

REMARKS

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Chief Executive Officer**

Chicago Public Schools

EDUCATION FUNDING ADVISORY BOARD

Public Hearing Testimony

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- We deeply appreciate all the time and thought that the members and staff of the Education Funding Advisory Board have devoted to addressing perhaps the most critical issue facing public education in Illinois: how to ensure adequate and equitable funding for our schools across the state.
- And I thank you for this chance to comment on the draft of your report. It reflects the openness to public input that has been a hallmark of your deliberations from the beginning.
- The recommendations in this report will greatly improve the adequacy, equity, and efficiency of Illinois' school finance system. They will also help the State address the goals of the *No Child Left Behind Act*.
- I commend you for developing a plan that accomplishes so much.
- Speaking on behalf of the Chicago Public Schools, there are many recommendations in your report that we strongly support. I'd like to take a few minutes to highlight a few.
 1. We support the recommendation to increase the foundation level for the general state aid to ensure that every school district has the resources to ensure an adequate education for each child. We know what it costs to provide a good basic education. Now we need to fund it.

2. We also endorse the recommendation for the adoption of a permanent continuing appropriation for general state aid and the state aid poverty grant. We need stable and predictable funding to carry out multiyear initiatives to achieve our educational goals.
3. The recommendation to more accurately count the number of children from low-income families is excellent. By using an unduplicated count of children in the four major state low-income assistance programs, the number will more accurately reflect the educational needs of these children.
4. Related to this, we also support your recommendation for a simplified poverty formula that eliminates drastic changes in funding from year to year.
5. We also favor the idea of relying less on property taxes to fund education, so long as reductions in school property taxes are fully offset with new revenue from other sources.
6. We are also pleased to see in the report an array of new ideas for increasing revenues besides general increases in the income tax rate or sales tax rate. Generating additional revenue by eliminating tax loopholes and expanding the sales tax base to include some services should be part of any future revenue strategy.
7. We agree with your decision to call for a study of the Cook County Assessment Classification system. This is an

important, complicated, and controversial issue that merits its own state study.

8. We support a reasonable approach to school district consolidation that encourages districts to combine but does not force them to do so. Clearly, consolidation can save money in many cases, and can encourage greater coordination of services and education across all grades. But we are also sensitive to the importance of local school control in many communities.
 9. We appreciate the recommendation to keep the current Chicago block grants in place, while proposing new categorical block grants statewide. The Chicago block grant structure works well; there is no need to change it.
 10. Based on our own experience from 1995, we strongly support the idea of simplifying the tax levy structure for districts outside of Chicago. It has been extremely beneficial to us; other districts should have the same benefits.
- There are only two aspects of the report that I disagree with and that I think should be changed in the final version.
 1. Your report fails to address the great differences in the cost of living and the cost of education across the state. The general state aid formula should reflect these differences. Your recommendation to develop a regional cost of education index was sound, but it should have gone further and actually

recommended that this index be used in the general state aid formula.

2. You also should recommend that Illinois decouple the state estate tax from the recent phase-out of the federal estate tax. Failing to do this could cost Illinois over \$200 million in FY 2004 and as much as \$450 million by FY 2007. This is revenue Illinois cannot afford to lose.
- Finally, I want to mention several important issues that are relevant to your goals, but which are not discussed in the draft report. The following issues should be addressed in the next major EFAB report.
 1. The need for **expanded early childhood education**: the state needs to provide early childhood programs to every family that wants them. Expanding these programs is an essential part of the educational improvements that will be needed to meet the federal education goals.
 2. Improved estimates of the **additional costs of educating low-income children**: the poverty formula recommendations in the report are workable, but the true added costs of providing an adequate education for low-income students is substantially higher than the maximum poverty grant recommended.
 3. Expanding the concept of adequate education funding to include **capital items** such as school facilities and education technology : EFAB's recommendations for the foundation

level and poverty grants address operating funding. They do not take into account the need for investment in school facilities and education technology as part of an adequate education. But children need decent, modern schools and access to today's technology.

- In summary, if the Illinois General Assembly were to adopt the Education Funding Advisory Board's plan — and the Governor were to approve it — these recommendations would profoundly transform the school finance system in Illinois. They would give all students a fair chance to achieve a decent education, that would prepare them for college, for work and for life
- We are committed to working with you and with others who support these recommendations to get your plan adopted by the legislature and the Governor.
- Thank you.