

The Funding Crisis Facing Public K-12 Education in Illinois:

Examination of the Vision 20/20 Policy Reform Plan

Introduction –

In the state of Illinois there is a growing divide amongst the state's school districts and its elected politicians regarding the distribution of state funds and the resulting public education system being proffered. In 2012 the state funded only 28 percent of public education costs, compared to 43 percent across the nation.¹ And since 2009, Illinois has cut \$861,000,000 from K-12 education budget.² Furthermore, representatives in areas such as the wealthy suburbs of Cook county have one agenda as they look to keep resources at home, representatives of the urban core in downtown Chicago are doing all they can to secure as many resources as possible for their impoverished districts, mid-sized towns south of Interstate 80 are trying to balance their districts needs among the 'haves' and 'have not's', and rural communities across the state, especially down-state, are fighting to stop the outflow of resources to competing districts. Yet the funding mechanism set up by the legislature in Springfield is an overly complicated system, filled with loopholes, mandates, rebates, and awash with inefficiency. In 2013 sixty-seven percent of Illinois school districts reported deficit spending.³ Consequently, public education in the state of Illinois has reached critical condition due to inequitable funding as well as ineffective

¹ U.S. Department of Education, National Center for Education Statistics, Common Core of Data. (2013). *National Public Education Financial Survey, 2010-11 raw data*.

² The Illinois Observer, February 4, 2014. <http://www.illinoisobserver.net/illinois/genassembly/page/12/>

³ Duncan, Lauren, *Fixing School Funding*. Illinois Times, April 24, 2014. <http://illinoistimes.com/article-13787-fixing-school-funding.html>

management, and now it is absolutely necessary for politicians and administrators to create solutions in both areas in order to remedy the statewide crisis.

Recently a comprehensive study was completed regarding the state of Illinois' public education system, with input from The Illinois Association of School Administrators, the Illinois Principals Association, the Illinois Association of School Business Officials, the Illinois Association of School Boards, the Superintendents' Commission for the Study of Demographics and Diversity, and the Illinois Association of Regional Superintendents of Schools.⁴ Started in 2012 and released in 2015 the Vision 20/20 policy reform platform is the result of more than 3,000 key stakeholders and authorities in the education field.⁵ However, in review of this representative solution from so-called experts, the key findings of the Vision 20/20 report appear naïve in their presentation and shortsighted in its functioning in the actual political, financial, social, and socio-economic environment in which they would have to survive. The conduit from the guidance of the report and its application to the real world is not inaccessible though.

Foreword to Vision 20/20

The funding of the public education system in Illinois is likely a reflection of the overall financial crisis facing the state. The general budget for Illinois in 2014 operated at a \$1,600,000,000 deficit.⁶ Illinois has \$111,000,000,000 in under-funded pension plans and debt-service on that amount alone requires the state's annual budget allocate \$5.6 B, or

⁴ Vision 20/20 Policy Paper. http://illinoisvision2020.org/wp-content/files/Policy_Brief.pdf

⁵ See note 4 above.

⁶ Illinois Office of Management and Budget. <http://www2.illinois.gov/gov/budget/Pages/default.aspx>

approximately 15%, of the general fund to pay for that shortfall.⁷ Therefore, it should not be a surprise that the state-run public education system could be mismanaged to some degree. However, the proper, and improper, schooling of children in grades K-12 has repercussions through time and place. Short-changing the education of our children due to the senselessness of adults only implies that such a cycle will be perpetuated. Furthermore, the disparity in money for school districts that are over-funded in comparison to the vast under-funding prevalent across the state demonstrates a financial system that is broken, a widening chasm between classes that plagues society, regardless of the over-arching financial difficulties Illinois is facing.

