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Madigan revives proposal for ‘Millionaire Tax’ to fund education

A host of education advocates Wednesday spoke in support of House Speaker Michael Madigan's plan for a 3 percent income tax surcharge on millionaires to help fund education. In reviving a proposal he made last year, Madigan said House Joint Resolution Constitutional Amendment 26 would raise an estimated \$1 billion in additional funding annually for education.

"When I first offered this proposal in 2014, we knew then that Illinois schools needed greater financial support. The tax increase rollback has amplified our schools' financial shortcomings. As tough as budget decisions have been for many years, they are now much more difficult. This proposal is not a complete solution to our education funding issues, but it is a fair and equitable way to help make sure Illinois schools receive needed funding to help prevent higher property taxes, teacher layoffs, larger class sizes and the loss of scholastic programs and classes," Madigan said in a press release.

"Since 2009, state revenue funds for K-12 education have decreased by nearly \$1 billion," said IASA member Matt Brue, superintendent of Porta Community Unit School District 202 in Petersburg, who attended the press conference to represent the Statewide School Management Alliance. "We appreciate the priority placed on K-12 education in the recent budget discussions, but are supportive of a comprehensive, long-term fiscal and tax policy plan. A component of this plan should include an additional tax imposed on the highest income earners."

Other educational groups in attendance in support of the proposal included the Illinois Education Association (IEA), The Illinois Federation of Teachers (IFT), Stand for Children, Advance Illinois and the Large Unit District Association.

If HJRCA 26 is approved by the General Assembly, it would be placed on the 2016 ballot for voters to consider. A similar advisory question was on the ballot last November and was approved by 64 percent of those who voted in the 2014 general election. The support was widespread, with the advisory question receiving at least 50 percent support in 100 of Illinois' 102 counties. If the constitutional amendment were to be approved by voters in 2016, the General Assembly could consider enacting legislation imposing the so-called "Millionaire Tax" in 2017.

Madigan's plan would distribute the funding on a per-pupil basis that he estimated to be about \$530 per student. The Statewide School Management Alliance's position is that public education needs new state revenue streams because of deep cuts to state funding and the proliferation of unfunded state mandates in recent years.

"While we realize the passage of HJRCA 26 will not bring relief this year, it is an important piece of the long-term budget picture," the Alliance statement read. "For this year, we urge the legislature to make K-12 education a top priority and also grant flexibility to local school districts by providing greater flexibility with state mandates. Allowing school districts the option to reduce expenses while at the same time increasing revenues can go a long way to relieve the financial pressures we are currently facing."

The "Millionaire Tax" would be just one piece of the long-term budget puzzle and it is not mutually exclusive of other school funding proposals, such as the evidence-based school funding model from Vision 20/20 that has been proposed in Senate Bill 1403.