

## SNG-school finance explained-6-25-18

Illinois school finance explained in 700 words

By Jim Nowlan

When I was Gov. Jim Thompson's aide for education in the late 1970s, there was an adage that only six people in Illinois understood the state school aid formula—and they weren't allowed to fly on the same plane.

There is a new formula today, just as complicated. And state senators Andy Manar (D-Bunker Hill [Macoupin County]) and Jason Barickman (R-Bloomington) would be among those six experts today.

Andy and Jason are highly capable, earnest Eagle Scout types. Over five years of hard work, they have taken the lead, along with scores of other participants, in crafting a new formula that will use evidence of best schoolroom practices to drive the allocation of increased amounts of state school dollars.

If the state can fund it, which is far from certain, the formula would put much more money into property-poor districts to provide them the teachers, staff and programs needed to give students a good chance at being successful.

Some background: At a statewide average of \$13,000 per student times 2 million enrolled in our public schools, Illinois spends from all sources about \$26 billion a year on pre-K through high school education. That's real money.

Almost two-thirds of all Illinois school funding comes from local property taxes, yet property wealth is spread very unevenly across the state's 840, often small, school districts. As a result, the modest share of school funding that comes from the state is at present woefully inadequate to bring property poor districts anywhere close to spending levels by the many wealthy suburban districts.

Thus, my rural school district spends \$10,500 per student while New Trier, on the wealthy North Shore of Chicagoland, spends \$25,000 per. (Much of that difference is, by the way, for higher teacher salaries at New Trier.)

The new evidence-based funding model draws upon research findings that show, for example, a 15-1 teacher-student ratio in 3<sup>rd</sup> grade is optimal for best outcomes. If a district lacks money for such a ratio, that is figured into how much state support the school will receive.

If a district spends more for administrators than is considered best practice, the district is not rewarded for that spending with additional state money. And so on, across scores of indicators.

Since best practices generally cost more money, the formula will still, as before, attempt to provide increased money for property poor districts. Yet the funding will be based on what a model school district would look like.

In the past, state money has been allocated by Byzantine education politics into transportation, special education and other narrow buckets, unrelated to best practices.

To fund the formula fully will require about \$7 billion annually in new money (above the present \$70 billion in annual state “all funds” revenue). I estimate about two-thirds of that money will benefit Downstate school districts, where property wealth is low overall.

[Jason Barickman attended the tiny Woodland district in Livingston County. Located between Chicago and Springfield, Woodland had just 198 students in its high school this past year.

[“Our property wealth was not high,” says Jason. “We were offered only a core curriculum, and the school had a hard time attracting teachers (average Woodland High School District teacher salary in 2017 was \$49,000 versus \$111,000 at New Trier).”]

For the past two years and into the future, lawmakers are seeking \$350 million per year in additional state dollars for local schools. At that rate, it will take about two decades to reach full state funding of the new formula.

Will more money make a difference in student outcomes? Conservative and liberal economists have been debating this for decades. The former say there is little if any positive correlation between spending and outcomes; liberals tend to find some positive linkages. Maybe a focus on spending for best practices will be productive in this regard.

I recall an academic paper some years ago that showed the strongest indicator for student performance was the highest level of education achieved by parents. Barickman said he and his school formula colleagues have been focused on doing what they can to improve education offerings *inside* the school and classroom.

“There was no consensus on how to address matters outside the school,” he said.

Outcomes aside, I believe that manifest justice calls for providing children with somewhat equal resources for their schooling. In addition, however, we need to figure out what society can do to generate much better, stronger parenting.

This may come about through parenting classes, community leadership, senior volunteers, nonprofit groups, and churches, rather than through government.

I predict that when the focus turns to parenting and educational outcomes, senators Manar and Barickman will be at the forefront of the discussion.