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FY27 Evidence-Based Funding
Frequently Asked Questions (FAQs)

Why did the estimated statewide timeline to reach 90% funding adequacy increase from 11 years to 14 years?
The estimate means that if the state continues investing an additional $300 million annually through Evidence-Based Funding, it will take approximately 14 years to close the current statewide adequacy gap.

The estimate increased because the statewide gap between current funding levels and the amount needed to bring all districts to at least 90% adequacy grew by $1.05 billion from $3.024 billion to $4.078 billion in FY 2027.

Funding adequacy levels change as the factors that the formula is based on change. Evidence-Based Funding is built to reflect the changing needs of our public schools. EBF is a dynamic model and is not static. Factors that contributed to this increase in the adequacy gap include updated low-income student data, annual updates to salary and cost factors required by the formula, as well as declining Corporate Personal Property Replacement Tax (CPPRT) revenues.

What does this mean for school districts that are below adequacy?
School districts below adequacy remain the primary focus of the Evidence-Based Funding (EBF) formula. The vast majority of new state funding continues to be directed to districts that are furthest from adequacy, particularly those in Tier 1 and Tier 2. Each year, 99 percent of new tier funding is given to Tier 1 and Tier 2 districts.

While some districts may appear further from adequacy in FY 2027 because adequacy targets increased, every district received an increase in EBF. Districts below adequacy will continue to receive priority for future EBF investments.

What does this mean for school districts that are already at or above adequacy?
School districts at or above adequacy continue to receive Evidence-Based Funding (EBF), including protections provided through the Base Funding Minimum. Because these districts already meet or exceed the adequacy benchmark, they are generally less dependent on new EBF dollars.

Like all districts, their adequacy calculations are updated annually. While a district's Percent of Adequacy may change from year to year, no district receives less EBF than it received the previous year.

Why did some school districts receive a smaller funding increase than last year?
While all school districts received an increase in Evidence-Based Funding through new tier funding added to the Base Funding Minimum (the total amount the district received last school year), the size of that increase can vary from year to year based on changes in the data used in the formula. Factors such as distance to adequacy, student enrollment, low-income student counts, local resources, and Corporate Personal Property Replacement Tax revenue can affect a district's calculation. Districts are ranked based on their distance to being adequately funded which determines their funding tier as well as the amount of new funds they receive based on their relative position within the ranking. The further a district is from adequacy, the more new funding it receives on a per pupil basis, in an effort to close the adequacy gap as quickly as possible.

Importantly, a smaller increase does not mean a district received less funding. Every school district received more Evidence-Based Funding in FY 2027 than it received in FY 2026.

Why did the Tier 1 cutoff decrease from 75.6% to 72.0% in FY 2027?
School districts are assigned to tiers based on their Percent of Adequacy, which is recalculated annually as part of the Evidence-Based Funding formula. For FY 2027, statewide adequacy targets increased due to several factors, including updated low-income student data, annual formula recalibrations, and declining Corporate Personal Property Replacement Tax revenues.

Because district adequacy percentages are recalculated each year, the thresholds used to assign districts to tiers can also change. As a result, the Tier 1 cutoff decreased from 75.6% in FY 2026 to 72.0% in FY 2027. For FY 2027, districts below 72.0% adequacy are classified as Tier 1, while districts between 72.0% and 90.0% adequacy are classified as Tier 2. As a result of the lower cutoff, fewer districts were classified as Tier 1 in FY 2027 and more districts were classified as Tier 2.

A lower Percent of Adequacy does not mean a district received less funding.

Why are most school districts further from adequacy than they were a year ago?
A district's percent of adequacy reflects the relationship between its available funding and its Adequacy Target. Both values are recalculated each year as part of the Evidence-Based Funding formula, which means a district's Percent of Adequacy can increase or decrease over time.

As a result, some districts may appear further from adequacy even though their funding increased. This occurs when a district's Adequacy Target increases by more than its available funding, causing its percent of adequacy to decline. A lower percent of adequacy does not mean a district received less funding.

There are a multitude of factors that have contributed to a rise in the state's aggregate adequacy target. The continuing decline in the Corporate Personal Property Replacement Tax (CPPRT), a state revenue source that helps to fund schools, and increases in district expenditures, including salaries and benefits provided to Illinois educators, each raise the bar for what's needed to reach 90% adequacy.

Another factor is the utilization of updated data, which increased the total number of children in the low-income count utilized for EBF from 39.5% (701,955 students) in fiscal year 2026 to 57.2% (1,005,576 students) in FY 2027 statewide. Nearly every district experienced an increase in low-income student counts leading to tier status and distribution remaining almost the same compared to the last five years. An increase in low-income students also means greater need as it pertains to adequacy.

