



INVESTING IN ILLINOIS' STUDENTS

An Analysis of Evidence-Based Funding and the Path to Equity,
Student Success, and Long-Term COVID-19 Recovery

APRIL 2021

EXECUTIVE SUMMARY

In 2017, the Illinois General Assembly passed the **Evidence-Based Funding for Student Success Act (EBF)** and pledged to invest sufficient state funds to get all districts to at least 90% of full funding within 10 years. Four years into implementing EBF, it is appropriate to begin assessing progress toward funding adequacy and equity. Specifically, EBF data can be used to answer questions like: Has the new formula begun to close gaps in resource equity? What changes can be seen in funding equity along lines of race, income, English language acquisition, and geography?

This report shares new analyses on the impact of EBF on K-12 education resource equity and remaining gaps between current funding levels and full, adequate funding. The data are striking and underscore **the need for the state to honor the commitment it made in the EBF legislation to invest at least \$350 million in our schools through the new formula each year.** This investment is critical to support long-term school improvement and close longstanding funding disparities, even as significant federal funds are needed to enable schools to respond to the varied and serious implications of COVID-19.

OVERVIEW OF REPORT CONTENTS

1. RESEARCH & CONTEXT

Money matters in education funding. Significant, sustained investment in evidence-based supports improves student outcomes and boosts the economy, while cuts to education funding have the opposite effect. This section includes key takeaways from that research and a brief grounding in the recent history of school funding in Illinois.

2. CLOSING RESOURCE EQUITY GAPS

Adding state funding through the EBF formula each year is the most effective way to close historic and persistent funding gaps and provide all students with a high-quality education. Data from the first three years of EBF show that the formula works. EBF calculates education costs based on student needs and distributes new state dollars to school districts furthest from full funding. But this progress is possible only when the state invests at least \$350 million through the formula each year.

One way to understand the inequities the EBF formula is designed to address is to consider the glaring funding gaps that exist in Illinois' K-12 school funding today. Using EBF data, we can estimate current funding gaps across multiple dimensions of equity, as displayed in the following chart.

Failure to fund the formula, even when that failure takes the form of “flat funding” rather than outright cuts to state dollars, does not just allow these gaps to persist. Instead, flat funding actually permits resource equity gaps to widen and worsen over time as costs increase due to inflation and growth in the number of stu-

	Per Pupil Average Gap to Full Funding	Final FY21 Percent of Full Funding
Income		
Low Income	\$ 4,136	72%
Non-Low Income	\$ 2,095	84%
Race-Ethnicity		
Black	\$ 4,403	71%
Latinx	\$ 4,114	73%
White	\$ 2,255	83%
English Learner Status		
English Learner	\$ 3,964	74%
Non-English Learner	\$ 2,959	79%
Geographic Locale		
City	\$ 4,145	73%
Rural/Town	\$ 3,218	75%
Suburban	\$ 2,470	82%

dents from low-income households across the state. This section explores the equity gaps that still remain and the mechanisms the EBF formula uses to close those gaps when new state funds are invested through it.

3. THE COSTS OF COVID-19

COVID-19 is creating additional expenses for school districts as they work to help students recover socially, emotionally, and academically. Federal resources and recent one-time stimulus funding can help meet that increased level of need but are not a substitute for state funding. This section explains why, though critical to support immediate recovery, one-time federal funds like those provided by the American Rescue Plan Act (ARPA) do not permit the deeper programmatic and sustainable staffing investments schools need for long-term improvements and are not a substitute for state funding.

4. CONCLUSION: FUND THE FORMULA

The cost of fully funding EBF is high. But the cost of failing to adequately and equitably fund K-12 education is far higher. This final section describes the consequences of another year of flat funding for EBF, including far-reaching ripple effects that would impact individual students, homeowners, communities, and the state’s economy as a whole. More than half of the state’s students are still in school districts below 70% of full funding. Over 80% of students are in districts below 90% of full funding. The need is urgent, and the time is now for state leaders to step up for Illinois’ students and fund the EBF formula.

INTRODUCTION

In 2017, Illinois adopted a new **Evidence-Based School Funding Formula (EBF)** that ensures new state dollars flow to students and districts that need them most.

Before it adopted EBF, **Illinois had one of the least equitable school funding formulas in the country, and boasted one of the lowest levels of state financial support.** The EBF formula and accompanying state commitment to invest at least \$350 million in new dollars every year for 10 years were [designed](#) to address longstanding under-funding and inequities in Illinois' K-12 funding system so that all schools can provide high-quality educational opportunities and support strong outcomes for all students.

The first three years of distributing additional state funds through the new formula has already made a meaningful difference for Illinois' most underfunded school districts. But for the first time since the law's passage, **no new funding flowed through the formula in FY21, stalling progress toward full funding for Illinois' students** even as the COVID-19 pandemic dramatically increases the level of need.

As it stands, half of the state's students—including the vast majority of the state's Black and Latinx students—are still in school districts that have less than 70% of the funding they need to provide the components of a high-quality education. Students in those districts currently have \$4,500 less per pupil, on average, than they need.

The EBF formula exposed, and helped quantify, stark inequities in school funding in Illinois, illuminating gaps in resources by race, income, property wealth, English Learner status, and region. Disparities in resources are linked to differences in student outcomes, and research demonstrates clearly that closing these gaps is a critical step in improving educational outcomes and equipping all students for success in college, career, and life.

