

# CENTER FOR TAX AND BUDGET ACCOUNTABILITY

70 East Lake Street . Suite 1700 . Chicago, IL . 60601 . 312/332-1041

---

## FY05 Education Budget Overview

After a record overtime session, the Illinois General Assembly recently approved the state's operating budget for fiscal year 2005. The final agreement includes a General Fund Revenue budget of just under \$24 billion. The General Fund is what pays for most public programs and services including education, healthcare, public safety, environmental protection and employment and training programs. Due to constraints created by the state's unsound and unfair tax system, almost all public services Illinois provides were cut significantly, including 4% across the board reductions imposed on most state agencies.

Even the one area singled out for the greatest increase from the prior year's budget, education, remains significantly under funded at the state level. The state's historically inadequate per-pupil Foundation Level, chronic under funding of services districts are legally required to provide and outdated reimbursement formulas continue to force school districts to become more reliant on local property taxes to fund education. This in turn exacerbates school funding inequities, while continuing to shift the responsibility for school funding from the state to the local level.

The budget agreement appropriates \$6.8 billion for elementary and secondary education. This represents an increase of \$353 million over last year. The Illinois State Board of Education ("ISBE") had requested an increase of \$576.7 million to support adequate basic education and full funding of programs the state requires districts to provide.

**For more information regarding the FY05 budget for elementary and secondary education, contact Chrissy Mancini at 312-332-1481 or email [cmacini@ctbaonline.org](mailto:cmacini@ctbaonline.org)**

## Budget Highlights

- The FY05 budget makes virtually no progress toward reaching the Education Funding Advisory Board's ("EFAB") recommended Foundation Level of per-pupil support, despite the \$154 increase in this year's Foundation Level.
- The FY05 budget increases the percentage at which the state reimburses local school districts for providing mandated services, such as special education, but fails to adjust for the seriously outdated formulas the state uses to calculate those reimbursements – some remaining unchanged since 1985.
- The FY05 budget cuts \$14 million from programs designed to benefit students most at-risk for academic failure and dropping out of school, including a 50% reduction in the Technology Success Program that support initiatives designed to close the technology gap between affluent and poor school districts.<sup>1</sup>

<sup>1</sup> Includes reductions in Reading Improvement Block Grant, Alternative/Regional Safe Schools, Extended Learning Opportunities, Truant Alternative Optional Education, Technology for Success and Career and Technical Education