

Should Illinois Equalize Education Funding?  
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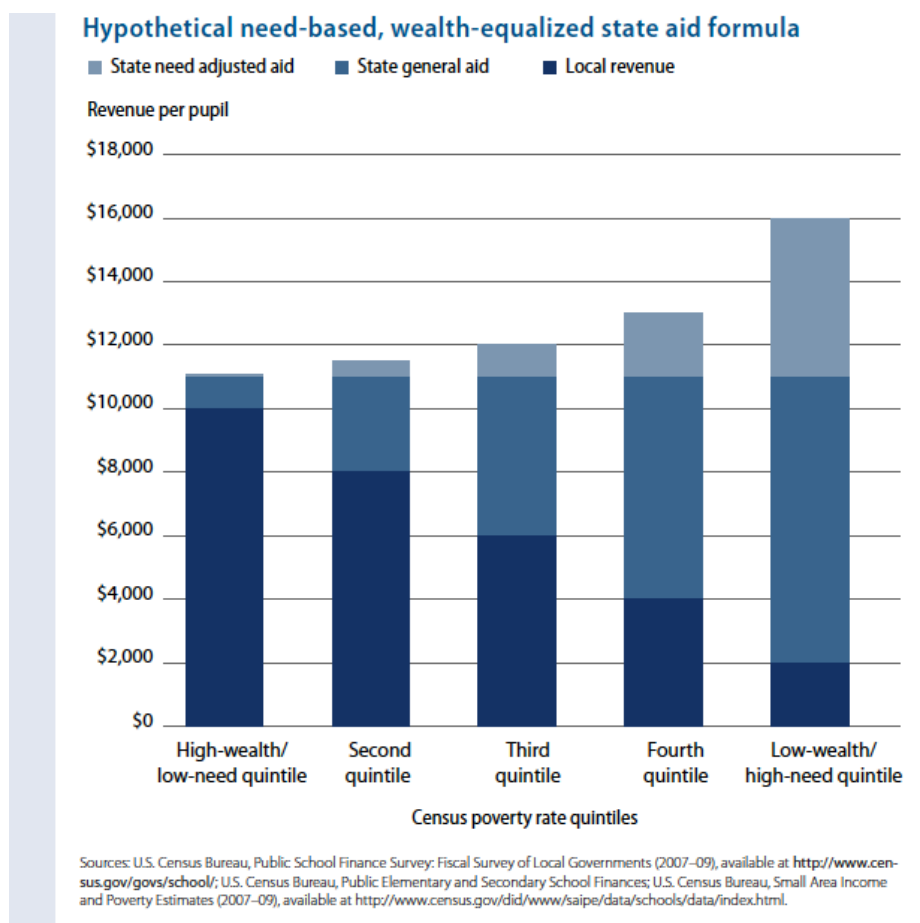
In a country that is supposed to be the land of opportunity, many are realizing that dreams of more prosperous futures may not be as accessible as they are made out to be. Gaining access to a good education is often seen as the road to these futures however, despite promises of equality, the U.S. has one of the most inequitable public education systems. Currently, funding for education in the U.S. is a responsibility held mostly by state and local governments, which has resulted in vastly different levels of educational opportunity across not only the nation, but even within the same district. This social issue arises from our reliance on local revenues to fund schools, as this type of system ties educational opportunity to the wealth of the community. This inequality can impact society's students in multiple ways due to the resources that are and are not made available to them, but it can also impact society as a whole by creating increasingly more difficult circumstances for individuals trying to rise out of poverty. Reworking the way public education is funded in the U.S. has been a topic of concern among citizens and politicians for a number of decades and although multiple administrations have attempted to reform education funding to some degree, the inequality in educational opportunity and achievement has grown over the years. With the federal government at a standstill, a few states have taken the issue into their own hands and implemented equalized funding systems. These efforts show a positive move towards a future with more equitable education and provide examples for other states, such as Illinois, to follow.