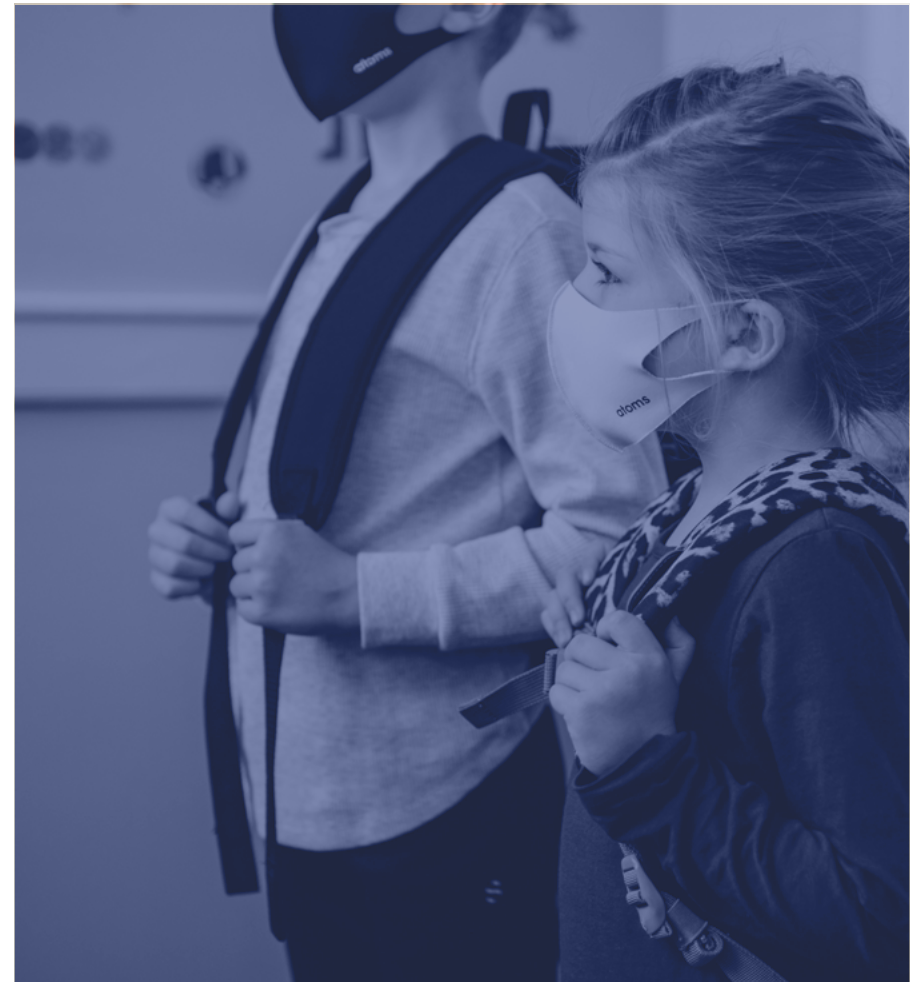
COVID-19 HAS NOT ONLY DISRUPTED SCHOOLING, BUT GENERATED SIGNIFICANT ADDITIONAL COSTS.

Evidence-Based Funding estimates of the dollars needed to fully fund schools reflect pre-COVID-19 levels of student need. The pandemic has created an array of additional expenses for school districts that extend far beyond the costs included in EBF—from health and safety costs like personal protective equipment (PPE) and replacing school building ventilation systems to academic and social-emotional supports for educational recovery in the wake of the pandemic.

Federal funding and the availability of federal reimbursements for some of the health and safety costs created by the pandemic can help address some of those unanticipated and unprecedented costs in the short-term by providing targeted relief. But one-time emergency stimulus dollars should be used to supplement, not replace, state funding distributed through EBF. Those state dollars are needed to support sustainable staffing and programming that are fundamental for student success.

Picture a house only two-thirds of the way built that is suddenly hit by a hurricane or tornado. To finish the work and complete the house, the costs of repairing any damage caused by the crisis must be addressed, in addition to all of the original, normal costs of construction. Illinois' public school system is in much the same place in the wake of this pandemic. Federal funds are intended to support disaster response and recovery, while the state contributes to the long-term structural health of K-12 education by funding the EBF formula.

In this report, we analyze changes in school district funding levels since the passage of EBF, provide an overview of resource equity, and consider the implications of the additional needs and costs generated by COVID-19 for school funding in Illinois. Together, the data paint a clear picture: **The EBF formula provides a path to funding a high-quality education for all students. As the state works to recover and “build back better” in the wake of COVID-19, it is essential that we get back on that path by re-summing funding for EBF in FY22.**



RESEARCH & CONTEXT

Does **funding** matter
for student outcomes?

MONEY MATTERS IN EDUCATION FUNDING—**SIGNIFICANT, SUSTAINED INVESTMENT** IN EVIDENCE-BASED SUPPORTS IMPROVES STUDENT OUTCOMES AND BOOSTS THE ECONOMY, **WHILE CUTS TO EDUCATION FUNDING HAVE THE OPPOSITE EFFECT.**

A strong and growing [body of research](#) demonstrates the relationship between education funding and student outcomes. When public schools have sufficient resources to create certain conditions—for example, to compensate educators competitively, to provide up-to-date materials and facilities, to expand academic programming, and to invest in additional social and emotional supports—students perform better academically.

States that have increased educational investments for their highest-need students since the 1970s have seen [noteworthy returns](#) on those investments in the form of improved academic performance and decreasing income-based achievement gaps in math and reading. Beyond impacts on test scores, increased resources for education have been tied to [long-term positive outcomes](#) for students, including higher graduation rates, greater educational attainment, and higher adult earnings. Gains are largest for students from low-income households.

There is also evidence that increasing education funding creates positive ripple effects that go far beyond individual impacts. Stronger educational outcomes made possible by well-resourced schools are in turn associated with [increased economic growth](#) and earnings and decreased levels of unemployment and [income inequality](#). Higher levels of education are also tied to [lower crime rates](#), improved [health outcomes](#), and greater [longevity](#).

Research also indicates that the [inverse is true](#); **when states cut funding for K-12 education, as was the case following the Great Recession, student performance declines and educational outcomes suffer**. Cuts in education funding were associated with declines in student test scores in math and reading, increases in test score gaps between high- and low-poverty districts, and decreases in college-going rates.

The bottom line is that money matters when it comes to improving school quality and student outcomes. On its own, increased funding is a necessary but not sufficient condition for bringing about all of the positive impacts listed in this section; dollars must also be spent equitably at the school and district level on evidence-based practices. But the right amount of state funding, distributed equitably to school districts, sustained over time, and spent on evidence-based supports, creates a host of positive effects for students and society.

WHERE IS ILLINOIS ON ITS PATH TO FULLY AND EQUITABLY FUNDING ALL PUBLIC SCHOOL DISTRICTS?

After three years of gradual progress toward more adequately and equitably funding public schools, Illinois put no new dollars into the school funding formula last year (FY21). This lack of investment is not just a pause, but a step backwards in the state's progress towards equity and adequacy.

