

IL State Education Funding Fails Students

Illinois is not a poor state

We have the 5th highest gross state product in the nation. How can a state with this much wealth be *last* in what we contribute to education funding?

Illinois ranks last in the state funding for public education

Illinois is 50th out of 50 in percentage of funding that comes from the state. IL only contributes less than 20% of the money for educating public K-12 students. The national average for states is 45%. So, public schools rely on local taxing bodies to make up the difference, which causes great inequity between poor and rich districts.

Illinois spent 9% less in real terms on general state aid per student this year than it did five years ago.

Illinois education funding is *inequitable*

Due to chronic state underfunding, high-poverty districts spend much less on education than wealthy districts do. For example, a low-poverty district like Winnetka District 36 spends \$19,774 per student, but a high-poverty district like Bartonville District 66 spends \$7,451 per student. This is the opposite of what should occur; low-income students need more resources, not fewer.

IL has earned an F in funding distribution for 2007-2012, the latest year for which figures are available.

IL hasn't paid even the minimum 2010 per-pupil funding level of \$6,119. In FY 2015, it funded its districts at only 87% of state aid.

Illinois' tax policy is regressive and inadequate

Illinois fails to impose tax responsibility in a manner that corresponds with ability to pay; it has the 5th most regressive state and local tax policy. Instead of a graduated income tax, Illinois is one of only eight states with a flat tax. As a percentage of their income, the bottom 20% in IL pay three times as much – in sales, property and income tax together – as the top 1%. This regressive system also fails to bring in enough revenue to fund services adequately.

For sources go to: ilraiseyourhand.org/statefunding

Illinois needs REVENUE solutions

Ways to raise revenue for education and other services that are being cut include:

- Increasing the flat income tax rate back to 5% from 3.75%, gaining \$1 billion in revenue for every 0.25 percentage point it continues to rise between 3.75 and 5%. The flat tax sunset to 3.75% last January cost billions in revenue.
- Adopting a graduated rate income tax (GRIT). A well-designed GRIT could bring in billions and place a lower tax burden on people who are less able to pay. This requires the IL Constitution to be amended.
- Expanding the sales tax in Illinois to certain professional services.
- Ending corporate loopholes and subsidies. Less than one-third of Illinois corporations paid income tax to the state last year. ConAgra is a recent example of a company (annual revenue: \$18 billion) getting a tax break.

The state should contribute to Chicago Teacher Pensions Fund

Chicago taxpayers contribute to both teacher pension systems, the Teachers Retirement System (TRS) and Chicago Teachers Pension Fund (CTPF), but the rest of the state barely contributes to CTPF while funding TRS heavily. Even though Chicago has almost 20% of the state's public school teacher workforce, CTPF only receives 1% of the state funding for teacher pensions.

The underfunded pension issue is a result of CPS and the state not paying into CTPF for many years. The state was supposed to contribute 20-30% according to a bill passed 1999. CPS was granted a pension holiday for 2010-2013 and made no contributions during those years.

What can you do?

Call your state legislators (bit.ly/ILelecteds), Governor Rauner (217-782-0244) and the IL House and Senate leadership (www.ilga.gov). Tell them what's been cut at your school and how it impacts the quality of your child's education.

Form a network at your school and start a letter-writing campaign.

Share this fact-sheet with your friends and neighbors who care about the public good. For more ways to help, go to bit.ly/RYPbudget

