

CTBA

Center for Tax and
Budget Accountability

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The Evidence Based Funding For Student Success Act

Monday, September 11, 2023
Professional Review Panel

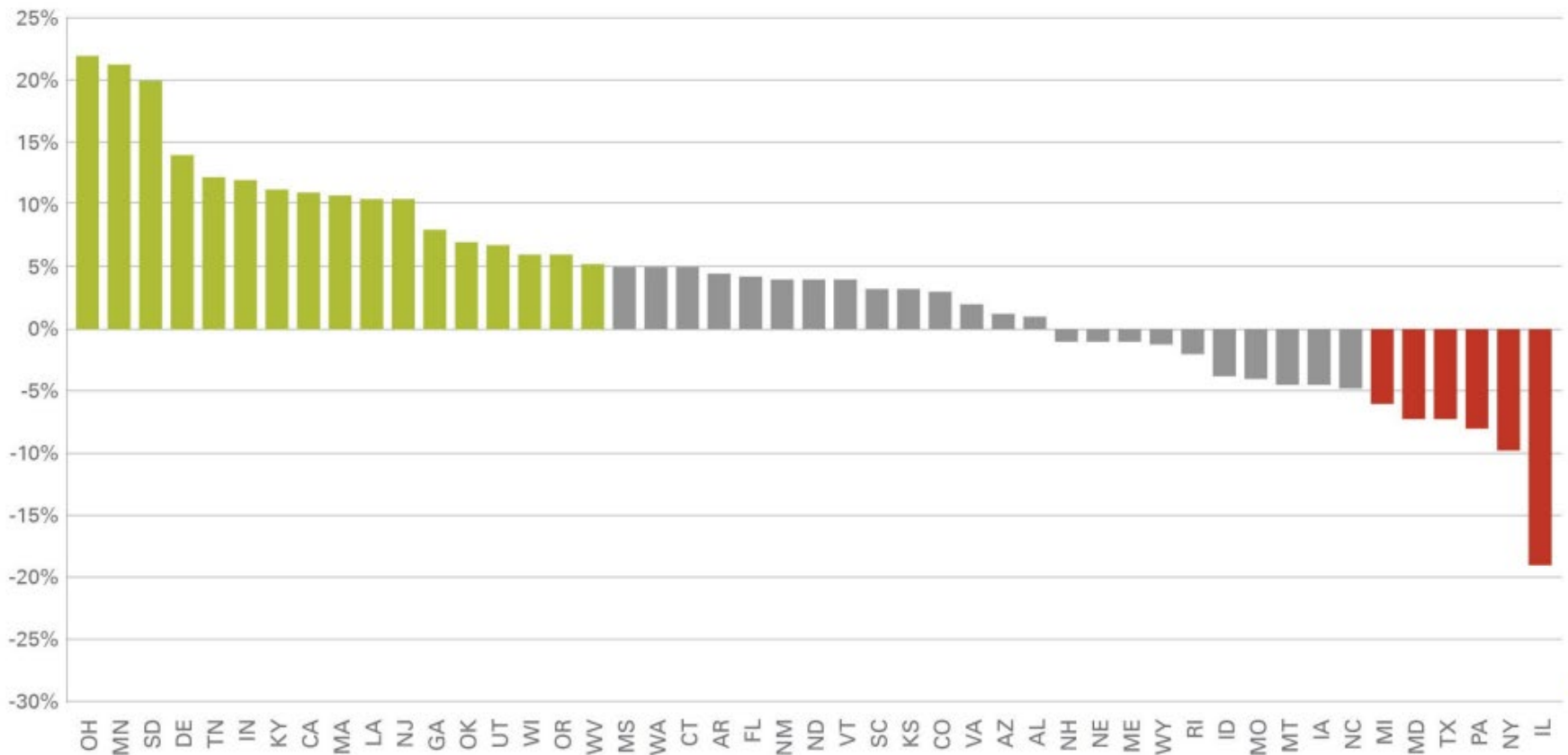
Presented by:
Ralph M. Martire, Executive Director

Why Illinois Reformed Its Education Funding Practices

- Old Foundation-Level system was not:
 - ✦ Adequate;
 - ✦ Equitable;
 - ✦ Accountable; nor
 - ✦ Evidence Based

Bottom Line: Bottom Feeder Funding Gaps

Figure 1: Gaps in State and Local Revenues per Student Between Districts Serving the Most and the Fewest Students in Poverty¹¹



Source: Funding Gaps 2015, The Education Trust

“By far the largest gap is in Illinois, where the highest poverty districts receive nearly 20% less state and local funding than the lowest poverty districts.”