On August 31, 2017, decades of advocacy culminated in the passage of the [Evidence-Based Funding for Student Success Act](#). The legislation overhauled Illinois' education funding system, replacing an outdated and inequitable structure with a formula that prioritizes equity and allocates state funding to school districts based on student need and research on improving student outcomes.

The formula relies on annual increases in state funding for K-12 education to make progress toward adequately and equitably funding all schools. To help safeguard that progress, the law includes a "Minimum Funding Level" clause that requires that the state appropriate at least \$350 million in additional funds for the formula each year*. While [not enough](#) to get all schools to full funding in the next 10 years, that minimum amount ensures districts make meaningful progress toward that goal and, at the very least, keep pace with inflation.

In FY18, FY19, and FY20, the state met that minimum amount, and data from those years make clear that EBF effectively distributed those dollars according to district and student need, with the most

new funding in any given year flowing to districts furthest from full funding. In FY21 however, as the COVID-19 pandemic shuttered school buildings and threatened state revenues, the state failed to put any new state funding into the formula for the first time since its passage.

Though not as deeply harmful as outright cuts to education funding like those made following the last recession, from which many districts are still recovering, flat funding actually still represents [regression](#), or backwards movement, relative to the state's goal of reaching full funding and closing gaps in resource equity. This is in large part because the cost of educating students increases at least at the rate of inflation each year. Spending the same exact dollar amount on schools from one year to the next without increasing state funds at least enough to keep pace with inflation erodes any past progress toward full, adequate funding. Increases in student needs, such as growth in the percentage of students from low-income households and students designated as English Learners, will also increase costs in many districts, meaning that flat funding represents lost ground relative to schools' increased need for resources to serve those students well.

Going into FY22, with preexisting fiscal challenges exacerbated by the [economic impacts](#) of the pandemic, Illinois' leaders face another difficult budget-making process. As the data below make clear, **not honoring the state's commitment to put new dollars into EBF jeopardizes early gains in redressing longstanding funding inequities and supporting student growth and success.**

*The Minimum Funding Level specifies that in any year when at least \$350M is appropriated for EBF, \$300M of that funding will flow through the EBF formula itself, and \$50M will flow to districts through the Property Tax Relief Grant fund (PTRG). Additional dollars above \$350M for EBF would go through the formula. The PTRG provides state grants that allow qualifying districts to lower local property taxes, and took effect in FY19.

CLOSING RESOURCE EQUITY GAPS

A blue-tinted photograph of a classroom scene. A female teacher in a suit is high-fiving a young male student who is reaching up from his desk. Other students are visible at their desks in the foreground, looking towards the teacher. The background shows a window with a view of trees and a potted plant on the left.

EBF is designed to **close resource equity gaps** for Illinois' students.

EBF TARGETS NEW STATE FUNDING TO DISTRICTS FURTHEST FROM REACHING “ADEQUATE”, OR FULL, FUNDING. THE FORMULA DOES THIS BY PRIORITIZING EQUITY IN THE WAY IT CALCULATES COST AND DISTRIBUTES NEW STATE DOLLARS.

DISTRICT ADEQUACY TARGETS REFLECT STUDENT NEEDS

Every year, the Illinois State Board of Education (ISBE) calculates a unique “Adequacy Target” for each of the state’s more than 850 school districts. These targets reflect the cost of providing [research-based components](#) of a high-quality education, based on each district’s student characteristics. At the core of this approach is the reality that when it comes to school funding, “equal” funding is not the same as “equitable” funding.

All students can achieve academic success and meet high standards with the appropriate resources and supports, and research shows that additional investments improve the outcomes of certain student groups—specifically students from low-income households, English Learners, and students with special needs. Where equal funding would mean providing the same exact amount of dollars per pupil, regardless of student need, EBF Adequacy Targets capture the additional costs of providing differentiated, evidence-based supports.

CALCULATION OF “LOCAL CAPACITY” ACCOUNTS FOR DIFFERENCES IN PROPERTY WEALTH

Revenues from property taxes, which vary widely across the state, comprise the bulk of Illinois’ local education funding. In Illinois, local funding makes up nearly two-thirds of all education spending, leading to dramatic differences in funding levels between property-poor districts and their wealthier counterparts. The EBF accounts for this disparity by considering local property wealth and adjusting state support accordingly.

THE MAJORITY OF NEW STATE FUNDING GOES TO DISTRICTS FURTHEST FROM FULL FUNDING

The formula distributes new funding based on how far districts are from their Adequacy Targets, or full funding. Districts that are furthest from their targets (“Tier 1” districts) receive the largest share of new state funds. Indeed, 99% of new state funding in a given year goes to districts below 90% of full funding.

OVERVIEW OF EBF

THE FORMULA PRIORITIZES EQUITY BY USING AN ADEQUACY-BASED COST MODEL AND AN EQUITABLE DISTRIBUTION FORMULA.


1. ADEQUACY BASED COST MODEL

How much does providing high quality education cost, based on individual student needs?