### **Equalized Funding Systems**

In order for a state to begin equalizing education, they must determine how to measure equity and what the object of interest is. A 2012 report by the Center for American Progress argues that equity should be measured by common educational attainment rather than the amount of money put into the system. This is important to note, as it requires more resources, and in turn more money, to help a student with special needs reach the same level of achievement as a student without additional needs (Egan, 2009). In an equalized system, these needs are accounted for by adjusting funding levels according to the needs of the students (Terman & Behrman, 1997). Previous to this adjustment, the state must set a foundation level of funding that guarantees an adequate education for each student and cover the difference of this cost for districts that cannot meet this level with local revenues alone (Terman & Behrman, 1997). Terman and Behrman (1997) use these two measures, along with the requirement that localities have equal opportunity to raise their budget, as three criteria to define equity at the district level.

A Center for American Progress report that was released in 2012, suggests that in order for a system to be equitable it must have a progressive distribution rather than a regressive distribution. The report explains that in a progressive system, schools with the lowest level of wealth receive the most amount of funding and state aid; in a regressive system, districts with the highest level of wealth receive the most state funding. The former distribution system promotes equality in education since students with the highest needs are more often found in districts with the lowest ability to raise funds locally (Cochran et al., 2012). Taken into account with Terman and Behrman's (1997) criteria that an equalized system must account for the adjustments necessary to provide for students with special needs, this distribution is able to provide both

horizontal and vertical equity (Baker & Corcoran, 2012). Figure 1 (Baker & Corcoran, 2012) illustrates the ideal progressive distribution for equalized funding, demonstrating how the state is responsible for filling in the gap between what a locality can raise in revenue and what it actually cost to provide an adequate education for the students in the area.



*Figure 1.*

According to a 2012 report from the Center for American Progress, New Jersey and Ohio follow formulas that achieve distributions closest to this ideal with the exception that districts in the middle receive the least funding rather than the districts with the highest wealth. This report focuses on 6 states currently following formulas that promote the highest levels of inequality, with Illinois ranking as the second least equitable system in the U.S.

### **Current Funding System**

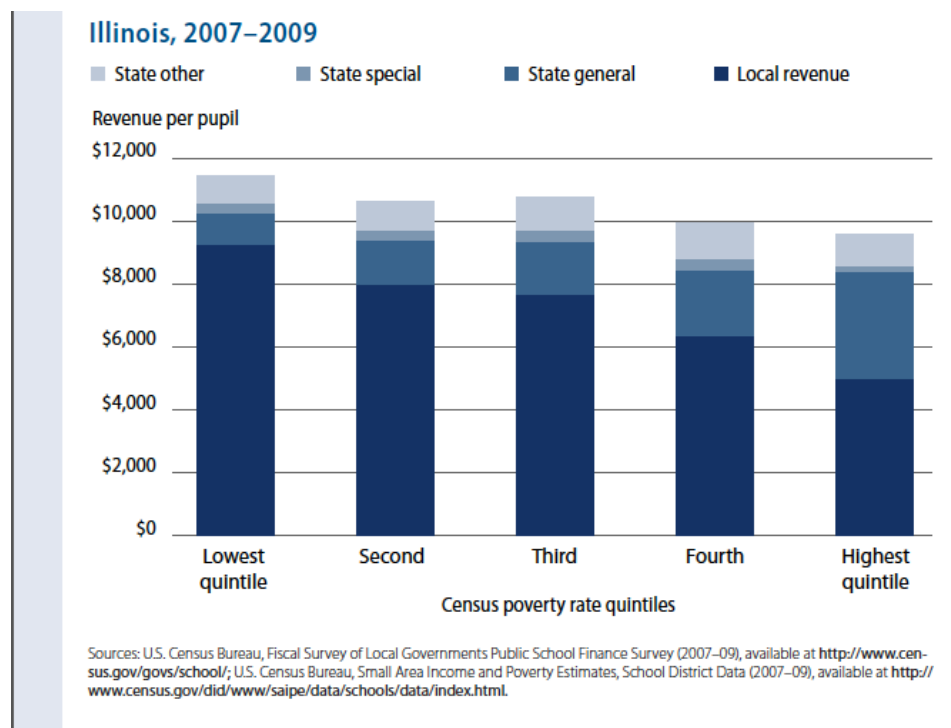
Many states currently use formulas that incorporate a variety of taxes to determine how much the district is able to raise for itself. This can include property tax, sales tax, income tax, and corporate personal property replacement tax, which are all independently susceptible to economic changes (Terman & Behrman, 1997). Because school funding is so strongly connected to local sources of revenue, high-poverty areas face a more challenging task when raising the funds to support the students in their district (Garofalo, 2012). This system of local control

supports inequality by allowing students with the lowest need to receive the most funding and students with the highest need to receive the least (Egan, 2009). Along with a complex system for determining how much money a district raised on its own, states often calculate and distribute funds through a variety of aid programs. There are three general mechanisms used by states to distribute funds: foundation level funding, categorical funding, and state attempts at equalizing funding (Terman & Behrman, 1997).