Key Features

of the EBF

- ① Evidence-Based Adequacy Model
- ② Local Capacity Target
- ③ Base Funding Minimum
- ④ Funding Tiers
- ⑤ Established a Target New, Year-to-Year Funding Level of @ least \$300 M—w/ an additional \$50 M in play for EBF based on property tax relief grant utilization

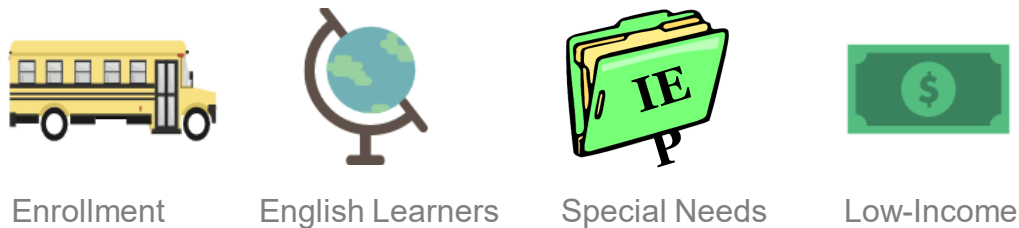
Effect Sizes of Some Evidence-Based Elements

Recommended Strategy	Effect Size
Full Day Kindergarten	0.77
Class Size of 15 in Grades K-3	
Overall	0.25
Low Income and Minority Students	0.50
Multi-age Classrooms	
Multi-grade Classrooms	-0.1 to 0.0
Multi-age Classrooms	0.0 to 0.50
Professional Development with Classroom Instructional Coaches	1.25 to 2.70
Tutoring with Tier 2 Intervention Teachers, 1-1 and small group	0.4 to 2.5
English Language Learners Direct Intervention Support	0.45
Structured Academic Focused Summer School	0.45
Embedded Technology	0.30 to 0.38
Gifted and Talented	
Accelerated Instruction or Grade Skipping	0.5 to 1.0
Enrichment Programs	0.4 to 0.7

STEP 1 Calculate Cost of 34 essential elements



STEP 2 Apply essential elements to individual districts based on demographics



STEP 3 Adjust salary-based elements for regional wage differences



DISTRICT ADEQUACY TARGET

Hold Harmless/Base Funding Minimum

- In FY2018 (the first year of implementation), each District received prior year's state funding for:
 - GSA (w/ Equity Grant and/or Tier Funding)
 - Supplemental Poverty Grant
 - Bilingual
 - PTEL Adjustment
 - Special Ed Personnel
 - Special Ed Child Funding
 - Special Ed Summer School
- Base Funding was:
 - Sum of funding for above grants
- That Amount increases annually to include EBF funding received thereafter

Local Capacity Target Identifies Local Resources That Should Support Education

- The LCT is the dollar amount a district would ideally contribute towards its Adequacy Target, based on a comparison of all districts in the state.
- The LCT calculation includes a three-year smoothing of EAV, an adjustment for PTELL, an adjustment for real receipts, and an adjustment for districts suffering a year-to-year drop of 10% or more in EAV.

**Districts With Higher Property Wealth
Are Expected To Contribute More**

Distribution

- Districts Are Placed in one of 4 Tiers based on current adequacy %
- Adequacy % = (Local Capacity Target + CPPRT + Base Funding Min)/Adequacy Target
- Once Adequacy % is determined, a formula is used to compute what the “Target Ratio” of a district is. The Target ratio is the cut-off for qualifying for Tier 1

This **Figure** shows the “**Target Ratio**,” which is the Percent of Adequacy that is the maximum a district can have to be included in Tier 1, and hence be eligible to share in the greatest portion of new state funding in a given year.

The Target Ratio is dynamic, so as funding under the EBF changes over time, so does the Target Ratio. In FY 2018, the first year of EBF implementation, the Target Ratio cutoff to qualify for inclusion in Tier 1 was a Percent of Adequacy of just 65 percent.

However, in FY 2023, that cutoff point jumped up to 73 percent.

Target Ratio, FY 2018 – FY 2023

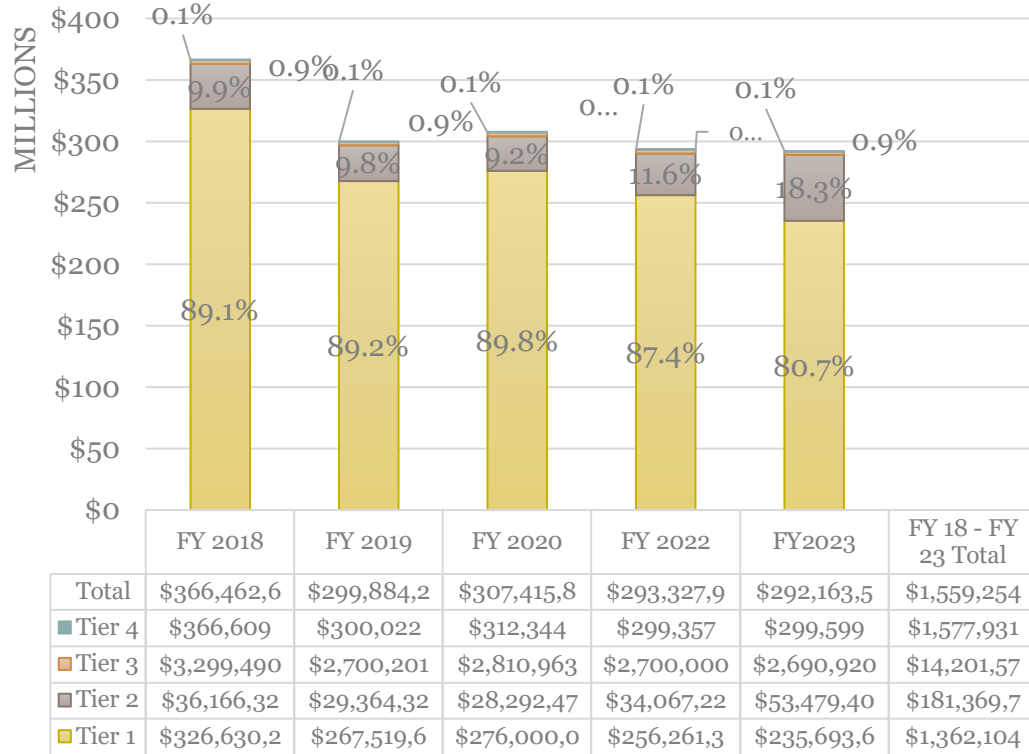
	FY 2018	FY 2019	FY 2020	FY 2022	FY 2023
Target Ratio	65%	66%	67%	68%	73%

Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

Just as intended--**Tier 1 districts have received 87.4 percent of all new Tier funding since FY 2018.**

Tier 2 districts have received 11.6 percent, and Tier 3 and 4 districts have shared the remaining one percent of new Tier funding since FY 2018.

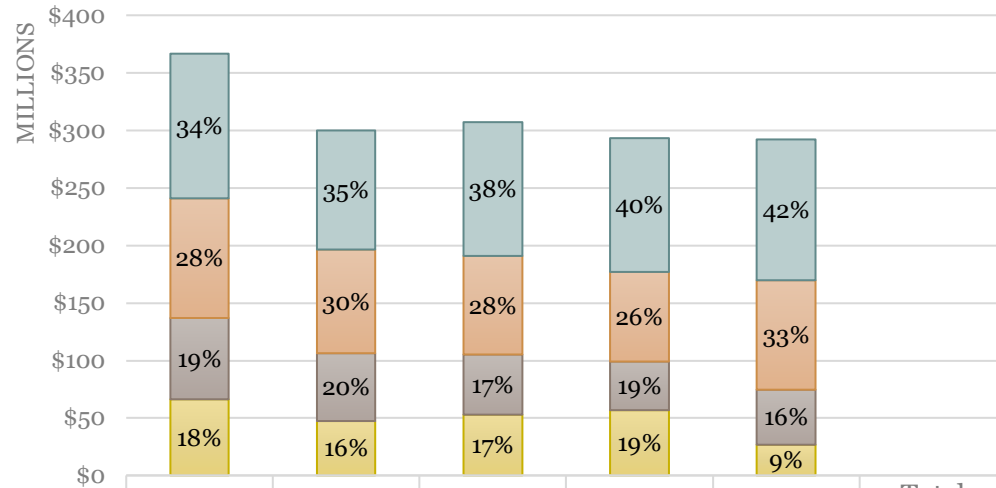
Distribution of New Tier Funding, FY 2018 – FY 2023



Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

The EBF has benefited every region of Illinois— Downstate Illinois districts have received the greatest share of new Tier funding since the EBF was implemented, which makes sense because Downstate Illinois has the greatest share of total ASE, educating 34% of a students in the state.

Distribution of New Tier Funding by Region, FY 2018 – FY 2023



	FY 18	FY 19	FY 20	FY 22	FY23	Total New Tier Funding
Total	\$366,462,6	\$299,884,2	\$307,415,8	\$293,327,9	\$292,163,5	\$1,559,254
Downstate Districts	\$125,203,2	\$103,622,4	\$116,716,3	\$116,314,8	\$122,198,1	\$584,055,0
Collar Counties	\$104,294,7	\$89,700,31	\$85,669,91	\$77,588,92	\$95,034,69	\$452,288,5
Cook County	\$70,581,60	\$59,145,10	\$51,952,89	\$42,770,29	\$47,918,42	\$272,368,3
CPS	\$66,383,04	\$47,416,40	\$53,076,67	\$56,653,89	\$27,012,29	\$250,542,3

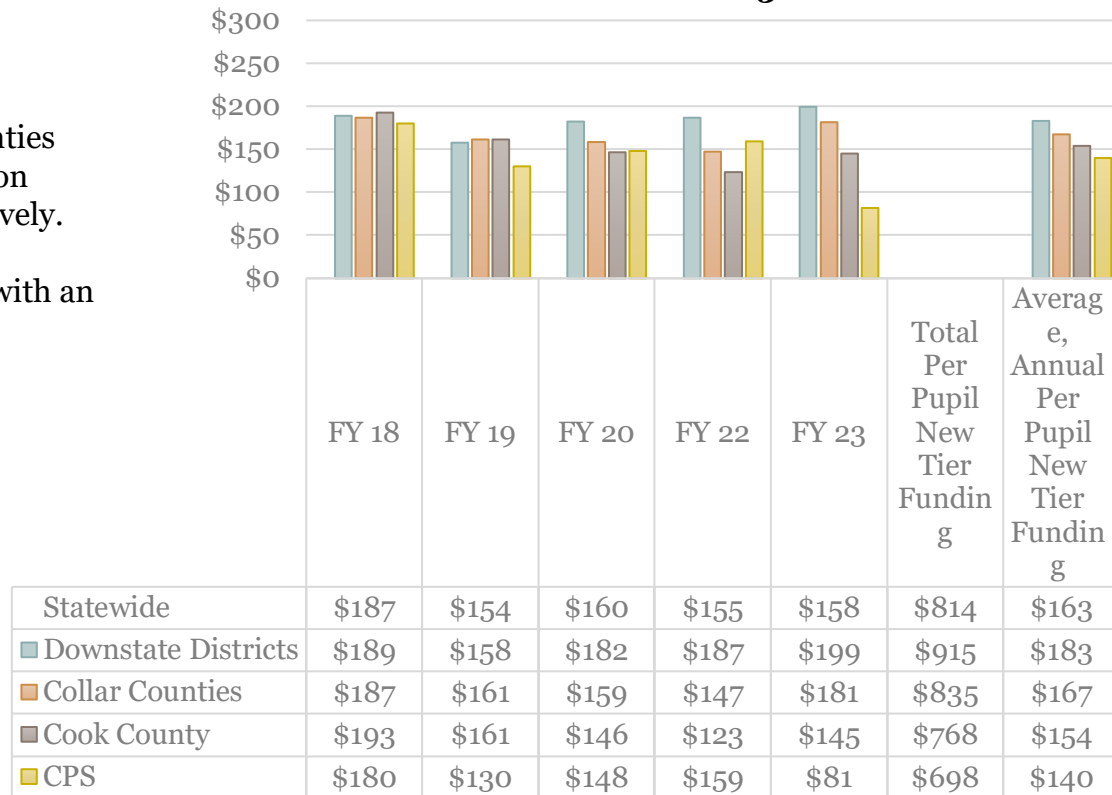
Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