What changed in the low-income data used for the FY 2027 Evidence-Based Funding calculation?
This year's calculation reflects data and process improvements that more accurately count the number of low-income students in the State of Illinois:

More Accurate Data: ISBE, the Illinois Department of Human Services (IDHS), and the Illinois Department of Innovation & Technology (DoIT) reviewed and adjusted a query, created during the Rauner Administration, that pulled low-income counts. When the state began implementation of the formula in 2018, it automated a query used to generate a count of the students eligible for Medicaid, the Children's Health Insurance Program (CHIP), Temporary Assistance for Needy Families (TANF), and the Supplemental Nutrition Assistance Program (SNAP). The query underestimated the low-income count by comparing eligibility for the federal programs at two points in time instead of one. Additionally, the state has implemented data and process improvements that have led to 'cleaner' data, including improvements in geocoding students.

Eligibility Status: ISBE made the policy decision to ensure an expansive count of students who were eligible for federal social programs as of July 1 regardless of the date the student's application was processed and approved, and whether they remain eligible after July 1.

Do changes in low-income data mean school districts were previously underfunded?
The updated low-income data is only one of 34 inputs used in the Evidence-Based Funding formula. ISBE has found no evidence that changes in low-income counts alone substantially altered funding outcomes. School district funding levels are influenced by many factors, including enrollment, local property wealth, Corporate Personal Property Replacement Tax revenue, and other statutory components of the formula. The formula was created with the intention of being dynamic and responsive to an array of changing circumstances.

How long had the previous low-income student methodology been in use?

The same methodology has been used since the state began implementation of Evidence-Based Funding in FY18. During the FY27 calculation process, a review identified opportunities to better align the methodology with statutory requirements. The updated methodology was then used to generate the low-income data incorporated into the FY27 calculation.

When did ISBE first identify questions about the low-income data?

ISBE initiated a deeper review of the low-income count in June after receiving low-income data that showed a significant increase following more than a decade of declines. At that time a thorough review of the low-income data was initiated by DHS and DoIT in partnership with ISBE.

Would the adequacy gap still have increased if the low-income data had not changed?

Yes. While updated low-income student data contributed to the increase in adequacy targets and the statewide adequacy gap, several other factors also increased the statewide cost of reaching adequacy.

The Evidence-Based Funding statute requires annual updates to cost factors and average salary values used in the formula. In FY 2027, four of the six cost factors increased -- Instructional Materials (increase), Student Activity (increase), Operation & Maintenance (increase), Central Office (increase), Gifted (unchanged), Assessments (unchanged) -- and all 12 average salary values increased.

In addition, declining Corporate Personal Property Replacement Tax revenues affected districts across the state. These factors increased the cost of reaching adequacy regardless of changes to low-income student counts, meaning the statewide adequacy gap would have grown even if the low-income data had not changed.

What do the FY27 allocations mean for funding adequacy in Illinois?

The FY27 allocations reflect Illinois' continued progress toward funding adequacy. Today, 691 school districts are funded at or above 70% of their Adequacy Target, up from 433 districts in 2019, an increase of 59.6%.

Despite this progress, 65.7% of Illinois school districts remain below 90% of their Adequacy Target. Continued investments through Evidence-Based Funding remain critical to helping more districts reach adequacy and ensuring all students have access to the resources and supports they need to succeed.

What adequacy percentages were used to determine tiers in FY 27?

School districts are assigned to tiers based on their Percent of Adequacy. For FY27 allocations, districts were assigned to tiers according to the following adequacy ranges:

Tier 1: Less than 72% (down from 75.6% in FY 26)
Tier 2: Between 72% and 90%
Tier 3: Between 90% and 100% (unchanged)

Tier 4: Greater than 100% (unchanged)

	FY 2018	FY 2019	FY 2020	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Tier 1	313	314	372	355	384	340	369	286	270
Tier 2	346	341	343	330	275	248	219	313	354
Tier 3	48	58	55	62	72	99	93	96	103
Tier 4	146	140	151	175	196	242	247	239	209
Total	853	853	921	922	927	929	928	934	936
Tier 1 cutoff	64.6%	65.7%	67.7%	69.4%	73.2%	77.3%	78.0%	75.6%	72.0%

Chicago Public School-Related FAQs

How did the updated low-income data affect Chicago Public Schools specifically?

Chicago Public Schools is projected to receive approximately $1.94 billion in Evidence-Based Funding in FY27, an increase of approximately $65.9 million over the $1.874 billion it received in FY26. CPS is receiving 22% of the new tier funding distributed to districts across the state.

The low-income student data used in the FY27 calculation for CPS increased by approximately 31 percent. However, similar increases occurred in districts across Illinois. As a result, CPS's relative position within the statewide ranking of need did not change significantly. As with all districts, low-income counts are only one of 34 factors used in the Evidence-Based Funding formula. CPS's funding calculation is also influenced by enrollment, local resources, Corporate Personal Property Replacement Tax (CPPRT) revenue, adequacy targets, and its ranking relative to other districts within the formula.

How does CPS's FY27 funding increase compare with FY26?

While CPS is receiving an increase of approximately $65.9 million in FY27, the increase is smaller than the approximately $75 million increase the district received in FY26. Like all districts, CPS's annual increase is determined by a combination of factors within the Evidence-Based Funding formula, including enrollment, local resources, CPPRT revenue, adequacy targets, and low-income student counts.

Why did CPS receive a smaller increase despite its low-income count rising?

