

CENTER FOR TAX AND BUDGET ACCOUNTABILITY

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SIGNIFICANT DATES IN ILLINOIS SCHOOL FINANCE

G.A. Hickrod, 2004

- 1777 Thomas Jefferson introduces a full state funding proposal in Virginia. In 1820, Jefferson declares the system adopted by the House of Burgess (all local funding) to be “unworkable.”
- 1850’s The Whigs (including Abraham Lincoln) establish a public school system initially funded fully by the state. The system rapidly becomes locally funded with the state contribution limited to a low flat grant per pupil.
- 1890 By 1890, state system is mostly locally funded.
- 1927 Illinois adopts a Foundation Level (Strayer-Haig) system of funding schools which distributes state aid inversely to property tax wealth. This represents a significant increase in state support.
- 1930 Professor Henry Morrion (University of Chicago) condemns the Illinois system of state and local funding as “appropriate for horse and buggy days” and advocates full state assumption.
- 1969 Passage of first state income tax and a significant increase in educational funding.
- 1970 Article Ten is adopted in the State Constitution. The new constitution fails to include education as a fundamental right and fails to specify full state assumption for funding. Revenue article limits state to a flat income tax guaranteeing permanent shortage of education funding.
- 1971 *Serrano v. Priest* decided in California. No similar suit is filed in Illinois.

- 1972 Three “Blue Ribbon” Committees for Education Finance are formed.
- 1973 Hubbard/Hickrod formula for education funding adopted for the state. Formula guarantees that districts with equal tax rates will have equal expenditures per pupil. Considered an answer to Serrano. This is the largest increase in recent history in state funding. Part of the increase is attributable to the Nixon Administration’s Federal Revenue Sharing. Hickrod poverty weighting adopted based on concentration of poverty in a school district.
- 1984 State returns to the Strayer-Haig formula of education funding. Prior formula thought to raise local property taxes too much. Poverty weighting retained.
- 1989 State income tax increased to 3.0 percent, results in significant increase in education funding.
- 1990 Legislation Task Force recommends property tax relief but relief fails to pass the General Assembly. County option Property Tax Extension (PTELL) first placed into formula.
- 1991 Attempt to amend Article Ten to the state constitution to include the statement, “a fundamental right to an adequate education” fails on a close vote largely due to opposition by Governor Jim Edgar.
- 1994 The Committee v. Edgar case is decided (6-1) for defendant. Illinois Supreme Court declares that education is not a constitutional right in Illinois.
- 1995 Senator Aldo DeAngelo (R) introduces a bill to substitute income tax revenue for property tax revenue. Bill passes House but fails in the Senate. Governor’s Commission of Education Funding recommends separate categorical funding for poverty grant and a higher foundation level.
- 1998 Poverty weighting is removed from the general state aid formula where it had been since 1974 and made a

separate categorical grant. Grade level weightings also removed from the general formula.

- 2002 Education Finance Advisory Board recommends a method of calculating Foundation Formula based upon earlier economic efficiency research at Illinois State University. EFAB also recommends change in poverty impact grant.
- 2003 HB750 developed by the Center for Tax and Budget Accountability
- 2004 Categorical grant for gifted students removed.

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