Since the implementation of the EBF, CPS has received an average annual per pupil distribution of new Tier funding of \$140, which is the smallest of any region.

Districts in suburban Cook County and the Collar counties came in at \$154 and \$167, on average, per pupil, respectively.

Downstate led all regions with an average of \$183 per pupil.

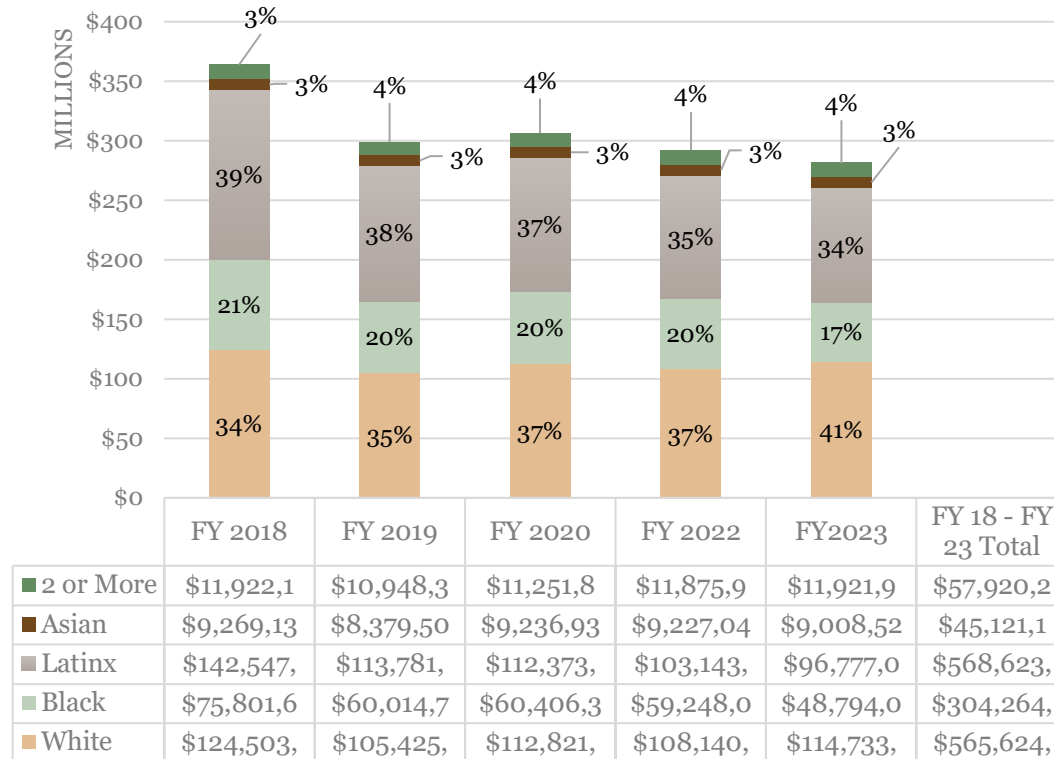
Annual Per Pupil Distribution of New Tier Funding by Region, FY 2018 – FY 2023



Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

The distribution of new Tier funding under the EBF by race and ethnicity shows that the statute is working to benefit all students in the state

