



## **A Property Tax Freeze Harms Illinois' Public Education System**

Since 2009, the State has cut or held flat education funding for our member school districts. As a result, districts have been forced to continue to rely heavily on property tax revenue or go to referendum.

Now, the General Assembly seeks to freeze property taxes for 2 years or more. **ED-RED strongly opposes a property tax freeze for the following reasons:**

- Education funding in Illinois is based largely on local property taxes (60% of total) and the amount allocated to education from incomes taxes is among the lowest in the US. A property tax freeze will significantly reduce resources available to educate students statewide.
- A two-year property tax freeze will reduce resources for education permanently by an estimated \$500 million annually statewide. This loss should only be considered with an irrevocable commitment to offset each district's loss of local revenue with permanent revenue increases for education funding.
- A property tax freeze could exacerbate the issue of equity statewide, as EAV strong districts pass referenda, while EAV weak districts struggle to do so.
- A property tax freeze effective immediately does not provide school districts the ability to modify existing collective bargaining agreements that were negotiated under the current laws governing school revenues.
- With over 60% of the school districts in Illinois currently operating with deficit budgets, the loss of revenue from a property tax freeze will translate directly to a significant reduction in teaching staff, because personnel costs are the most significant part of district budgets, impacting struggling districts the most.
- **ED-RED** supports a mechanism within the Evidence Based Adequacy Model of school funding reform to provide for local control and transparency in conversation around the property tax relief process.
- **ED-RED** encourages school funding reform and pension discussions to include all the related components, in a holistic approach.
- **ED-RED** strongly urges your opposition to a property tax freeze. We remain open to continued dialog on this issue.

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