The Evidence-Based Funding formula considers 34 different inputs, and funding outcomes are driven by the interaction of all those factors rather than any single data point.

While the low-income student data used in the FY27 calculation for CPS increased by approximately 31 percent, other factors also influenced the district's results. These include changes in CPPRT revenue, enrollment, local resources, adequacy targets, and CPS's position relative to other districts in the statewide ranking of need.

In addition, the statewide adequacy target increased substantially in FY27, resulting in more districts competing for the same Tier 1 funding pool. As districts move closer to the boundary between Tier 1 and Tier 2, the distribution of additional funding can change even when district need indicators increase.

As a result, CPS is projected to receive a funding increase in FY27, but that increase is smaller than the increase it received in FY26.

Is CPS at risk of moving from Tier 1 to Tier 2?

CPS remains a Tier 1 district in FY27.

However, CPS moved closer to the boundary between Tier 1 and Tier 2 in the FY27 calculation. According to ISBE's analysis, CPS is less than two percentage points from that boundary. As districts move closer to that boundary, they may receive a smaller share of new funding through the Tier 1 portion of the formula and a larger share through the Tier 2 portion.

This is not unique to CPS and has occurred previously as districts' adequacy levels and statewide funding calculations change over time.

Since FY18, CPS has received $441.6 million in increased tier funding. This represents a 15.9% share of the $2.78 billion in total tier funding over the period.

General EBF Questions

What is Evidence-Based Funding?
Evidence-Based Funding is Illinois' primary formula for equitably distributing state education funding to school districts.

How is the total Evidence-Based Funding appropriation determined each year?
The Illinois General Assembly determines the annual Evidence-Based Funding appropriation as part of the state's budget process.

Once the statewide appropriation is set, how are allocations determined for individual school districts?
The Evidence-Based Funding formula calculates each district's allocation based on its unique student and community characteristics, local resources, and its Adequacy Target. The formula compares a district's available funding to its Adequacy Target and directs additional funding to districts that are furthest from adequacy.

What is an Adequacy Target and Percent of Adequacy?
An Adequacy Target represents the amount of funding a school district needs to provide students with the resources and supports necessary for academic success. A district's Percent of Adequacy measures how close it is to that target by comparing the district's available funding to its Adequacy Target.

How are Adequacy Targets and Percents of Adequacy used to determine funding?
The Evidence-Based Funding formula compares a district's available funding to its Adequacy Target to calculate its Percent of Adequacy. Based on that percentage, each district is assigned to one of four tiers. Districts with lower Percents of Adequacy are furthest from adequacy and receive a larger share of new state funding, while districts with higher Percents of Adequacy receive a smaller share.

Do the adequacy percentage thresholds used to determine tiers change from year to year?
Yes. The adequacy percentage thresholds used to determine tiers are recalculated each year as part of the annual Evidence-Based Funding calculation. Changes in factors such as student need, local resources, and statewide Adequacy Targets can affect the percentages used to assign districts to each tier.

How are Evidence-Based Funding dollars distributed among the tiers?
The Evidence-Based Funding formula allocates a majority of new funding to districts in Tier 1 and Tier 2, which are furthest from adequacy. The allocation percentages by tier are as follows:

Tier 1: 50.0%
Tier 2: 49.0% (shared among Tier 1 and Tier 2 districts)
Tier 3: 0.9%
Tier 4: 0.1%

Do school districts' annual allocations ever decrease?
No. Each year, every school district in Illinois receives a funding increase over the previous year's allocation through the formula's hold harmless provision, known as the Base Funding Minimum.

Do school districts receive the same annual increase from year to year?
Not necessarily. Increases to school districts' EBF allocations can shift up or down based on factors such as Corporate Personal Property Replacement Taxes (CPPRT), student enrollment, low-income student populations, and local property values -- Equalized Assessed Value (EAV) -- data.

Other Funding Impacts FAQs

Is there an impact to the National School Lunch Program?
No. The data used to determine free and reduced-price meal eligibility is separate from the data used for Evidence-Based Funding calculation.

Is there an impact on the Community Eligibility Provision (CEP), which allows participating schools to provide meals to all children at no charge?
No. The CEP calculation is derived from the current year data from the Direct Certification files and categorical eligibility categories.

Is there an impact to federal Title I funding?

No. Federal Title I funding allocations are not based on Illinois Department of Human Services (DHS) low-income data. Instead, Title I allocations are based on U.S. Census Bureau Small Area Income and Poverty Estimates (SAIPE) data. Current year Title I allocations are derived from lagging data (i.e., based on poverty counts from three years prior). The federal data is posted online, and there is a challenge period when districts can review for errors made by the U.S. Census Bureau; again, it is not based on DHS data.

Is there an impact to Career and Technical Education funding?

ISBE does not expect the updated low-income data to have a significant impact on Career and Technical Education funding. Illinois' CTE formula provides funding to Education for Employment regions and Area Career Centers based in part on the tier assignments of school districts in the region served. Because the FY 2027 tier assignments did not shift substantially as a direct result of the updated low-income data, ISBE does not expect a significant impact on CTE funding.