Distribution of New Tier Funding by Race/Ethnicity, FY 2018 – FY 2023

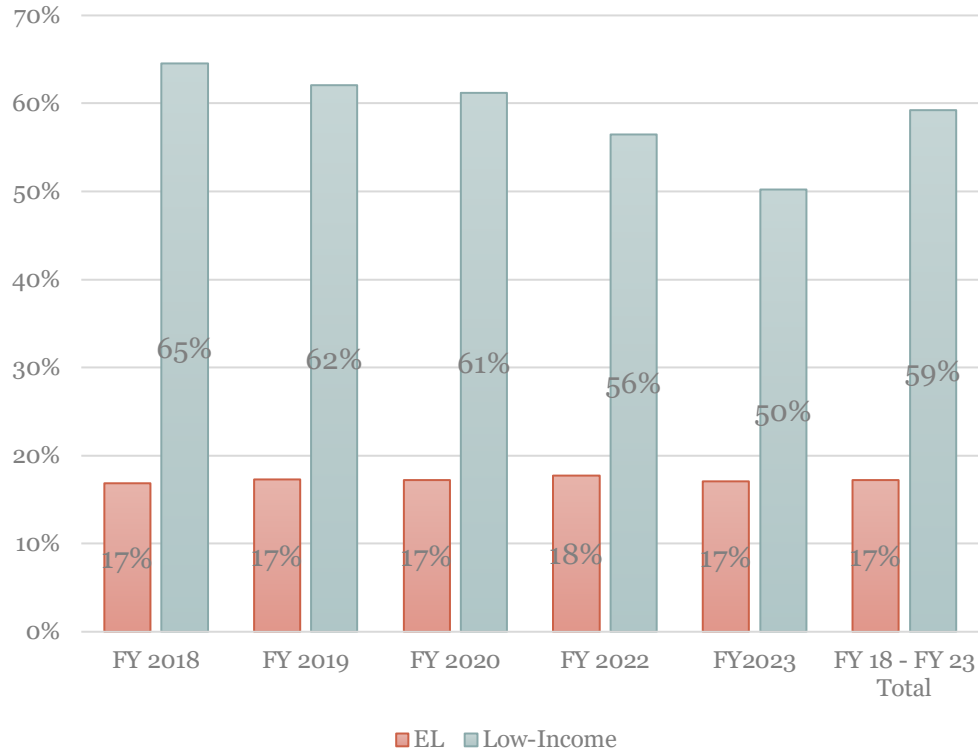


Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

Percentage of Total New Tier Funding Dedicated to Educating EL & Low-Income Students, FY 2018 – FY 2023

Low-income students have been the primary beneficiaries of new Tier funding under the EBF, receiving nearly 60 percent of such new funding from the inception of the EBF in FY 2018 through FY 2023.

English Learners have also benefited under the legislation, receiving an estimated 17 percent of new Tier funding each year.

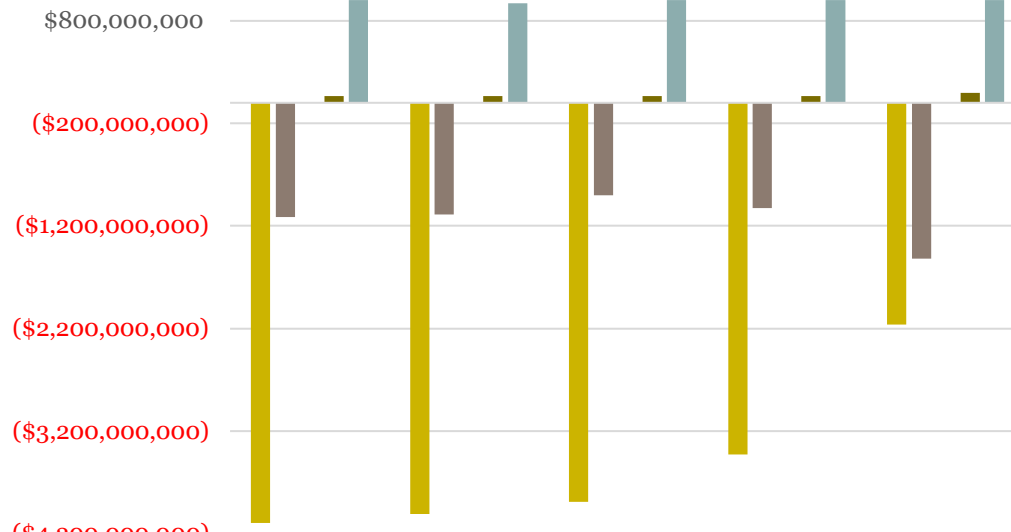


Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

This **Figure** shows the Aggregate Adequacy Funding Gaps for Tiers 1 and 2 from FY 2018 through FY 2023, and the statewide Aggregate Adequacy Funding Gap for Illinois.

One clear sign that the EBF is working as intended is the \$1.53 billion reduction in the in the statewide Aggregate Adequacy Funding Gap that occurred over the FY 2018 through FY 2023 sequence, during which time the Aggregate Adequacy Funding Gap declined from \$5.21 billion to \$3.68 billion.

