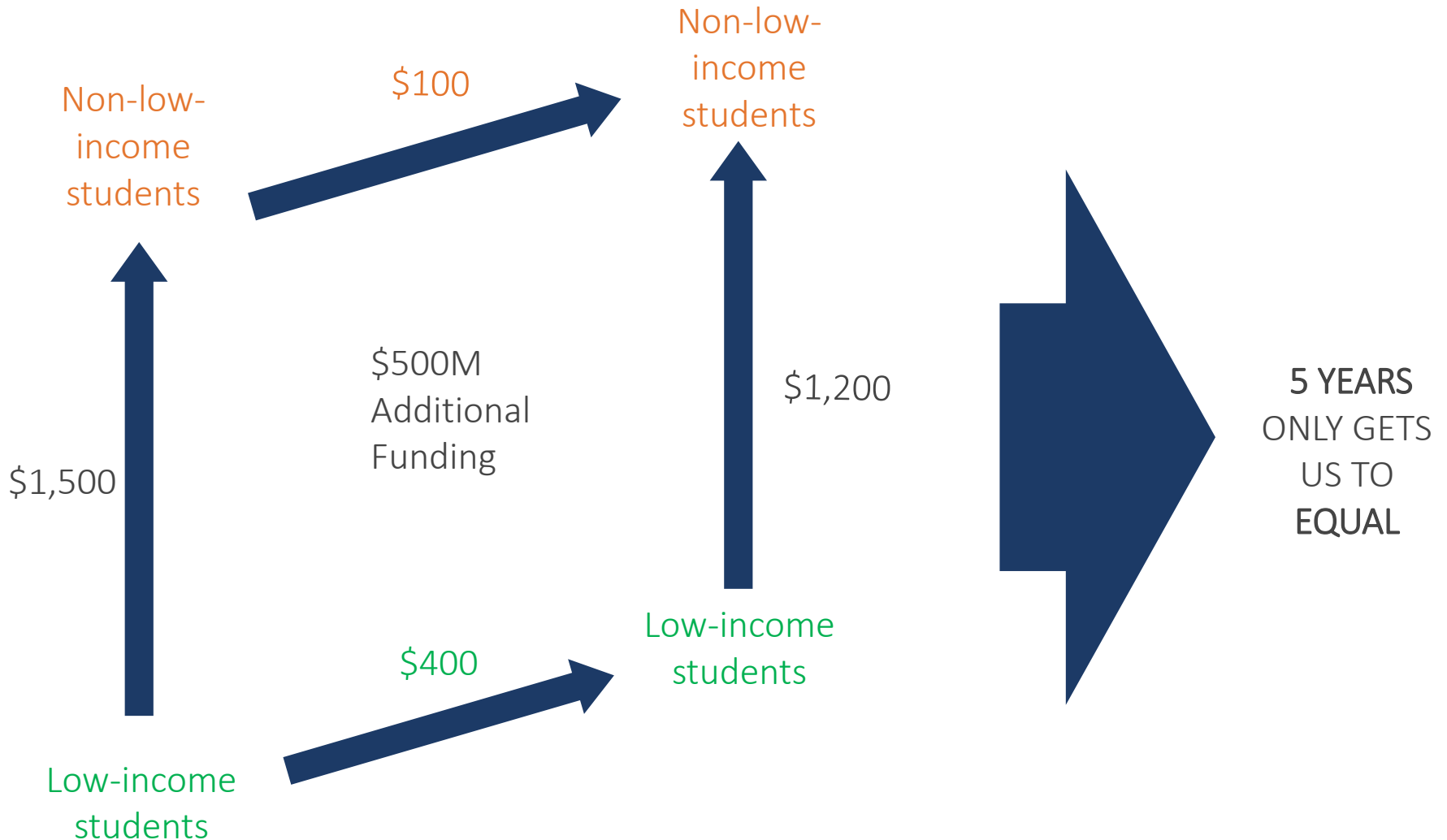
- Adequacy target is proportionally higher for districts based on concentration of poverty, English Learners, and diverse learners
- All districts are funded at a similar percent of *their* adequacy target, including state and local resources
- Equity funding gaps are closed and remain closed over time
- Property-poor districts are not over-burdened



# If we don't deliberately invest in equity, it can take 15 years to reach *equal* funding



# But with a greater focus on equity, we can get there in five years with the same investment



# How do we move toward equity in spending?

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- The gap in spending between low-income and non-low-income students is estimated at \$1,500 per pupil
- We can close the gap in five years by spending \$300 more on low-income students than non-low-income students each year
- If we create a system that distributes \$400 per low-income student and \$100 per non-low-income student each year, we will get to equal spending in five years
- If we create a system that distributes \$300 per low-income student and \$200 per non-low-income student each year, we will get to equal spending in 15 years
- Both options would cost an additional \$500 million per year

We must invest to get to equity – ensuring students have the resources based on their needs





What's the role of revenue in an equitable system?

