

REFORM AND COUNTER-REFORM: An Historical Examination of Perceived
Political Activity Involved in the Implementing and Amending of
the 1973 Illinois School Finance Reform.

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ABSTRACT

The purpose of this paper was to conduct an historical examination of the perceived political activity surrounding the implementation and amending of the 1973 Illinois School Funding Formula "Reform". A reputational sample was selected and telephone surveys and written instruments were used to obtain perceptual information relative to the 1976, 1978, 1979, and 1980 amendments to the Illinois funding formula. The questions asked pertained to perceptions of leadership in the area of Illinois school finance legislation during these years. The findings were of a nonempirical nature but will be used to establish a theoretical base for an empirical examination of increases in state aid in relationship to characteristics of Illinois state Senators.

This paper is condensed for purposes of brevity. Anyone wishing further and more detailed information should contact:

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The purpose of this study was to examine in an historical fashion the implementing and amending of the 1973 Illinois School Finance "Reform" legislation. This original legislation (known as the Resource Equalizer) was amended in 1976, 1978, 1979, and most recently in 1980. Empirical evidence presented by Hickrod (1979) suggests that the "reformed" formula was working as intended until 1976 and the first amendments. From 1976 until the present there has been a movement away from the goal of "equity" in the Illinois funding mechanism. As Hickrod (1981) reports the prospects are no better for achieving the goal of equity under the most recently amended formula which places all Illinois school districts on the Resource Equalizer formula. This study sought to assess perceptions as to why the original formula was amended in 1976 and in subsequent years and who the prime movers of this amending process were.

It has been empirically shown (Hickrod,1981) that from 1976 onward the goal of achieving equity in Illinois school finance has become more unlikely of ever being achieved than perhaps it was just prior to the 1973 reform. This funding formula did not become so inequitable overnight. It has taken eight years for the formula to get into the condition it is in. From the perceptions of those interviewed in this study it is apparent that this movement away from equity has been a deliberate demonstration of counterreform. The perceptions of many of those interviewed stressed the fact that the years from 1976 to 1980 were years when individual legislators sought to "get as much as they could" for the schools in their legislative districts. By being able to understand the complicated formulas these legislators were

able to know in advance exactly what each change or amendment would mean in terms of dollars of state aid to the schools in their legislative districts. This was stated as being one reason why the equity criterion is unattainable yet today. The perception of many of the people talked to is that the climate in the educational finance arena from 1976 to 1980 has been one of extreme competition for scarce resources. Perhaps this in part explains the apparent lack of concern or concentration upon the achievement of the equity goals of the original formula. In times of scarce resources the battle over the allocation of the state aid dollars becomes a very political battle. Each legislator is concerned and accountable to his own constituency first and foremost. This factor in and of itself contributes to a sense of competition for scarce funds. This competition does not lend itself to the goal of equity.

It is apparent from the responses to questions concerning leadership in the area of Illinois school finance that the situation is not the same as it was when the reform was enacted. In a study which examined the 1973 Reform (Langston, 1979) the leadership in the area of Illinois school finance was reportedly provided by the Illinois School Problems Commission. The School Problems Commission continues to be the dominant force in Illinois school finance yet today but it is not the only source turned to for leadership in school finance legislation. There are a variety of individuals and groups which are turned to for help with school finance legislation and this makes the analysis of any change more difficult than ever before. This becomes an even more problematic situation to cope with when one is attempting to deal with perceptions of activities which occurred as far in the past as 1976. There would appear to be no one set answer to any questions concerning the

implementing and amending of the 1973 reform of the Illinois school funding mechanism.

The method involved in this study was to select a reputational sample of people perceived to be key actors in Illinois school finance matters during the years 1973 to 1980. Many of these key figures were identified in an earlier study (Langston, 1979) and continue to be active in Illinois school finance matters yet today. In addition to key state agency and political figures perceptions were sought from state agency staff people, university professors, members of the legal system, public school administrators and members of interest groups.

The sample was small and consisted of approximately thirty people who responded either to a telephone survey, a written instrument, or both. The results of the telephone survey were far more useful than the written instruments which apparently were trying to get at too much information at one time. In looking at the relatively few useable written instruments which were returned it is apparent that the entire question of the politics involved in amending this formula and thus moving away from established equity goals does not involve the visible politics of the 1973 reform. It appears as if a general perception today is that there no longer exists one state agency which is turned to as the sole source of help in school finance matters. The School Problems Commission remains the agency turned to most often and it is still considered a very powerful agency. However, it is no longer perceived of as the only agency to turn to for help.

