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Illinois School Funding

Michael Griffith
School Finance Strategist
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Presentation Overview

- What are the components of a high-quality funding system?
- How do other states fund schools?
- What would it take to transition to a high-quality school funding formula?



High-Quality Funding Formula

- **Adequate**: Funding is sufficient to meet current state education requirements, these can include:
 - Inputs: seat time, class sizes, 1-to-1 computers
 - Outcomes: test scores graduation rates, college going
- **Equitable**:
 - All districts have access to a relatively equal level of resources and
 - All students have access to relatively equal educational offerings



High-Quality Funding Formula

- **Flexible**: Districts have the ability to use their resources to meet their unique needs
- **Adaptable**: The formula can handle changes in the way that educational services are delivered with little to no adjustment (*Charter schools, virtual learning, dual enrollment*)



The Illinois Funding System

- **Adequate**: Several studies have pointed to the fact that the current system may not be adequate
- **Equitable**: Studies tend to find that the current system is not as equitable as it could be
- **Flexible**: The current system is relatively flexible
- **Adaptable**: The current system can adapt to most of the new education delivery methods



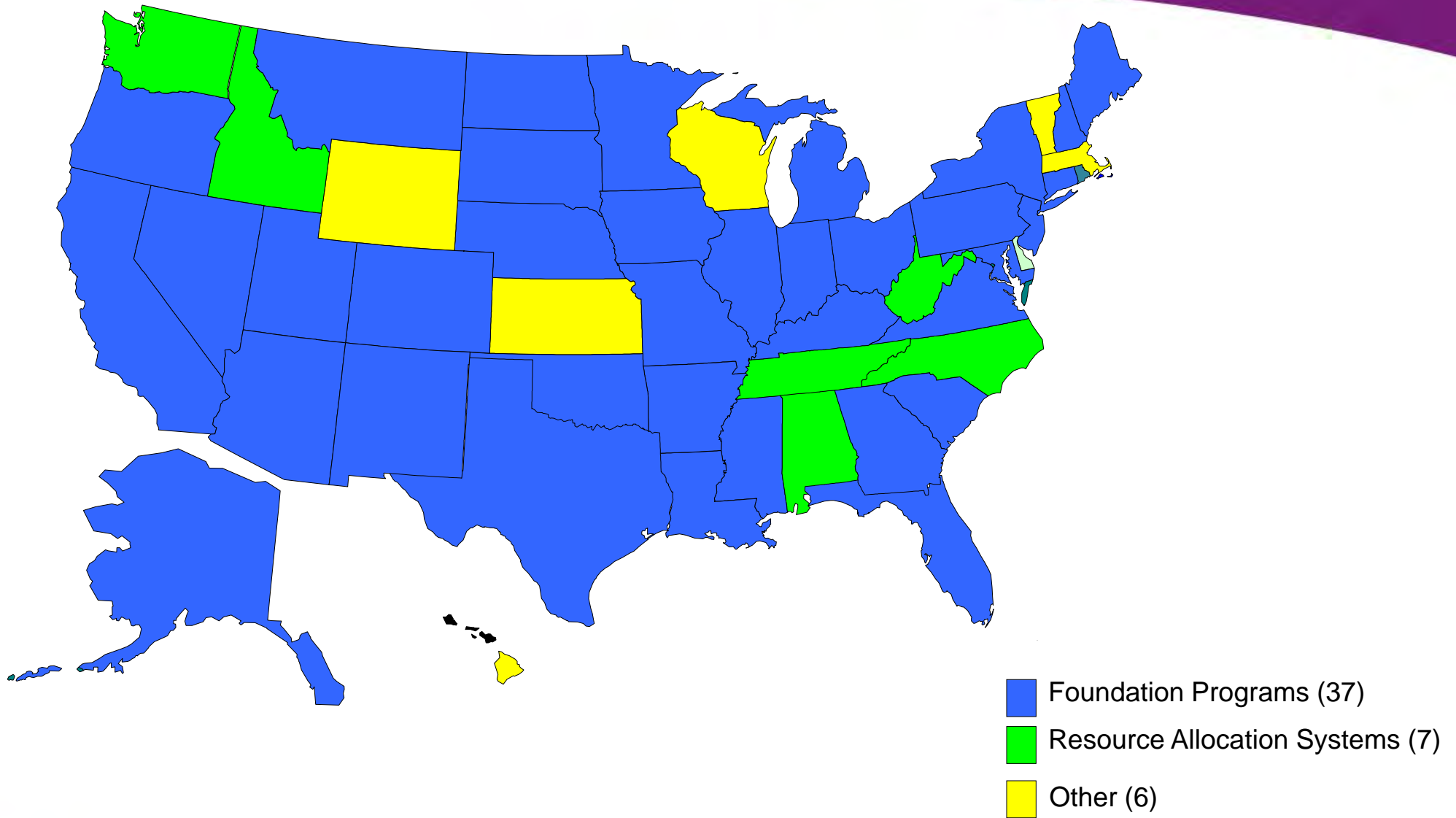
What funding systems do other states use?