Aggregate Adequacy Funding Gap or Surplus by Tier, FY 2018 – FY 2023



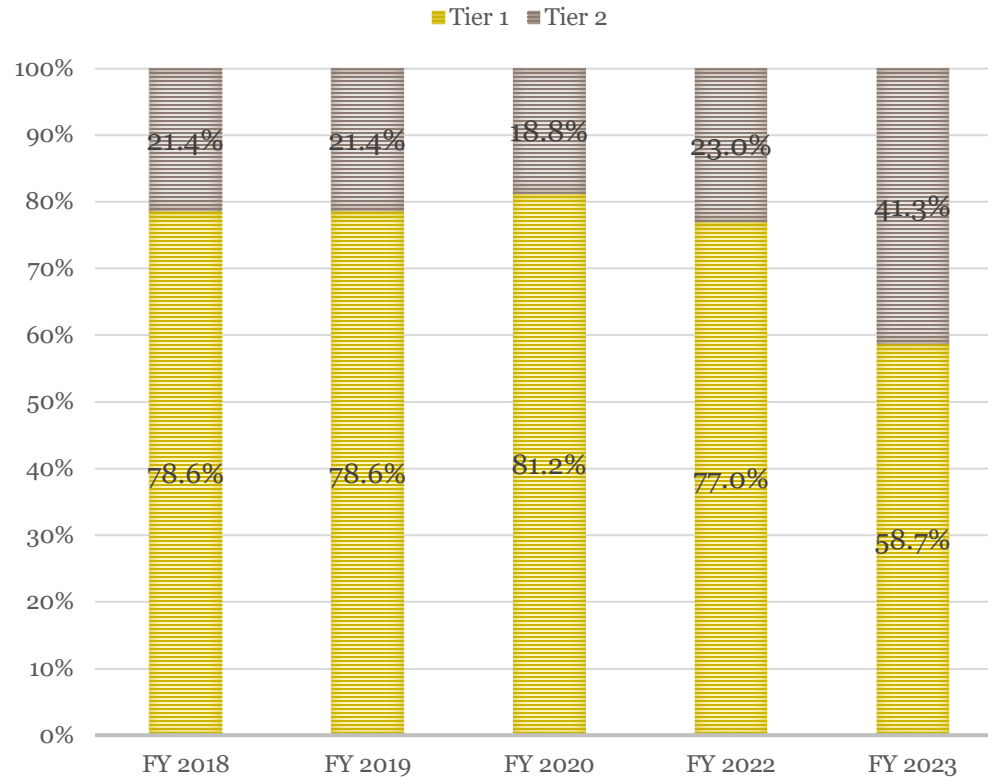
	FY 18	FY 19	FY 20	FY 22	FY 23
■ Tier 1 (Gap)	(\$4,092,714	(\$4,004,146	(\$3,888,888	(\$3,426,731	(\$2,163,406
■ Tier 2 (Gap)	(\$1,114,650	(\$1,089,512	(\$902,363,9	(\$1,024,174	(\$1,520,537
Total Statewide Gap	(\$5,207,364	(\$5,093,659	(\$4,791,252	(\$4,450,906	(\$3,683,943
■ Tier 3 (Surplus)	\$62,829,488	\$68,106,284	\$64,133,103	\$64,958,510	\$97,783,987
■ Tier 4 (Surplus)	\$1,136,326,	\$969,421,02	\$1,024,881,	\$1,220,940,	\$1,396,763,

Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

This **Figure** identifies the relative portion of the statewide Aggregate Adequacy Funding Gap in Tier 1 versus Tier 2 over the FY 2018 through FY 2023 sequence.

The significant jump in the portion of the Aggregate Adequacy Funding Gap attributable to Tier 2, as well as the decline in the portion of the Aggregate Adequacy Funding Gap attributable to Tier 1, that occurs between FY 2022 and FY 2023 is due to the shift of CPS from Tier 1 into Tier 2.

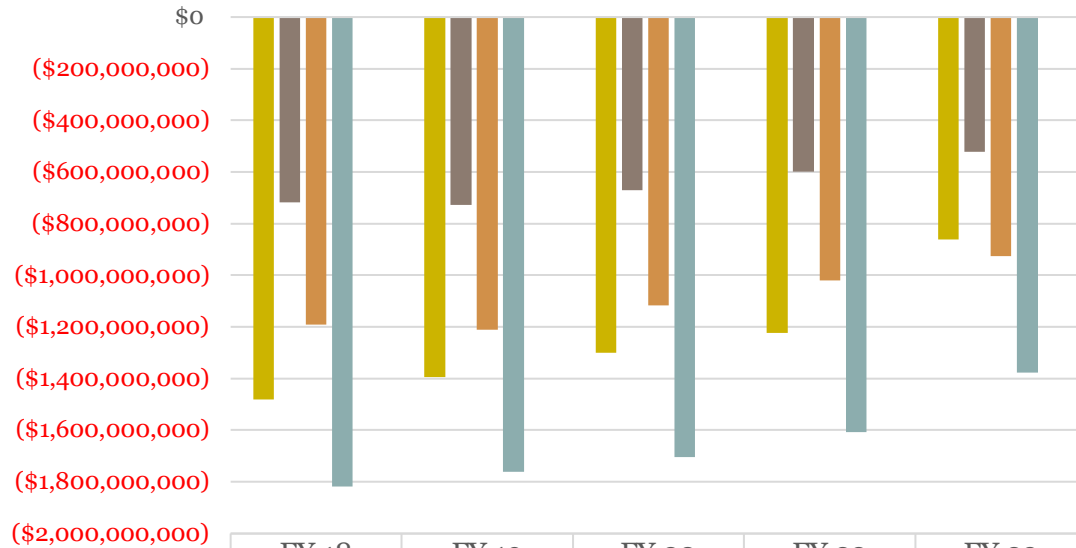
Figure 26
Percent of Statewide Aggregate Adequacy Funding Gap for Tier 1 & 2, FY 2018 – FY 2023



Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

This shows the dollar value of the Aggregate Adequacy Funding Gap broken down by region.