There was no empirical analysis of the information gathered from this

study as the only purpose was to form a theoretical basis for a forthcoming empirical examination. In addition, the nature of such a study which dealt with perceptions does not lend itself well to such an analysis. The purpose of the study was to gather perceptual data which would lead the research into an empirical study of the political activities surrounding this implementing and amending process. Therefore, in spite of the fact that no hard data was yielded by this study it did serve a very meaningful purpose and has done much in the way of illuminating the path for future research.

The findings of this study will be presented in abbreviated fashion where possible. The findings come directly from the interviews (which were conducted with guarantees of anonymity) and from a reexamination of the body of literature which has been written upon the subject of the 1973 Illinois reform. Since this paper is presented in abbreviated fashion a great deal of support material has been excluded.

In responding to questions relating to "who do you and your organization turn to for help in getting legislation enacted" a reputational sample was asked to present their perceptions concerning selected questions concerning the political activities of the period 1973 to 1980. As was mentioned earlier this information was gathered chiefly through means of telephone interviews and all of those interviewed were guaranteed anonymity. As people responded to the question "who do you turn to...?" it became obvious that the relationship or lack of relationship between the Illinois School Problems Commission (hereafter SPC) and the Illinois State Board of Education (hereafter SBE) is a key factor in understanding the politics of Illinois school

finance from 1973 to 1980. These two agencies were not the only ones dealing with education finance, but their roles are intertwined with the roles of all other groups and individuals.

The SPC is still perceived as a dominant force in school finance matters and one person went so far as to say that if an issue or item is not resolved and passed out of the SPC it is not likely to fare well in the legislature as a whole. This continued crucial role of the SPC was a factor presented by a majority of those talked to as being the crucial reason for the continued reliance upon the SPC by a reported majority of interest groups and individuals connected in some fashion with school finance legislation. This continued reliance upon the SPC has not helped the SBE become a strong agency but some would say that the SBE has not helped itself. Several of the people talked to mentioned the fact that the SBE suffered a credibility problem during the period from 1973 to 1980 and people, especially the school people, were skeptical of turning to them for help. This is by no means the only reason for the continued reliance upon the SPC for help in getting legislation enacted but it is one reason which seems to stick out in people's minds.

Several people stressed that it is important to work with several key individuals and agencies and not to just depend or rely continually upon one agency or individual as has been the tradition with the SPC. This would seem to indicate that the perceived role of the SPC as the only agency to turn to was beginning to become obsolete in this complex period when no one had all of the answers or could provide all of the sought for solutions.

As far as key individuals who were looked to during this period

the perceived key actors have not changed significantly from those identified in an earlier study (Langston, 1979). In addition, although the perceived key actors involved in the 1973 reform have not been visibly associated with the 1976, 1978, and 1979 amendments one source said that some of these reported key figures from the original reform were indeed prime "behind the scenes" factors in the amendatory legislation. According to earlier research (Hickrod, 1979) it was this amendatory process which changed the equity aspects of the formula and allowed the gains to be made by individual districts and types of districts to help erase any progress made toward the goal of equity.

The generally reported perspective of the public school administrators is that by and large they continue to turn to the SPC and individual legislators for help in getting legislative packages passed into law. The success rate of the SPC (a factor mentioned by almost everyone talked to) and its sponsored legislation was stated as the number one factor for this continued reliance upon and turning to the SPC for help by a majority of school people. The SPC is perceived to be a very valuable ally for school people as they try to get legislation enacted. This legislation typically has to do with finance.

When asked if the school leaders of Illinois were perceived to be turning to the State Board of Education for more help as time passed the answer was a flat no. This would appear to be the opinion of many of the people talked to. The reasoning behind this appears to be that the SBE and its chief school official have never been able to exert the power they need to. In terms of this, the inability or failure to exert power has been a crucial factor in the continued dominant position of the School Problems Commission. One source mentioned that in the early seventies as the SBE attempted to develop a power base people

thought that the SPC would cease to exist. However, this expected disbanding of the SPC never occurred. The school people and other groups simply did not turn to the SBE for legislative help. This apparently led to a period of confusion as to who was in charge. Several people replied that this was a very unfettered time and certain groups and individuals came forth to assume roles of leadership and pushed many programs and policies for legislative action. The individuals who sponsored legislation which amended the school funding mechanism were not individuals normally associated with the SPC and this appears to mark a break in Illinois tradition as well as beginning the movement away from the goal of equity.