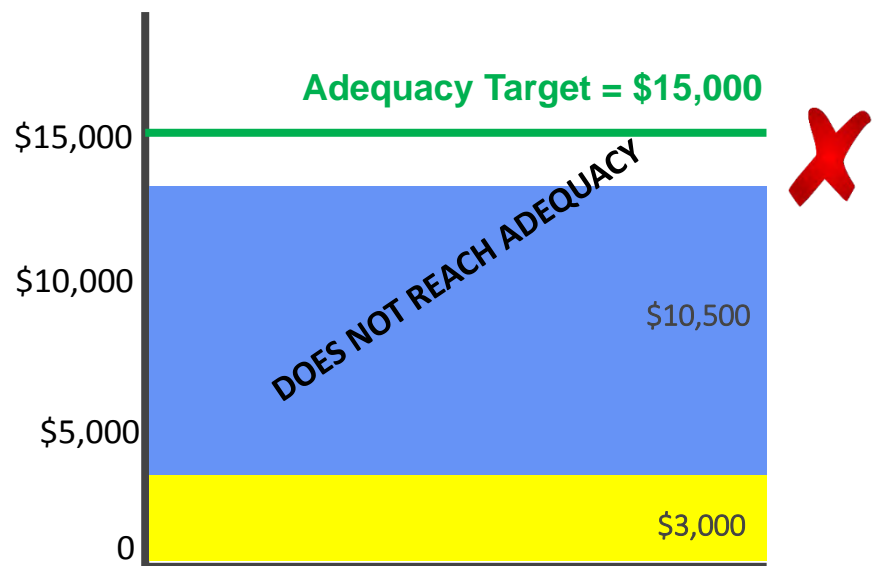
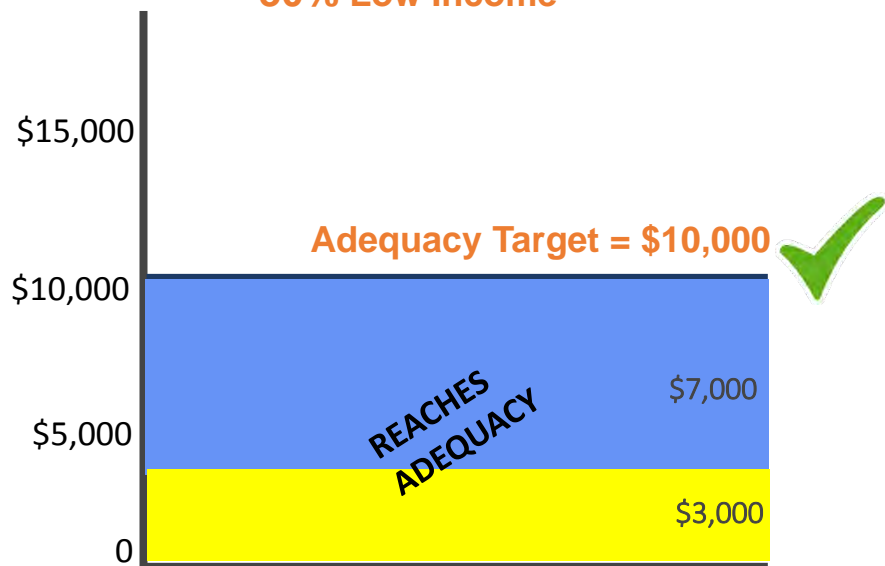


# If the system is underfunded, then the system must be more equitable to avoid hurting low income districts

**District A**  
EAV per pupil: \$100,000  
30% Low Income

System Funded at 70%  
3% Assumed Tax Rate

**District B**  
EAV per pupil: \$100,000  
70% Low Income



# Questions to Consider

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- How do we account for the needs of student living in the deepest poverty without further constraining local resources?
- In an underfunded system, what's the best way to drive resources to the neediest students?
- How do we balance the relationships between revenue and distribution (i.e. the formula), in order to create an equitable system? What are the trade-offs?