Currently the state of Illinois has a reimbursement/distribution method of funding its public education system from the General State Aid (GSA).⁸ Overall costs of public education per pupil are in large split between state aid and local aid, via property tax revenues.⁹ Per law, a minimum expenditure of funds must be allocated per student to meet a minimum “foundation” level of spending.¹⁰ Local districts submit costs per student and funds are distributed through two grants to school districts, the equalization grant and supplemental grant.¹¹ The average state and local share of education in the United States is about 44 percent state share, and 44 percent local share, with remaining costs provided by federal dollars or other grants.¹² However, as stated previously, Illinois state covers about 28 percent while local funds cover 61 percent.¹³ The equalization GSA formula has three

⁷ Illinois Office of Management and Budget. <http://www2.illinois.gov/gov/budget/Pages/default.aspx>

⁸ Illinois State Board of Education. <http://www.isbe.net/funding/html/gsa.htm>

⁹ See note 8 above.

¹⁰ See note 8 above.

¹¹ See note 8 above.

¹² Duncan, Lauren, *Fixing School Funding*. Illinois Times, April 24, 2014. <http://illinoistimes.com/article-13787-fixing-school-funding.html>

¹³ See note 12 above.

different formulas that apply, given the balance between local resources and the need for the state to supplement those resources to meet the Foundation Level.¹⁴ Wealthier districts receive \$218 per student, but no district is denied state funds and no district is provided 100% of funding from the state.¹⁵ The Foundation Level for 2014 was set by statute at \$6,119 per student.¹⁶ Supplemental grants provide additional funding for the impact of at-risk pupils in the district, specifically low-income students.¹⁷

Overview of Vision 20/20

The premise of Vision 20/20 is that “public education works.”¹⁸ However, it is asserted that the education programs across Illinois are under-funded by the state, the division of resources is marred with inequality and politics versus providing for those who need most, and pervasive mandates limit the innovation and flexibility needed to truly provide the individualized groups within the state’s education communities with an opportunity to deliver its students with the best learning opportunities possible.¹⁹

The report claims four main areas of address in the following order of prioritization:

- *Highly Effective Educators* - Attracting, developing, and retaining our state’s best educators, will have a more profound impact upon student learning.
- *21st Century Learning* - It is time to expand the definition of student learning, commit to the development of the “whole child,” and invest in policies proven to link all schools to 21st century learning tools.

¹⁴ Illinois State Board of Education. <http://www.isbe.net/funding/html/gsa.htm>

¹⁵ See note 14 above.

¹⁶ See note 14 above.

¹⁷ See note 14 above.

¹⁸ Vision 20/20 Policy Paper. http://illinoisvision2020.org/wp-content/files/Policy_Brief.pdf

¹⁹ See note 18 above.

- *Shared Accountability* - A quality education for all Illinois students cannot be ensured without the collaboration, compromise, and hard work of both educators and legislators; including shared accountability and revised mandates.
- *Equitable and Adequate Funding* - It is necessary for all to have access to resources by improving equity in the funding model, appropriating adequate dollars, and allowing local school districts the autonomy needed to increase efficiency.²⁰

The Vision 20/20 report further develops ideas in each above category in order to accomplish those main goals. Ideas such as career development and continuing learning for education professionals, greater investments in early childhood education, expanding breadth and depth of access to technology for all students, and the expansion of the educator's role in state governance, all of which make perfect sense when one is trying to create an ideal program to improve a public education system.²¹ That said, the common theme in all those ideas, and most volunteered in the Vision 20/20 plan, is a need for more money, resources, and funding. Thus, a reoccurring issue seems to be drastically undervalued in that most of the improvements Vision 20/20 advocates requires the enhancement of the funding mechanism. Therefore, considering the distress the state of Illinois is facing financially, one must review Vision 20/20 more closely in that context to see if the plan is more reality than pipedream.

²⁰ Vision 20/20 Policy Paper. http://illinoisvision2020.org/wp-content/files/Policy_Brief.pdf

²¹ See note 20 above.