Foundation level funding is set by the state as the amount of per-pupil spending that each district will receive in order to provide basic education for each student (Terman & Behrman, 1997). As pleasant and simple as this may sound, a number of states, including Illinois, have implemented formulas that create foundation levels of funding that do not represent the true cost of providing equal education. In the state of Illinois, the foundation level is determined by how many students there are, how many of them are living in poverty, and how well the district can raise revenue through their property tax (Egan, 2009). Margaret Egan (2009) also points out that Illinois actually bases its per-pupil funding “on the cost of having two-thirds of non-at-risk students pass the Illinois’ standardized test” (p. 4), rather than determining how much it actually costs to educate each student. Furthermore, Illinois assumes that each district will be able to provide a specified amount of money and if a district should not reach this amount, state funding will not cover the difference (Egan, 2009).

After setting a foundation level, states distribute revenue through categorical funds and pupil weighting as a form of adjusting for the cost of educating students with special needs (Terman & Behrman, 1997). Additional funds based on student needs are often distributed depending on whether or not a district meets the requirement for a certain category. While these funds may be appropriated based on a categorical need, districts are able to use these funds at their discretion, possibly leading to a higher level of inequality (Terman & Behrman, 1997). An alternative to categorical funding involves the use of pupil weights to determine any additional aid. This system assigns a weight to each student based on his or her needs (Terman & Behrman, 1997). Common characteristics that carry a heavier weight include students with limited English, students with disabilities, and students raised in poverty (Terman & Behrman, 1997). Although this funding can be source of equalization, it is vulnerable to misuse. Some schools may see the extra dollars as an incentive to over diagnose students with disabilities, some may fail to regularly reevaluate the actual cost of educating a student with a certain need, and some may wrongfully assume that two students with the same disability require the same additional resources (Terman & Behrman, 1997).

State equalization efforts make up a third form of aid distribution. However, as it can be extremely straining on a state’s finances, this mechanism is not used frequently. Given that it is significantly easier for a wealthy district to substantially increase funding, rather than for a poverty-stricken district to do so, inequity in education would be astronomical without this measure. In an equitable system, these funds would allow high-wealth areas to increase their per-pupil spending, up to a maximum tax rate, and the state would pay the difference for districts not able to reach this amount on their own (Terman & Behrman, 1997). Illinois fails here as well, expecting the average district to obtain 62% of it’s funding through local sources (Tripp, 2009).



*Figure 2.*

While a system with multiple funding mechanisms may help equalize education in some areas, in many states, such as Illinois, state aid tends to exacerbate the inequality that already exists. This impact is evident in the distribution of funds in Illinois from 2007 to 2009 as shown in Figure 2. It may appear at first glance that even though it certainly does not follow a progressive distribution system, Illinois' education funding is not horribly unequal. However, looking closer at Figure 2 one can see that the districts with the highest level of poverty receive funding totaling just a bit over the amount that low-poverty districts are able to raise locally (Baker & Corcoran, 2012). Adding state aid to the budgets of these low-poverty districts counters any attempt at equalizing funding. As can be seen in Figure 2, Illinois' current system for funding public education relies on local taxes as the main source of revenue available to districts. Providing for only 30% of education funding through state aid, Illinois is well below the national average of 51% (Egan, 2009). Not only does Illinois rely more heavily on property tax, but this form of revenue also has a more substantial impact on the actual students, considering that property tax contributed to 92% of educational inequality in Illinois, but only 80% nationwide (Baker & Corcoran, 2012).