Aggregate Adequacy Funding Gap by Region, FY 2018 – FY 2023



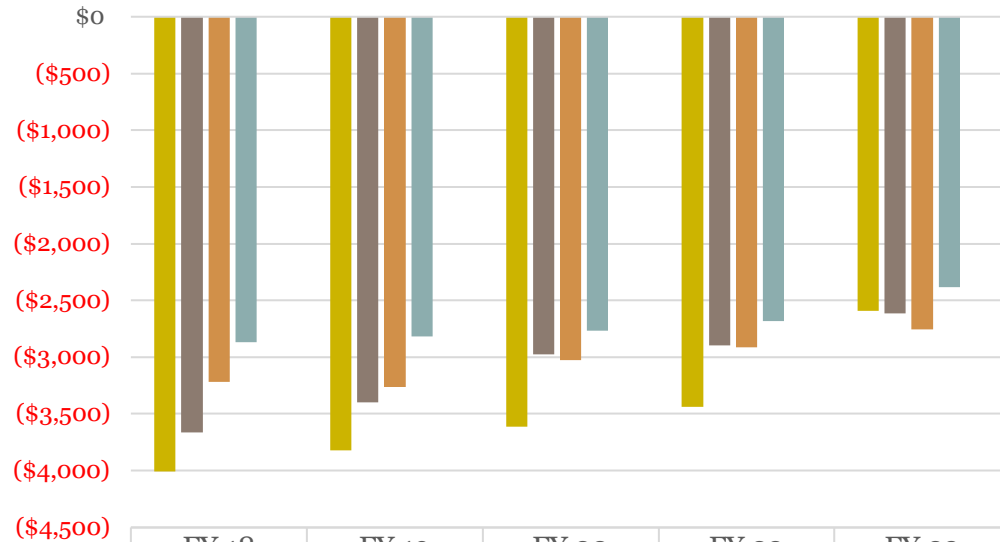
	FY 18	FY 19	FY 20	FY 22	FY 23
■ CPS	(\$1,480,833)	(\$1,394,040)	(\$1,299,500)	(\$1,223,390)	(\$860,431)
■ Cook County	(\$716,792)	(\$727,806)	(\$671,291)	(\$599,707)	(\$521,185)
■ Collar Counties	(\$1,192,440)	(\$1,210,000)	(\$1,115,760)	(\$1,021,030)	(\$925,280)
■ Downstate Districts	(\$1,817,290)	(\$1,761,800)	(\$1,704,690)	(\$1,606,760)	(\$1,377,040)
Total Statewide Gap	(\$5,207,360)	(\$5,093,650)	(\$4,791,250)	(\$4,450,900)	(\$3,683,940)

Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

From the inception of the EBF in FY 2018 through FY 2022, CPS had the greatest annual per pupil Adequacy Funding Gap of any region, as shown in this **Figure**.

Then in FY 2023, CPS realized an unprecedented year-to-year increase in local resources of \$338 million, coupled with a decrease in student enrollment of 2.75 percent, both of which were major drivers of the reduction in CPS' funding gap.

Per Pupil Adequacy Funding Gap Distribution by Region, FY 2018- FY 2023



	FY 18	FY 19	FY 20	FY 22	FY 23
■ CPS	(\$4,011)	(\$3,820)	(\$3,613)	(\$3,438)	(\$2,589)
■ Cook County	(\$3,666)	(\$3,396)	(\$2,973)	(\$2,899)	(\$2,616)
■ Collar Counties	(\$3,219)	(\$3,263)	(\$3,026)	(\$2,911)	(\$2,755)
■ Downstate Districts	(\$2,868)	(\$2,818)	(\$2,765)	(\$2,683)	(\$2,384)
Total Per Pupil Gap	(\$3,319)	(\$3,234)	(\$3,050)	(\$2,943)	(\$2,549)

Source: CTBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023

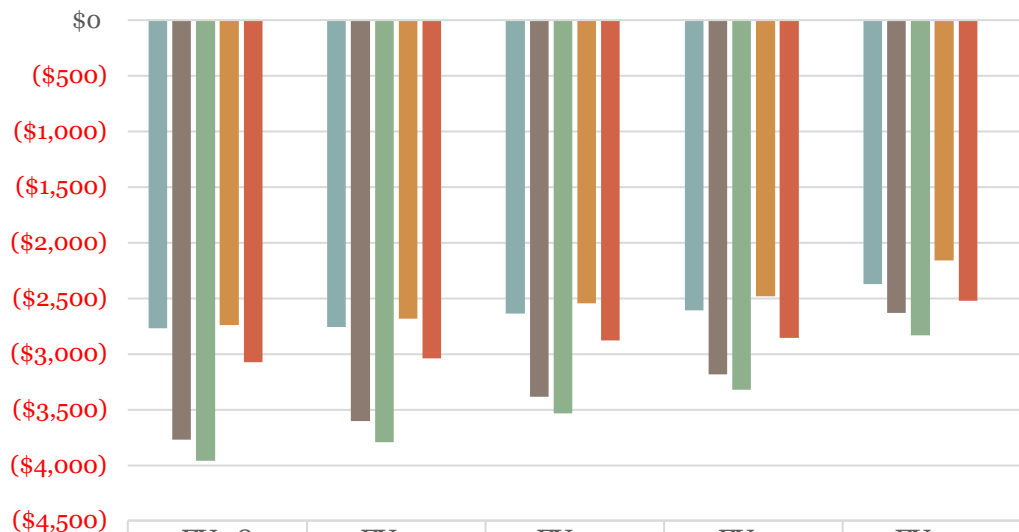
This shows the dollar value of the per pupil Adequacy Funding Gap faced by students in each major racial and ethnic group.

Asian and white students face the smallest per pupil Adequacy Funding Gaps.