Analysis of Vision 20/20

In order to improve upon statewide results, showing a more balanced distribution of increased funds for a more effectual public education system, solutions need to be adopted immediately that addresses shortfalls in global resources and unproductive leaders. Vision 20/20 calls for collective efforts amongst all stakeholders involved to effectuate change. The four main areas of address call for retention of quality teachers, improved 21st learning opportunities, collaboration amongst politicians and administrators, and appropriate allocation of state funding.²² Furthermore, and as mentioned previously, those areas call for secondary goals in the respective categories such as: Highly Effective Teachers - continuing education for teachers and administrators, waiver of student loans for those professionals, and funding of mentoring programs; 21st Century Learning – student-centric learning methods/individualized learning, investments in early childhood education, and high-speed internet connectivity for all schools; Shared Accountability – allow greater representation of educators in the state governance, adoption of a differentiated accountability model, and the review of applicability of mandates and regulations.²³

The ideas postulated in Vision 20/20 are very well thought out and an argument of inapplicability would be remote. The program is a compilation of best practices and ideal enrichments to the education system in Illinois. One could hardly take issue with the program in a perfect world. Yet, most of the ideas brought about by Vision 20/20 continually call for more funding, resources, and money, and the state of Illinois is hardly able to provide greater funding to education. Therefore, in order to examine whether

²² Vision 20/20 Policy Paper. http://illinoisvision2020.org/wp-content/files/Policy_Brief.pdf

²³ See note 22 above.

Vision 20/20 could actually be implemented, one must review the program with one true goal in mind: the creation of a proper fiscal policy that capitalizes on efficiencies and serves as a representation of how other agencies in the state can maximize state funding.

Illinois is in need of a funding system with distribution that more appropriately allocates an increased amount of public school funding, across the state, in urban as well as rural areas, in large and small districts, which is crucial to creating an opportunity for administrators, teachers and students to achieve success. However, Vision 20/20 asserts only four areas of general improvement when it comes to the fiscal policy:

- *Adopt an Evidence-Based Funding Model* - The Vision 20/20 plan calls for an evidence-based model to assign the appropriate foundation level for each district individually, taking into account geographic conditions and student needs. This would give greater control to district leaders and allow for more flexibility to better align resources with student needs.
- *Enhance State Spending* - While advocating for greater efficiencies, the second point of Vision 20/20 as it relates to fiscal policy is simply to give education more money.
- *Restructure State Revenues to Match 21st Century Economy* - Simply put, this three-year study, with 3,000 contributing members utilizes its third point put legislators to task, calling for a balanced budget, and again, more money for education.
- *Create a Two-Year Funding Cycle with Year Ahead Budgeting* - In its final point applied to more responsible fiscal policy the Vision 20/20 plan calls for more long-range planning with the adoption of two-year budgeting. Assuming in its report a

level of solvency the legislature can achieve, the program says this recommendation should create more stability and reduce bureaucracy.²⁴

To recap, the 23-page Vision 20/20 plan, three years in the making with contributions from 3,000 professionals across the state's highest ranking education associations, devoted two-and-a-half pages to fiscal policy reform for a state that is operating at a \$1,600,000,000 deficit, and merely called for a balanced budget, more money devoted to education (twice), and a budgeting plan that requires greater stability, and again, a balanced budget. Yes, an evidence-based model was also reviewed, which in a vacuum makes perfect sense.

My question to the creators of the Vision 20/20 program is this: how can your excellent reform of the Illinois' education system be implemented when the state is nearly insolvent and the basis of much of your plan repeatedly calls for more and more money?