### **Harm in Unequal Education**

This inequality negatively impacts students in numerous harmful ways and, in doing so, places a burden on society. Unequal education permits the current social class gap to widen with each generation. While those in poverty are not receiving the help they need to meet educational standards, students from high-wealth areas are able to go on international "field trips" to supplement the above-average curriculum they receive on a daily basis. This has, not very surprisingly, translated into an issue in differential treatment across races as well. An article on Huffington Post cited the Center for American Progress as reporting that "schools that enroll

90% or more non-white students spend \$733 less per pupil per year than schools that enroll 90% or more white students” (“Public school funding unequal”, 2012). The author continues on to note that white students are receiving \$334 more than non-white students across the nation (“Public school funding unequal”, 2012). In the Chicagoland area specifically, funding inequality creates a \$290 million gap between students in the high-wealth district of Evanston and students enrolled in the Chicago Public School District (Egan, 2009).

In a discussion of the findings reported in “Is School Funding Fair? A National Report Card – 2<sup>nd</sup> Edition”, an article from Education Justice notes that Illinois students in high-poverty districts are only receiving 77 cents for every dollar that students in low-poverty districts receive (“Illinois School Funding”, 2012). Illinois has consistently been at the bottom end of many measures related to equal opportunity education, going so far as to receive an “F” on a measure of funding distribution in the previously mentioned “report card”. While individuals are likely to find rankings and reviews of each state’s education system from various sources, they are sure to find that Illinois performs well below average. Tripp (2009) reported that Illinois was ranked at 49<sup>th</sup> place in state-contributed funding for schools. Sadly, this is actually an improvement from the 50<sup>th</sup> place ranking in state funding from 2006 (Egan, 2009). Even *Education Week* recognized Illinois’ poor performance when the magazine gave Illinois a “D+” for fairness in school funding (Egan, 2009). These embarrassing findings are more than numbers and letters however, they have a true impact on the schools and students. In Illinois, more than 40% of schools are underfunded and from 2002 to 2005 there was a 955% increase in the number of schools on Academic Watch (Egan, 2009).

In the schools, children feel the influence of this inequality in their classroom environment. One effect that is easy to see is the higher student-to-teacher ratio in low-wealth districts (Cochran et al., 2012). Assigning a teacher a larger classroom to manage while also expecting them to attend to the special needs of children in low-wealth districts is an unreasonable practice that many schools are forced to implement in order to stretch their dollars as far as they will go. Since schools are strapped for cash they are only capable of paying low salaries, which, more often than not, means that they can only afford new teachers with little experience or training on how to educate children with additional needs (Cochran et al., 2012). Limited access to class materials as simple as new textbooks is a particularly prominent issue for underfunded districts (Egan, 2009). Students in low-wealth districts are less likely to have extracurricular programs available to them and spend less time on college preparatory activities than high-wealth district students (Cochran et al., 2012). The power of inequality in education goes so far as to impact the physical environment in which children must go to school everyday (Cochran et al., 2012). While students in some districts take their indoor heated pool, planetarium, and full service auto mechanic workshop for granted, there are students, often not more than a few miles down the road, struggling to learn basic math in a building with no heat. The vast majority of individuals can recognize that these disparities are unacceptable and a far cry from providing equal opportunity. Nevertheless, legislators, courts, and citizens have yet to decide how to fix this system since many suggestions satisfy one group’s values and pocketbooks while angering another’s.

### **Arguments Against Equalization**

Those who fight against equalizing state funding for education generally lean to the right when it comes to other political decisions and often believe in a traditional approach to education. At the surface level, critics of equal opportunity education blatantly disagree with what they have referred to as “Robin Hood” distributions, in which money raised in richer districts through state taxes is redistributed to districts that are unable to provide a quality education on their own. There are also critics who maintain that an increase in state support will allow too much control to be shifted into the hands of the state (Cochran et al., 2012). This lack of local control upsets many citizens who are against a large federal government. Those who oppose a system that allows for federal control over public education consider it to be at odds with their commitment to a limited government (Cochran et al., 2012).