----- Adequacy Target

2. EQUITABLE DISTRIBUTION FORMULA

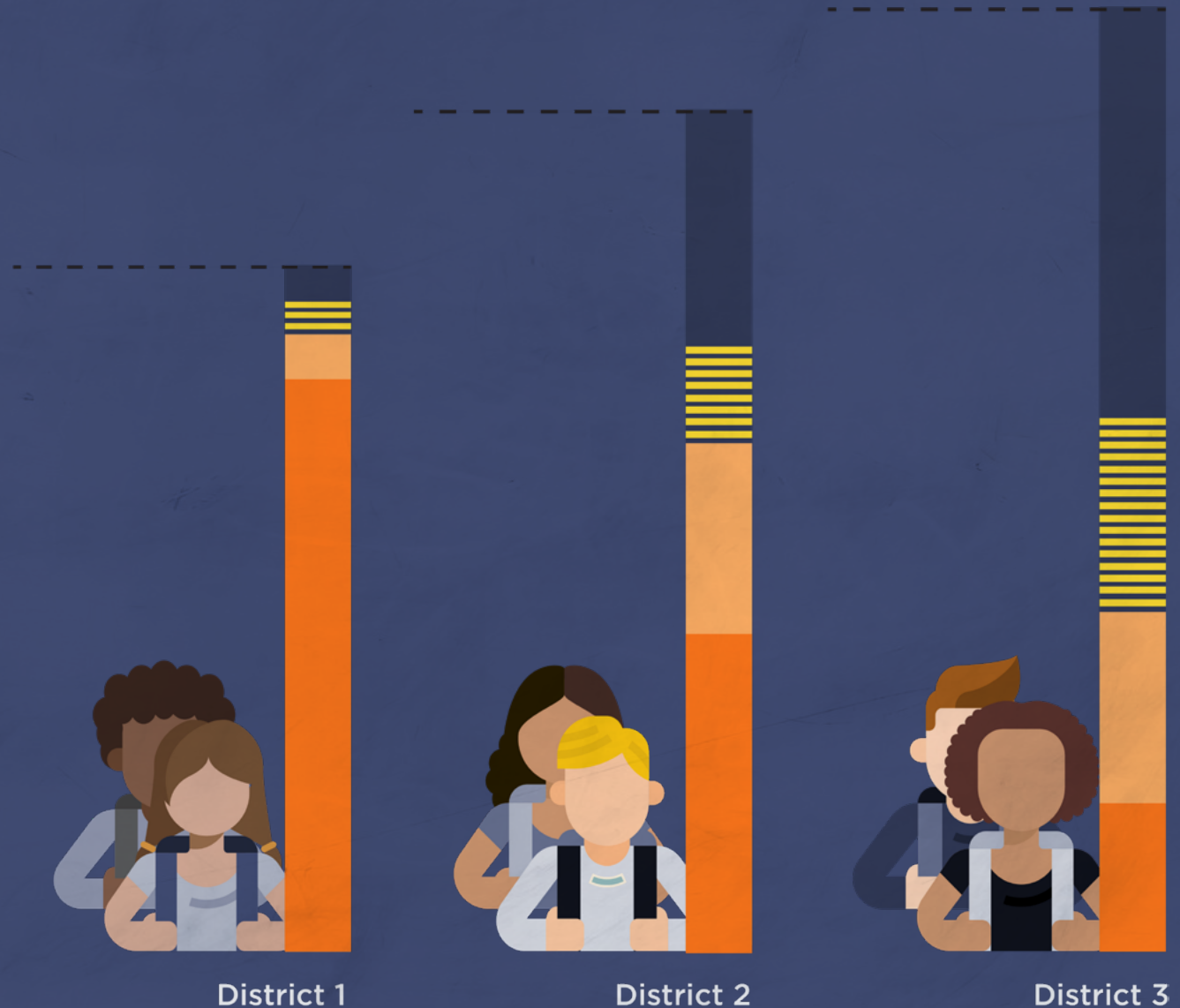
How well funded is the district?

 **Local Capacity Target**
How much can the district contribute?

 **Base Funding Minimum**
How much does the state currently contribute?

 **New EBF Tier Funding**
How is new money from the state distributed?

 **Gap to Adequacy**



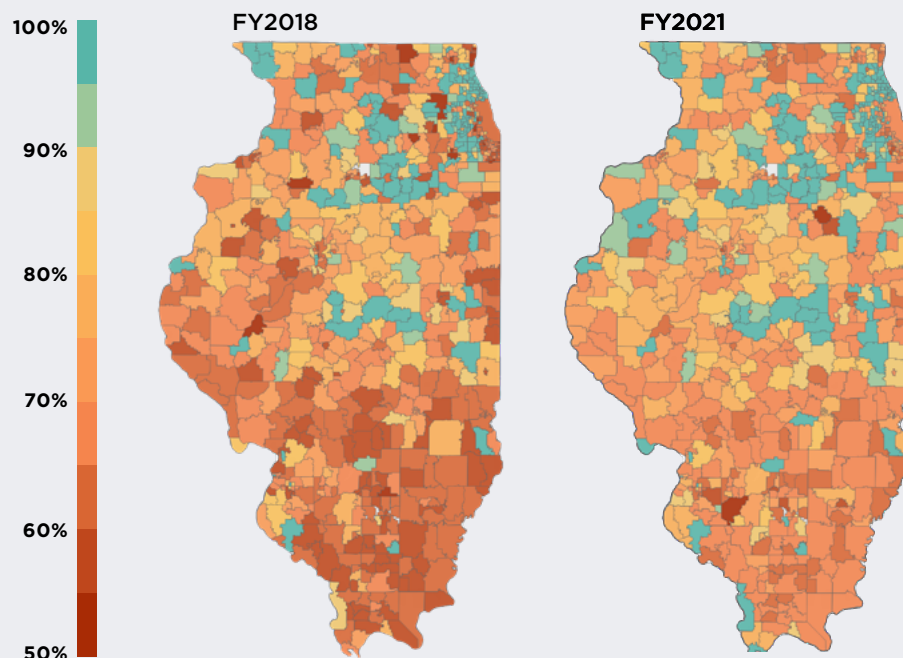
DESPITE EARLY PROGRESS, THE MAJORITY OF ILLINOIS STUDENTS ARE BEING EDUCATED IN DISTRICTS BELOW 70% OF FULL, ADEQUATE FUNDING.

Together, these mechanisms allow the EBF formula to help close funding gaps that create disparities in both opportunities and outcomes for students. Analysis of data from the first four years of EBF—three of which saw new state funds distributed through the formula—show that this is the case. Those data reveal that:

- » EBF drives **70–80% of new state resources in any given year to the state’s most property poor districts** and those that serve the most students from low-income households.
- » Prior to EBF, over 160 Illinois school districts, representing 18% of students, had less than 60% of the funding required to meet their needs. **After three years of new funding, just 10 districts, representing less than 5% of students, remain below 60% of full funding.** That translates to roughly 300,000 students in districts that have moved from below to above 60% of adequacy because of increased state funding distributed equitably through the formula.
- » The median percent of Adequacy in the state has increased **from 70.6% in FY18 to 73.1% in FY21.**

As powerful as these statistics are, [the stories behind them](#) are even more impactful. School and district leaders, [educators](#), and community members across the state have repeatedly [shared the transformative impact](#) annual EBF funds have had for their students, like allowing districts to hire needed teachers, counselors and support staff; add science, arts and music programs; and start to build lasting academic and social-emotional programming and supports. But ongoing progress of this kind depends entirely on the state resuming and then continuing to make annual investments in the formula.