Vision 20/20 Redux

All other valid program points aside, Vision 20/20 is merely conjecture if Illinois cannot more properly fund its public education program. Therefore, the facet that should be the centerpiece of the exploration of the 3,000 contributing stakeholders should consist of questions such as:

- *What is an appropriate Foundation Level for the K-12 students of Illinois?*

Every year the Education Funding Advisory Board (EFAB) establishes minimum funding recommendations for the Illinois State Board of Education (ISBE) to

²⁴ Vision 20/20 Policy Paper. http://illinoisvision2020.org/wp-content/files/Policy_Brief.pdf

“provide the basic costs of educating a child that is not at risk for academic failure.”²⁵. In 2014 the EFAB recommendation for minimum funding was \$8,672.²⁶ That number encompasses funding from state and local resources. Yet, the Illinois legislature has maintained a Foundation Level of \$6,119 since 2010, with no increase since or adjustments for inflation.²⁷ Furthermore, because of budgetary constraints the state is facing, proration’s to the Foundation Level have actually reduced the \$6,119 by hundreds of dollars per student.²⁸ However, because local funds in most districts contribute to the funding of public education, the average monies spent per student typically exceed \$12,000 on average.²⁹ The fact that Illinois has a drastically reduced Foundation Level is a bald-faced diminishment of the importance the state places upon education. Luckily, certain local districts see things differently.

- *How can wealthy districts and poor districts share the state funds more appropriately and seek to remedy the state’s funding crisis?*

As stated, the average pupil in Illinois received more than \$12,000 in 2014. If the Foundation Level was \$6,119 in 2012, and wealthier school districts are receiving approximately \$200-400 per student, the resources of those districts must far exceed the minimums needed per the state. In 2014, areas in the north shore of

²⁵ Education Funding Advisory Board. (2013). *Illinois Education Funding Recommendations*. Retrieved from <http://www.isbe.net/budget/fy15/FY15-budget-book.pdf>

²⁶ See note 25 above.

²⁷ See note 25 above.

²⁸ See note 25 above.

²⁹ Illinois State Board of Education. <http://www.isbe.net/funding/html/gsa.htm>

Chicago typically spend well north of \$20,000 per pupil.³⁰ Why are the students in those districts being supplemented at all by the state? Wouldn't that money be better allocated to impoverished districts? Furthermore, would a maximum amount of money spent per pupil be appropriate? Not to say that a district couldn't spend as much money as they want on their students, but if their allocations exceed the EFAB recommendation by more than 200%, then a sharing of \$.50 of every dollar spent could be reallocated to poorer districts. Programs could be instituted to keep those dollars spent more locally if possible, in that a wealthy district adjacent to a poor district could pool funds to avoid the reallocation costs moving away from more proximate geographic areas. Regardless, the distribution of state funding must accomplish the greatest good for those that need it most.

- *How can funding be more properly allocated across the more than 2,000,000 K-12 pupils in the state?*

As discussed above, a need-based approach to state funds needs to be implemented so as to redistribute necessary monies away from wealthier districts that don't require the support, to poorer districts that rely on more assistance. Furthermore, a more streamlined process for reimbursements needs to be reviewed, such that the loopholes can be closed, and students that need the state funds are adequately provided for. As recently as 2000, 90% of the GSA went to school districts that lacked local funds to meet the Foundation Level, but now because of special subsidies now flow to Chicago and districts in Cook County, and its collar

³⁰ Illinois State Board of Education. <http://www.isbe.net/funding/html/gsa.htm>

communities.³¹ In that same vein, programs that stifle property tax valuation need to be amended such that certain districts relying on state education funding more than necessary are not rewarded and districts with low property tax basis, especially in rural areas, are not prejudiced. Tax increment financing (TIF) districts, often set up in and around the Chicago-land area, have allowed communities statewide to avoid reporting more than \$18,000,000,000 in property value located in these TIF districts.³² Chicago, along with Cook County and its collar communities excluded \$15,000,000,000 of the total.³³

- *How can rural areas receive proper funding when competing with Chicago suburbs and the city of Chicago itself?*

Again, despite lower populations, less possible influence politically, and lower general levels of income, rural areas throughout Illinois cannot simply be slighted. In 2013, a majority of more than \$500,000,000 in special state education subsidies related to property wealth went to just 40 districts – all in Cook County and its collar communities.³⁴ Chicago's portion of the total was \$280,000,000 while downstate districts received just three percent of the funds.³⁵ With a needs-based system, wealthy and/or more affluent communities will not syphon funds from deprived districts. Additionally, a Foundation Level appropriate to those local districts, along with appropriate funding, is absolutely necessary so as not to

³¹ Klinger, John. *Understanding Illinois' Broken Education Funding System*. Illinois Policy (October 3, 2013). <https://www.illinoispolicy.org/reports/understanding-illinois-broken-education-funding-system/>

³² See note 31 above.