An important feature of this argument is based on apprehension about the government’s ability to fund such a system. Many citizens are rightfully cautious about supporting a tax increase when they feel the money they are already paying in is being misused (Cochran et al., 2012). Another argument concerning the financial hardship of increasing funding from the government points out that the federal government is already running monstrous deficits; adding this commitment would put excess strain on the budget (Cochran et al., 2012). Furthermore, Cochran et al. (2012) present the argument that there is not a decisive relationship between expenditures and educational achievement so increasing funding may be an expensive waste of time. As an alternative to adding more spending money to underperforming districts, conservatives suggest that we focus on reforming educational philosophy rather than funding practices (Cochran et al., 2012). At the core of this conflict there is a strong difference in political values and beliefs about education’s purpose in society. With a nation divided on the interpretations of “equal protection” and “high-quality” education, it is easy to understand how education reform has been a controversial issue for years (Wilson & Wilson, 1992).

### **Arguments For Equalization**

One of the core disagreements in the debate about reforming education funding revolves around education’s purpose in society. While conservatives are more likely to view education as a competition training camp, liberals who argue for equal opportunity education believe that education should be a social class equalizer by allowing all children to be provided with an adequate education (Cochran et al., 2012). As with many issues, liberals are generally not concerned with the high cost of providing this opportunity, as equality is a much greater benefit in their eyes. In response to conservative concerns about the federal government gaining too much control, proponents often point to the mandates and requirements set forth by the federal government already (Egan, 2009). The last major shift in education reform was from a conservative viewpoint and is based in the notion that if we raise our expectations and standards for schools, students and teachers will rise to meet them (Cochran et al., 2012). However, without the necessary funding to provide the resources that some students need, many schools are currently struggling to meet the standards set up by The No Child Left Behind Act of 2001 (McClure, Wiener, Roza, & Hill, 2008).

Supporters of equalized education funding argue that by providing schools with appropriate funding levels we will be closer to meeting these standards (Lind & Halstead, 2000). Increasing a district’s spending level could allow them to assist their students in any number of

ways. Paying the higher salaries associated with experienced teachers, providing special training for teachers of students with special needs, and even just updating textbooks and the school library are all costly measures but without these basic resources, students in low-wealth districts are subject to receiving a below average education. In order to ensure that children living in poverty are given a true fighting chance at success, we must do what we can to remove the barriers that have made it so difficult for individuals to rise out of poverty in the past (Cochran et al., 2012).

Many involved in this issue have presented the argument that by allowing this disparity to continue, we are limiting not only the futures of specific children but also the future of the United States (Cochran et al., 2012; Lind & Halstead, 2000; “Public school funding unequal”, 2012). The United States has been steadily falling far behind other OECD countries on multiple measures of educational achievement for years (Klass, 2012). The various educational funding systems make up one of the differences between the U.S. and the many countries where students are outperforming their American counterparts. The United States spends significantly more on education than other countries, yet our students are consistently performing poorly in math, science, and reading (Klass, 2012). Lind and Halstead (2000) discuss this discrepancy and highlight the fact that on average, other OECD countries fund 54% of their education system with central government dollars. The United States federal government provides approximately 7% (Tripp, 2009).

### **Conclusion**

Due to the nature of politics in the United States it is understandable why education policies are left up to the states, but by organizing in this way, any aid that the federal government does bestow upon the states is subject to any inequity already present. Money that is distributed through Title I funding assumes equity already exists, however since districts are able to find loopholes, inequality is able to continue (McClure et al., 2008). In respect to federal funding, McClure et al. (2008) suggest that we must first fix Title I guidelines so that states are required to equalize education before receiving federal dollars. Without this change, Title I funds support inequality in some areas and barely make a difference in others (McClure et al., 2008; “Public school funding unequal”, 2012). This requirement would allow equal opportunity for students while also keeping a majority of control in states’ hands.

In 2000, Lind and Halstead noted that 19 states had implemented some type of measure to equalize funding. If Illinois ever expects to rise in educational rankings, state lawmakers will have to take some action towards closing the gap between high-wealth and low-wealth districts. Equalization reform has been discussed in Illinois for over 40 years but has not seen any movement forward (Wilson & Wilson, 1992). Despite widespread support at the 1970 Illinois Constitutional Convention, none of the proposals for funding equalization were accepted because they were not far-reaching enough to make the change necessary (Wilson & Wilson, 1992). It is now time for Illinois to address this inequity and finally guarantee equal opportunity education to all students.

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