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School Funding Formulas in Each State



Are there any state formulas that have proven to be “successful”?



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Promising Practices

Massachusetts: Chapter 70

Year Adopted: 1993

How is it calculated: The formula uses a system of costs per student

Complexity: Chapter 70 funding is more complicated than foundation formulas but produces similar results

Educational Results: The funding system was adopted in the same year as the state's new accountability/assessment system



Massachusetts – Chapter 70

Calculation for a General Ed. Elementary Student – *FY 2015*

	Elementary Student
Administration	\$359
Instructional Leadership	\$649
Teachers	\$2,976
Other Teach Services	\$763
Pro Development	\$118
Instructional Equip & Tech	\$431
Guidance & Psychology	\$217
Pupil Services	\$129
Operation & Maintenance	\$827
Employee Benefits	\$745
Total	\$7,214



Promising Practices

Maryland

Year Adopted: 2002

How is it calculated: The new system uses a two-tiered foundation approach

Straightforward: 27 categorical programs were eliminated

Educational results: Districts must now enter into agreements with the state about standards for student performance



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Transitioning to a New Formula



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Changing The State's School Funding Formula

- Issues that states faced when transitioning to a new formula:
 - Lack of time to implement new system
 - A fear that change in the system could result in lower funding for “*my school(s)*”
 - Confusion about how the new system functions
 - Belief that a loss of mandates may result in some programs being eliminated



School Funding Transition Process

- Important issues to address:
 - Will current grant programs be maintain or will they be rolled into the formula?
 - Will any area of funding not be addressed in the new formula (capital, transportation, food services)?
 - How will students be counted?
 - Will funding be adjusted for district size, cost of doing business or geographic location?
 - How will the state determine the “wealth” of a district?



States Adopting New Formulas

- Since 2000 several states have have adopted new school funding formulas:
 - *Arkansas (2002)* *Litigation*
 - *California (2013)* *Governor led/voter approved*
 - *Kansas (2014)* *First litigation then legislative led*
 - *Maryland (2002)* *Legislative led change*
 - *Ohio (2013)* *First litigation then legislative led*
 - *Pennsylvania (2015)* *Legislative led change*
 - *Rhode Island (2010)* *Legislative led change*
 - *Wyoming (2001)* *Litigation*



Changing The State's School Funding Formula

- What states have done to ease the transition:
 - Gradually transition to the new funding formula
 - Ensure that funding levels for individual districts are “held harmless”
 - Create minimum payments in the formula
 - Allow for certain mandates or programs be retained
 - Educate the public & train district staff about the new formula



School Funding Transition Process

1. Determine what you will/won't be changing in the formula
2. Create a general outline of the new formula
3. Draft a "working" outline that includes all of the components of the new formula
4. Create the new formula and run the numbers
5. Refine the formula while constantly running numbers
6. Produce the final formula

Note: Between each step you should be receiving public input



QUESTIONS?



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Contact Us

Michael Griffith
School Finance Strategist
Education Commission of the States
700 Broadway, Suite 810
Denver, CO 80203
mgriffith@ecs.org | www.ecs.org

@Edcommission



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