Black, Latinx, and multiracial students face the greatest annual per pupil Adequacy Funding Gaps.

Hence the slightly greater per pupil funding distributions realized by Black and Latino students under the EBF are redressing historic funding inequities created under the state's prior system.

Per Pupil Adequacy Funding Gap by Race/Ethnicity, FY 2018 – FY 2023

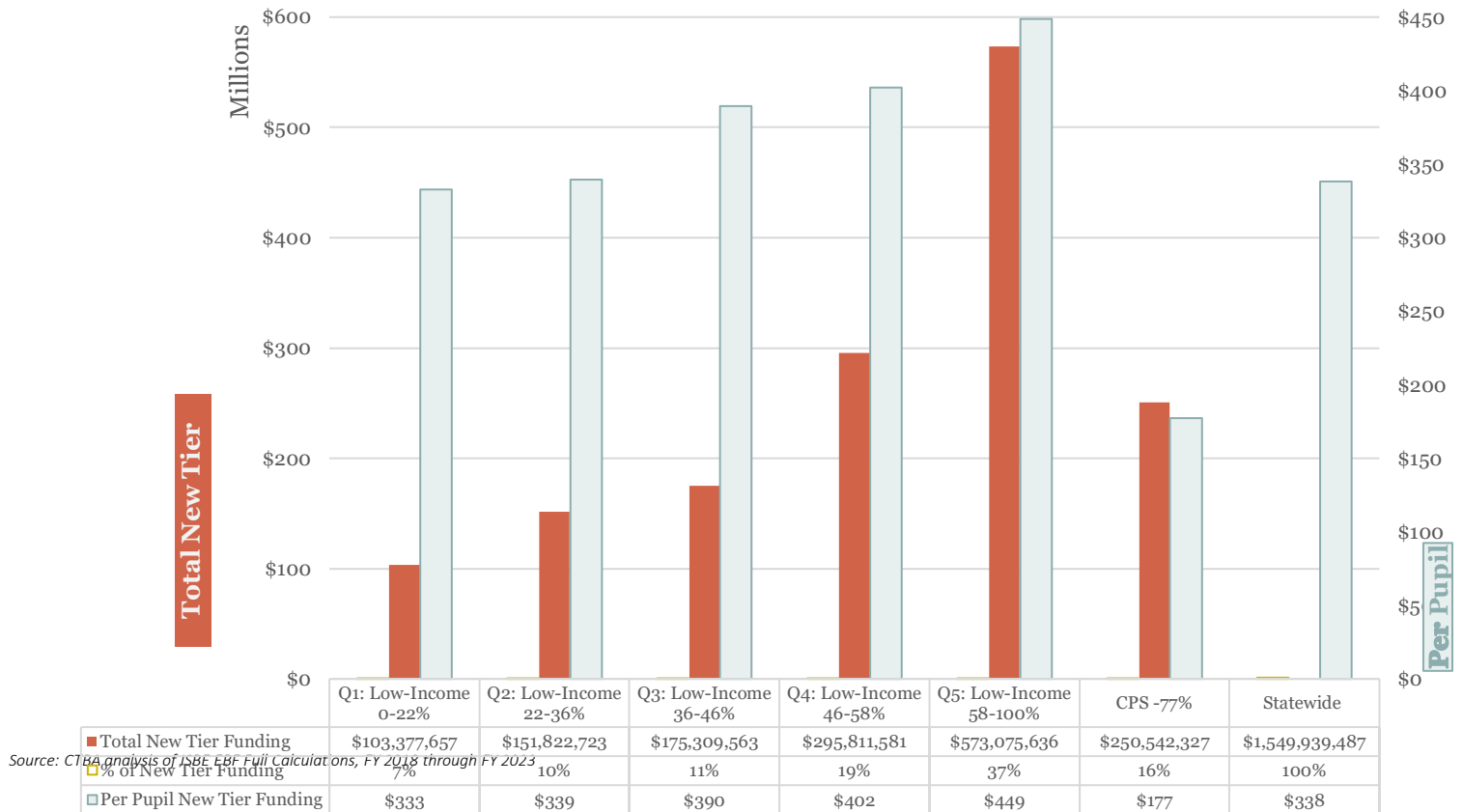


	FY 18	FY 19	FY 20	FY 21	FY 22
White	(\$2,766)	(\$2,757)	(\$2,634)	(\$2,608)	(\$2,372)
Black	(\$3,770)	(\$3,602)	(\$3,383)	(\$3,181)	(\$2,628)
Latinx	(\$3,958)	(\$3,793)	(\$3,532)	(\$3,320)	(\$2,830)
Asian	(\$2,740)	(\$2,682)	(\$2,542)	(\$2,481)	(\$2,158)
2 or More	(\$3,071)	(\$3,041)	(\$2,879)	(\$2,856)	(\$2,520)
Total Per Pupil Gap	(\$3,319)	(\$3,234)	(\$3,050)	(\$2,943)	(\$2,549)

Source: TBA analysis of ISBE EBF Full Calculations, FY 2018 through FY 2023;

Overall, \$824 million, or 53 percent of the \$1.6 billion in total new Tier funding distributed under the EBF has gone to districts that have student populations that are 58 percent or more low-income.

Total Statewide Aggregate & Average Per Pupil New Tier Funding Since FY 2018, by LI Quintile



For More Information

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