CHANGE IN FUNDING ADEQUACY WITH FIRST 3 YEARS OF EBF FUNDING

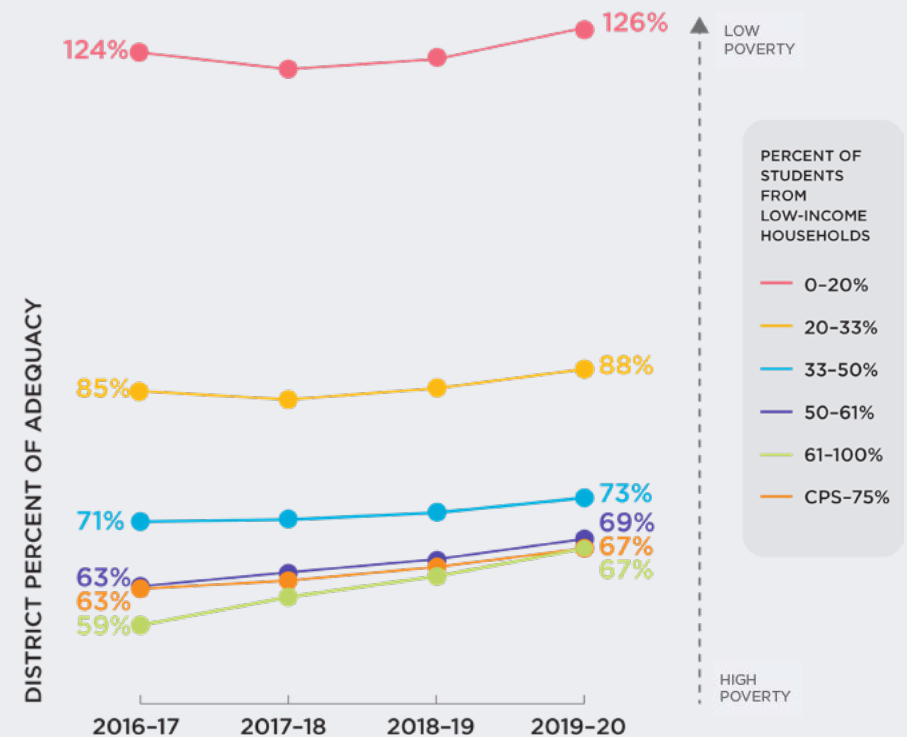


STATE INVESTMENT IN EBF BEGAN TO ADDRESS RESOURCE EQUITY GAPS BY RACE, INCOME, PROPERTY WEALTH, AND GEOGRAPHY, BUT DEEP DISPARITIES STILL REMAIN.

Another way to assess how effective EBF has been so far is to consider the change in funding levels for districts based on the number of students from low-income households that they serve. Prior to EBF, districts serving significant numbers of students from low-income households (i.e., populations between 61% and 100% low income) were funded at roughly 59% of adequacy. **During the first three years of EBF, the average percent of adequacy for these districts increased by 8 percentage points to 67% of adequacy going into the 2020-21 school year.** On average, districts serving significant numbers of students from low-income households all made progress toward adequacy, and this progress did not come at the expense of districts serving students from more middle or upper-income households.

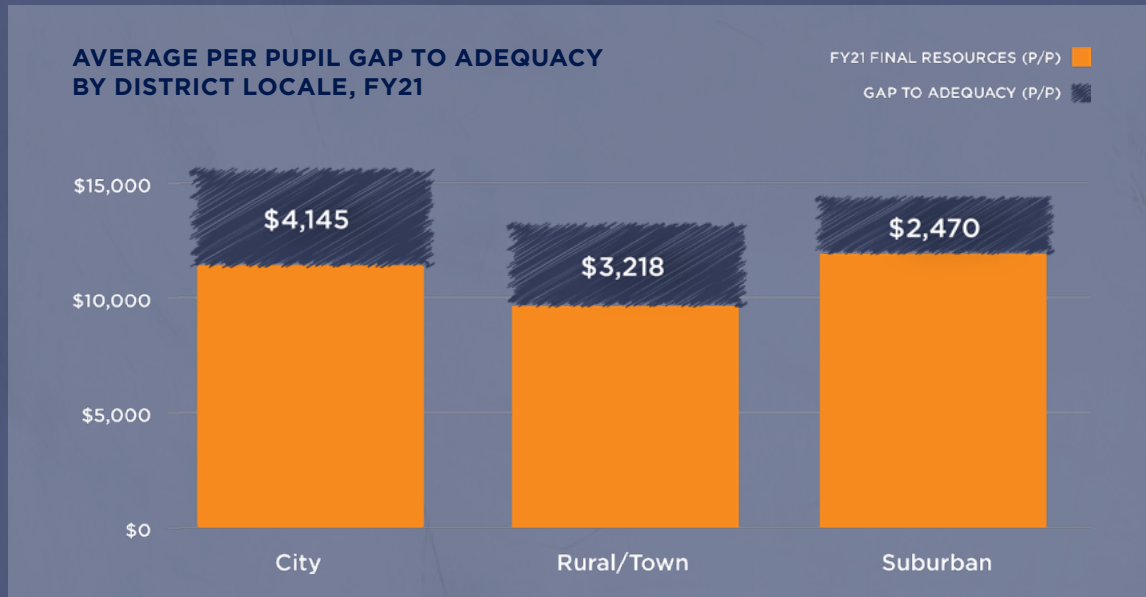
Though some gaps in funding equity began to gradually narrow as new funding flowed through the formula in its initial three years, there is a long way to go to close these equity gaps. **And, we won't know the impact of the lack of new funding through EBF in FY21 (school year 2020-21) until ISBE calculates districts' updated adequacy percentages going into FY22.** Each of the charts below provides a picture of a different dimension of the current equity gaps still affecting Illinois' students.