One source said that this 1976 legislation originated outside of the SPC because of the fact that the SPC assumed a low profile position in the mid-seventies in order to try to give the SBE a chance to develop and assume its constitutional role. In spite of the fact that the names appearing on the 1976 amendatory legislation were not those of people formally associated with the SPC one source confided that key actors associated with the SPC played a role in the passage of this first amendment to the formula, but did so from a behind the scenes role.

The fact that individual legislators not normally associated with the school finance aspects of Illinois would emerge as apparent educational leaders demonstrates the fact that by the mid-seventies legislators had become familiar enough with the workings of the formula that they knew exactly what effects any changes in the formula would have upon their legislative districts. Given the opportunity to become key decision makers various individuals emerged as apparent educational leaders without having to go to the SPC or the SBE for help.

One source pointed out that the reason that individual legislators were able to initiate and get enacted their own school finance legislation was because there was not much leadership or direction from any agency during the mid-seventies. This perceived lack of leadership appears to have done a great deal to instill the idea of open competition which eventually led to the continual amending of the formula. This continual amending process was a reversion to the pre-reform period when the formula was continually tampered with and disparity grew and grew. The amending of the formula in 1976, 1978, and 1979 would appear to have been deliberate attempts to remove all of the equity factors so that each district could compete against its neighbor for the available resources. This was not the intent of the original reform legislation.

In talking about the perceived lack of power of the SBE one person summed up this apparent lack of leadership on its part in this fashion. State Boards of Education can not be assumed to be able to make any significant changes when they can only recommend financing. As long as the ultimate decisions are at the mercy of the allocation of dollars and the legislature has this final say State Boards can never assume that they truly have any final authority.

The role of the school people during this period was one of increasing awareness on the part of a few and a reported continued lack of awareness on the part of the majority. Whether this lack of awareness of the political situation drastically hurt any one district is hard to isolate in this type of study. However, it was pointed out by many people that the opposite was true and many districts which had politically astute administrators were able

to make big gains in the amount of state dollars received. This is another example of how the equity factors were being eliminated. Not all schools nor all students were being treated equally.

An aspect of the amending of the Illinois school funding mechanism which has not received much attention to this date is the role of the Illinois courts during the years 1973 to 1980. The one major case which could have had a great impact upon Illinois and its funding mechanism is Blase V State of Illinois (55 ILL.2d 94, 302 N.E. 2d 46, 1973) which was brought as a test of the 1970 Illinois Constitution, Article X, Sec.1, p.49., "The State shall have the primary responsibility for financing the system of public education." The court was called upon in Blase to decide whether or not primary responsibility could strictly be interpreted as requiring the State to provide 51% of school funds. The court ruled that the Constitution implied no fixed percentage and thus this major challenge was defeated. If this had won the matter of equity would have been a legally enforceable aspect of every child's public school education. By interpreting this case as they did rather than striking out against inequity in their decision the courts assumed a passive role of interpretation rather than an active role of court ordered reform.

In other matters related to the Illinois judiciary it would appear that they would have acted if they had to but other than in the case of Blase major decisions never had to be made by the judiciary. It would appear that the Illinois legislature received wise counsel and was willing to initiate legislation to remove aspects of the funding mechanism which had failed similar judicial tests in other states. The Illinois courts never had to and reportedly never did assume an active role in Illinois educational policy.

This is not a criticism of the Illinois Judiciary but rather an affirmation that the legislature took action which obviated the need for the court to intervene.

The most obvious fact that emerges from examining the politics of school finance in Illinois is that the situation has changed dramatically from 1973 (Langston, 1979). In the early seventies and especially before the major reform of 1973 changes in the finance formula were proposed by school finance experts from the academic world. These proposals were carefully examined and analyzed and then given to the legislature by the School Problems Commission. This would not appear to have been the only solution as the seventies progressed. The period from late 1973 to early 1980 saw a great increase in the level of understanding of the school funding mechanism by the legislature (both as a body and by individual members), the public school administrators, and special interest groups. As this knowledge increased individual legislators reportedly began formulating and presenting their own school policy and funding legislation directly to the full legislature. This action in some cases circumvented the SPC and did so with apparent success.