³³ See note 31 above.

³⁴ See note 31 above.

³⁵ See note 31 above.

dissuade proper public education within those communities. Vision 20/20's assertion that Foundation Levels accommodate individual districts has validity in concept, such that one price across the entire state seems irrelative.

- *How can at-risk students be provided a Foundation Level that not only adequately meets needs, but also more importantly provides a high-quality public education?*

The disenfranchisement for at-risk, impoverished students is a risk the state simply cannot afford to allow to happen. Whether in rural areas, mid-size towns, or downtown Chicago, low-income students need to be provided an education that will allow them to possibly change their socio-economic situation and change the next generation of students. In 2000, the amount of GSA funds dedicated to support low-income children was less than \$300,000,000, whereas in 2013 support for low-income students has increased to \$1,800,000,000.³⁶ Education is the tool that can possibly provide Illinois with the solutions to many of our ills. Letting children grow up without a proper education will only further problems of inefficient resource allocation, imprudent financial management, and imbalance of 'haves' and 'have not's'; it is surprising that as the divide between income levels within our country continue to grow, the educational attainment in those respective communities mirrors that division.

While Vision 20/20 looks to create a more comprehensive platform for public education in Illinois to be advanced, the reality is that the funding crisis must be solved

³⁶ Klinger, John. *Understanding Illinois' Broken Education Funding System*. Illinois Policy (October 3, 2013). <https://www.illinoispolicy.org/reports/understanding-illinois-broken-education-funding-system/>

before other improvements can be properly instituted. Once funding can be distributed more effectively, it will be incumbent upon our administrators and teachers to utilize resources effectively to create environments where students can be prosperous. The entirety of Vision 20/20 can only be utilized once the funding problem is solved.

To that point, highly effective educators and administrators, who are encouraged to continue their own development and involvement in the political process is immensely important. Greater accountability for those professionals, as well as politicians, as it relates to the efficacy of the public education system is critical to the on-going evolution of the system. Similarly, all the stakeholders of public education must strive to stay at the forefront of contemporary teaching paradigms, technological advancements in the field, and how they can better facilitate growth in American public schools.

Conclusion

While people are reticent to refer to public education as a business, due to the communal essence and altruistic goals as they relate to children, the fact is that the public education system in each state is a major employer, funding requires billions of dollars annually, and most referendums on how to improve the system largely rely on increased funding with better resource allocation. Many studies refer to the long-term quasi-economic impact the education system has on our economy, but unless the system can run on a balanced budget with resources accounted for, it is a bankrupt business without any direct future pay-off possible. And if left to political devices to divide the pool of funds, elected officials and the constituents they are beholden to will only continue the fight amongst the varying groups across the state trying to get their piece of the proverbial pie.

Therefore, before a group can build a successful business plan, the funding of such business, the solvency inherent to proper modeling, the best practices adhered to, and the efficiencies required must be established. Thus, it is incumbent upon legislators and administrators to create a financial model that provides proper resources, which will allow the creation of an education system to propel Illinois students to the highest possible achievements. In conclusion, public education in the state of Illinois has reached critical condition due to inequitable funding as well as ineffective management, and now it is absolutely necessary for politicians and administrators to create solutions in both areas in order to remedy the statewide crisis. The Vision 20/20 program was an admirable, albeit short-sighted, attempt to provide such a blueprint, but only with greater attention spent to the funding crisis, may the other advancements become more a reality than a pipedream.