CHANGE IN DISTRICT PERCENT OF ADEQUACY BY LOW-INCOME STUDENT CONCENTRATION



RESOURCE EQUITY GAPS BY INCOME

Prior to the passage of EBF, Illinois bore the dubious distinction of having the most regressive education funding breakdown in the nation. This means that districts serving the largest populations of students from low-income households receive less funding than districts serving the fewest. New state funds through EBF began to shrink this gap but, on average, students from low-income households still face a gap to full funding of over \$4,000 per pupil—nearly double that of their wealthier peers*.

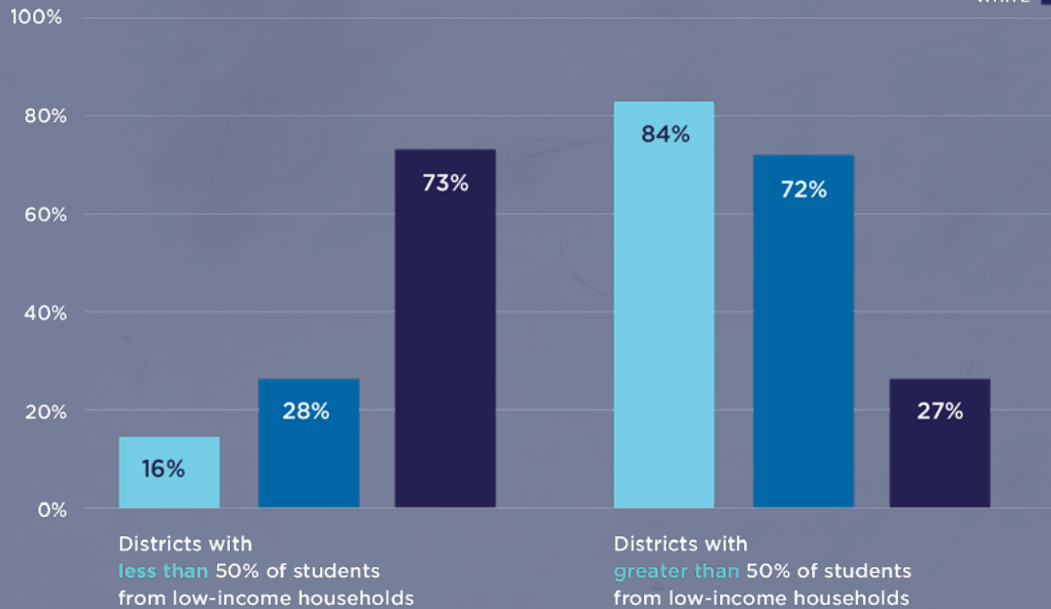


RESOURCE EQUITY GAPS BY DISTRICT LOCALE

Inadequate and inequitable funding are problems that impact districts in communities all across the state. On average, school districts that are considered “rural” or located in smaller population centers like towns, have larger per pupil gaps to full funding, with a gap of about \$3,220 per pupil, than those in suburbs, where the average per pupil gap to full funding is roughly \$2,470 per pupil. Students in cities face the largest per pupil gap in funding, with an average gap of over \$4,100 per pupil.

* Analyses of remaining gaps to adequacy include FY21 state and local resources and adequacy targets. Federal funds are not included in EBF calculations.

CONCENTRATION OF STUDENTS IN HIGH POVERTY DISTRICTS, BY RACE/ETHNICITY, FY21

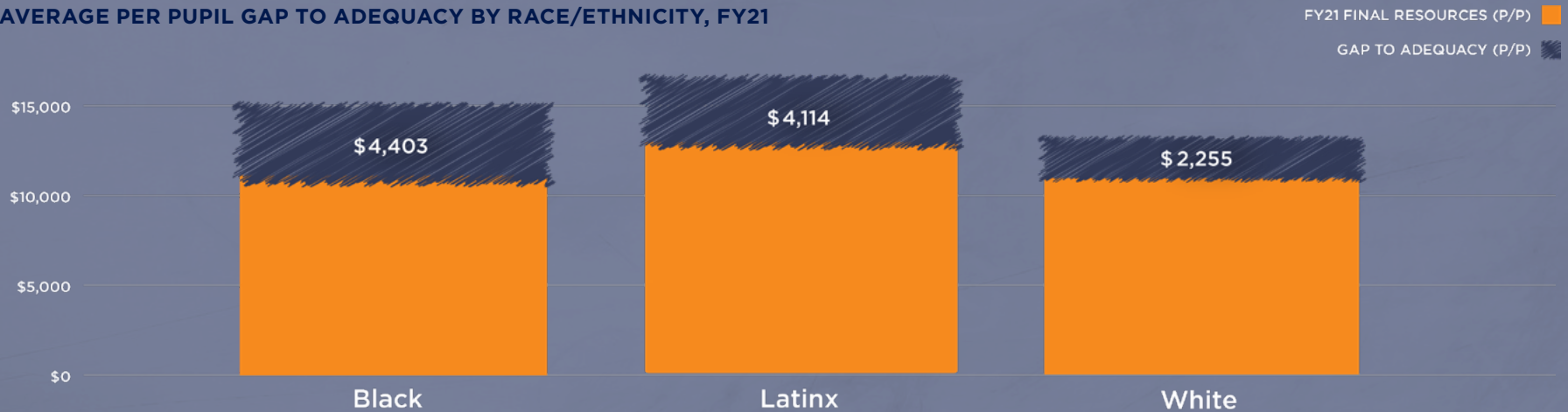


RESOURCE EQUITY GAPS BY RACE/ETHNICITY

Disparities in funding dramatically disadvantage Black and Latinx students. A history of residential segregation and systemic racism has caused these students to be disproportionately concentrated in school districts serving the greatest concentration of students from low-income households and the most property-poor districts. In Illinois, 80% of Black students and 72% of Latinx students live in districts serving a majority of students from low-income households, compared to 27% of White students.