It would appear, according to the perceptions of those talked to, that the perceived fact that no leadership was being exhibited by either the SPC (because it was trying to give the SBE a fair chance to develop) or the SBE (because it was struggling to develop leadership as an agency and overcome a perceived lack of confidence on the part of the school people) allowed or even forced individual legislators to take the initiative in school finance legislation. Whether this was at the urging of some other individual or group remains a matter of perception. One person said that trying to associate names

with legislation as a means of identifying ultimate allegiances is entirely misleading. Reportedly there was a great deal of behind the scenes work done by SPC members during these amendment years. Whether this behind the scenes work was a part of the reported truce upon the SBE's activities or was just a way for individual legislators to be able to manipulate the workings of the formula to the benefit of their legislative district remains perceptual. However, this will be further examined in proposed empirical research in order to determine whether the question " what does it do for my school district or how does it effect my legislative district?" was the major question resolved by decision makers during the years 1973 to 1980. If this indeed was the quandry faced by legislators then its resolution could have done nothing else but cause the movement away from equity goals.

Whether or not the taxpayer revolt situation in California played a role in Illinois is open to debate. However, during the seventies a new type of accountability appeared which further complicated this equity issue. In 1973 it would appear that the decisions made concerning the original reform were made with the equity of the students in mind. In the mid-seventies it would appear that the taxpayers were also playing a role because they were demanding that legislators be accountable to their wishes. It is almost impossible to reach established equity goals when the emphasis becomes taxpayer equity versus student equity. Many of the legislative changes amounted simply to one form or another of taxpayer relief. This not only eroded the base of local financial support but threw more burden upon the state than it could or was willing to support. Without this state and local cooperation the goal of equity would appear to have taken ^{second} place and student gains began to dissappear.

The allocation of goods and services in the public sector is the realm of the elected decision maker in the final analysis. There can be no question about the fact that the final say so as to where dollars will be allocated truly does rest with the legislature and this includes the SPC since it is an arm of the legislature. However, the SPC does not appear to continue to enjoy the position it once held as the only source turned to for help with school finance legislation matters. This is true in large part because of the fact that individual legislators have taken the initiative to become familiar with school finance matters and to formulate their own educational legislation matters. Also, other state agencies have stepped into this picture by making their own proposals which are acted upon by the legislature through individual member initiative.

Unfortunately, the apparent losing agency in Illinois is the SBE. This agency is charged with formulating, mandating, and enforcing educational programs but must do so while depending on the legislature to provide the needed funds. The funds have not always appeared and the SBE has found itself in some unpleasant situations because of its perceived inability to get all of the funds needed to run programs. This comes about in perceptions that the SBE failed to provide leadership to the K-12 schools during the mid and late seventies. Perhaps this perception is not accurate simply because there were many matters which were out of the hands of the SBE which they were expected to ignore or work around.

The legislature and individual legislators will continue to act as they perceive their constituencies desire them to. This is the name of the game in politics. Therefore, it would appear that the individual legislators in Illinois

are the key elements to be studied to determine who gets more state aid to education and why they get more. This study has found that it is the initiative of individual legislators which has made the greatest changes in the Illinois school funding mechanism. It is also apparent that the initiative taken in this area has been a deliberate process of removing aspects of the original reform which were designed to provide student equity. Whether this movement away from student equity goals was an expression of lack of concern for the education of all students or a result of the realization that taxpayers vote and students do not, is open to debate and is largely a perceptual matter. Whatever the underlying logic has been behind these changes in reform the results appear to be that today, more than at any time since before the 1973 reform, the education that a student receives in Illinois is indeed overly based upon local wealth and local preference.

In Illinois the 1973 reform had as a goal the striving for the elusive goal of student equity. However, that goal appears to have remained just as elusive as it was in 1973 and it would appear to be an equally elusive goal for future reform.

It is recommended that the information yielded from this study be used to form a theory base for an empirical analysis of state aid gains as a function of Illinois state Senator characteristics. This would involve a regression analysis to test what the best predictor of gain in state aid over this period 1973 to 1980 is. This would involve the personal characteristics of each state Senator, the characteristics of the legislative district, the socioeconomic variables of the legislative district, etc. This proposed study would look at the political determinants of gains in state aid: who got the most and why.

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