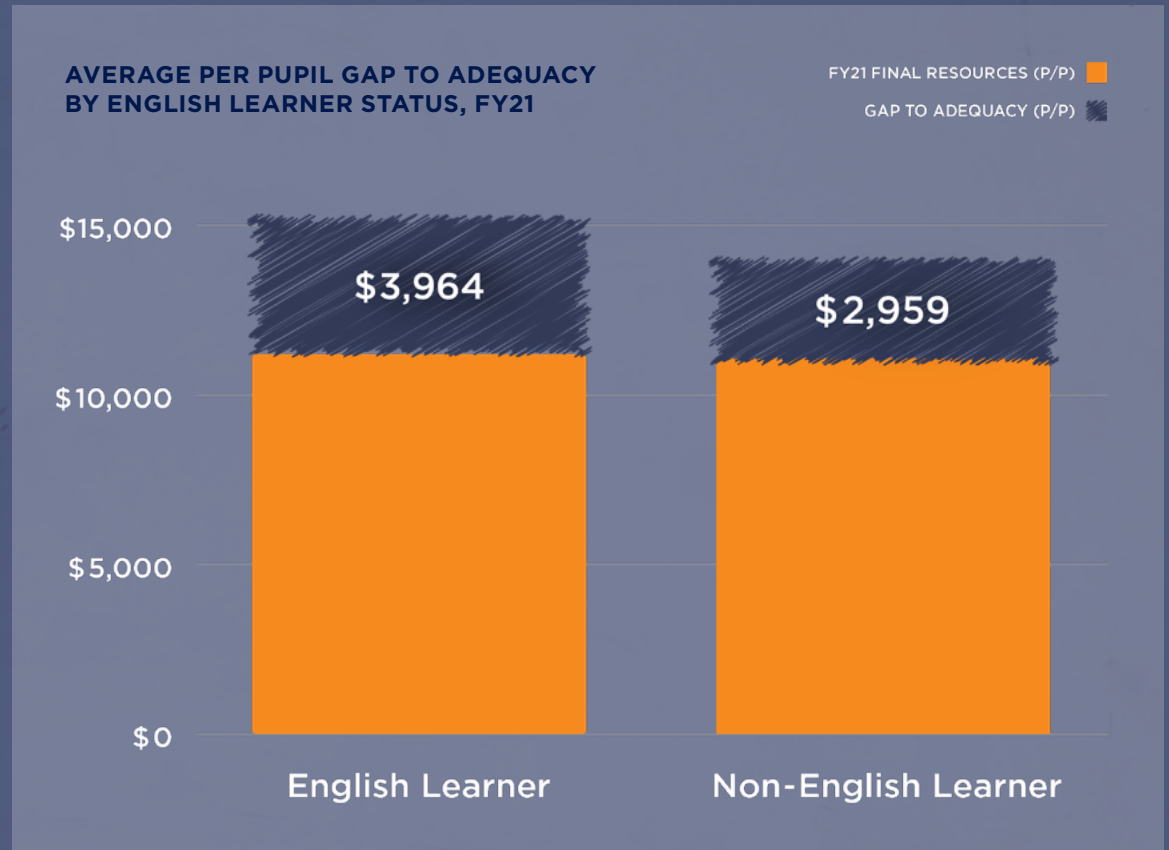
On average, Black and Latinx students face a gap to full funding of about \$4,400 per pupil and \$4,100 per pupil respectively, compared to a gap of roughly \$2,250 per pupil for White students.

AVERAGE PER PUPIL GAP TO ADEQUACY BY RACE/ETHNICITY, FY21



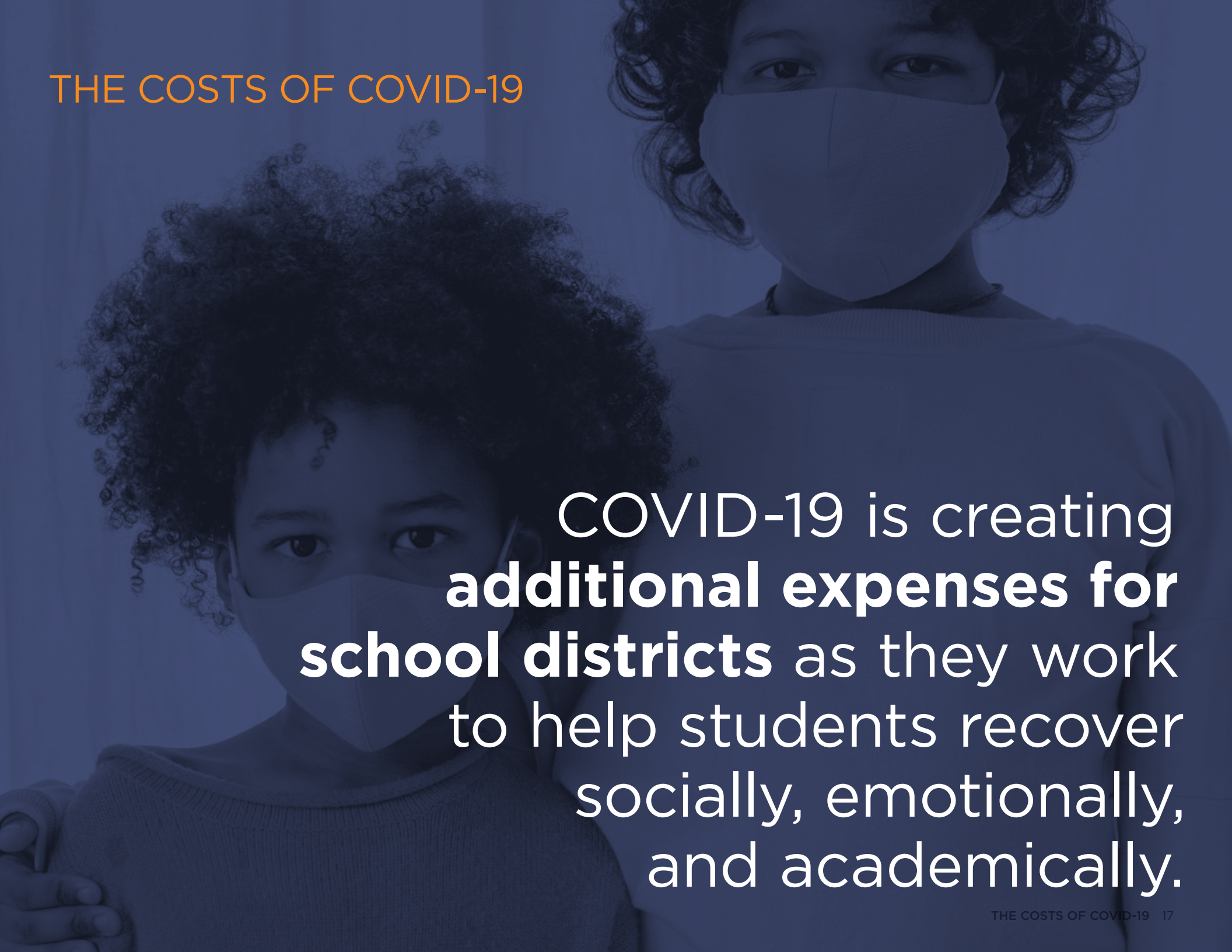
RESOURCE EQUITY GAPS FOR ENGLISH LEARNERS

Recent research suggests that, with appropriate supports, English Learners can and do progress out of the EL designation and go on to surpass the academic achievement of students with English as a first language. But because they face the double hurdle of learning a new language while also learning new academic content and skills in that language, ELs require additional supports like reading interventionists and additional learning time to harness this potential. EBF Adequacy Targets reflect these costs for over 600 districts in Illinois serving ELs, and over the last 3 years, funding for those students has increased marginally. Nonetheless, students who are English Learners currently face a gap to full funding of nearly \$4,000 per pupil—\$1,000 greater per pupil than non-English Learners.



Education funding gaps affect all parts of the state—all but three counties in Illinois include at least one school district that is currently below 90% of full funding. Appropriating new state funding through the Evidence-Based Funding formula each year is the most efficient and equitable way to close these gaps in funding, and ensure that students' educational opportunities and outcomes are no longer dependent on their zip-code.

THE COSTS OF COVID-19



COVID-19 is creating **additional expenses for school districts** as they work to help students recover socially, emotionally, and academically.

FEDERAL RESOURCES AND RECENT ONE-TIME STIMULUS FUNDING CAN HELP MEET THAT INCREASED LEVEL OF NEED BUT ARE NOT A SUBSTITUTE FOR STATE FUNDING.

The cost of adequacy in the Evidence-Based Funding formula reflects the needs of students and schools prior to the COVID-19 pandemic. Reopening schools safely and supporting students to recover critical academic and social-emotional skills will [add to the costs](#) of educating Illinois' students and require resources, above and beyond what is included in the formula.

Reopening schools partially or fully for in-person instruction in a way that is safe and healthy for students and staff comes with a new set of costs. Some of these costs will be addressed by President Biden's January 21, 2021 Executive Order, which provides for schools to be [reimbursed for expenditures](#) associated with purchasing personal protective equipment (PPE) like masks and face shields dating back to the beginning of the pandemic, and for cleaning and disinfecting schools. Not included in the Executive Order, however, are other sizable costs like transportation, updating building infrastructure and ventilation, and hiring additional staff to reduce the risk of virus transmission.

- » **TRANSPORTATION** The CDC [estimates](#) that Illinois school districts will also face increased transportation expenses totaling roughly \$500 million per year as they hire additional bus drivers and work to ensure social distancing and limit group sizes as students travel to and from school.
- » **VENTILATION** The CDC also recommends that schools work to improve ventilation within their buildings, which for many schools means replacing outdated and poorly functioning heating, ventilation, and air-conditioning (HVAC) systems with up-to-date units to improve air circulation and reduce the risk of virus transmission. Though variation in the age, size, and location of school buildings makes it difficult to create standard estimates of the [costs of upgrading](#) ventilation systems, replacing a full HVAC system can cost a school \$1 million per building.
- » **STAFFING** Schools will likely need to hire additional staff, including teachers, paraprofessionals, and substitutes to help reduce class sizes to levels that allow for social distancing and cover classes when educators must quarantine. Additional need for school-based health staff, like nurses, will also add to districts' operating expenses.

As of March 23, 2021, 81% of Illinois students were in either [remote or blended](#) (a mix of in-person and remote instruction) learning environments. Continuing in the current modes of instruction also comes with a set of [additional costs](#) for districts, not least of which is providing devices that students need to learn remotely, and expanding and maintaining access to internet connectivity. The dual costs of providing virtual and in-person instruction simultaneously may stretch into the next school year, as [vaccines for elementary age children](#) are not likely to become widely available until early in 2022.

BEYOND GETTING STUDENTS BACK INTO PHYSICAL CLASSROOMS, **SCHOOL DISTRICTS WILL NEED TO INVEST IN LEARNING RECOVERY, FUNDING SUPPORTS AND INTERVENTIONS TO ADDRESS THE ACADEMIC IMPACTS OF OVER A YEAR'S WORTH OF DISRUPTED AND UNFINISHED LEARNING** AS WELL AS THE SOCIAL, EMOTIONAL, AND MENTAL HEALTH IMPACTS WROUGHT BY PANDEMIC-RELATED ISOLATION AND TRAUMA.

Without state-level assessment data, it is impossible to know exactly how extensive the pandemic's impact has been on student learning. Research on past crises suggests that **educational setbacks experienced in the absence of in-person instruction can hinder students' chances of graduating from high school and reduce their educational attainment and lifetime earnings.**





National [research](#) from the fall of 2020 and local data from Illinois school districts suggest that after only the first several months of school-building closures, and despite heroic efforts on the part of educators, students are falling behind in math and reading. Moreover, enrollment across the state is down roughly 2%, with an estimated 35,822 [fewer students](#) enrolling in school this year than the previous year, and record numbers of students who have been attending school are receiving [failing grades](#).

Survey data reveal that parents, students, and educators alike worry that students are falling behind academically during remote and blended instruction, and virtually all speak to the [emotional toll](#) on all involved. Recovery from such unprecedented levels of learning disruption will not happen overnight. **School districts will need resources to provide a robust set of supports over multiple years to help students thrive academically and beyond.** These supports will likely include:

- » High-dosage [tutoring](#)
- » Additional in-person [learning time](#)
- » Support, [training, and professional development](#) for educators, including a focus on [academic acceleration](#).

Social-emotional learning, mental health, and trauma-responsive supports might include:

- » Hiring additional or year-round [counselors and social workers](#)
- » [Training](#) for educators/staff
- » Mental health [supports](#) for educators themselves

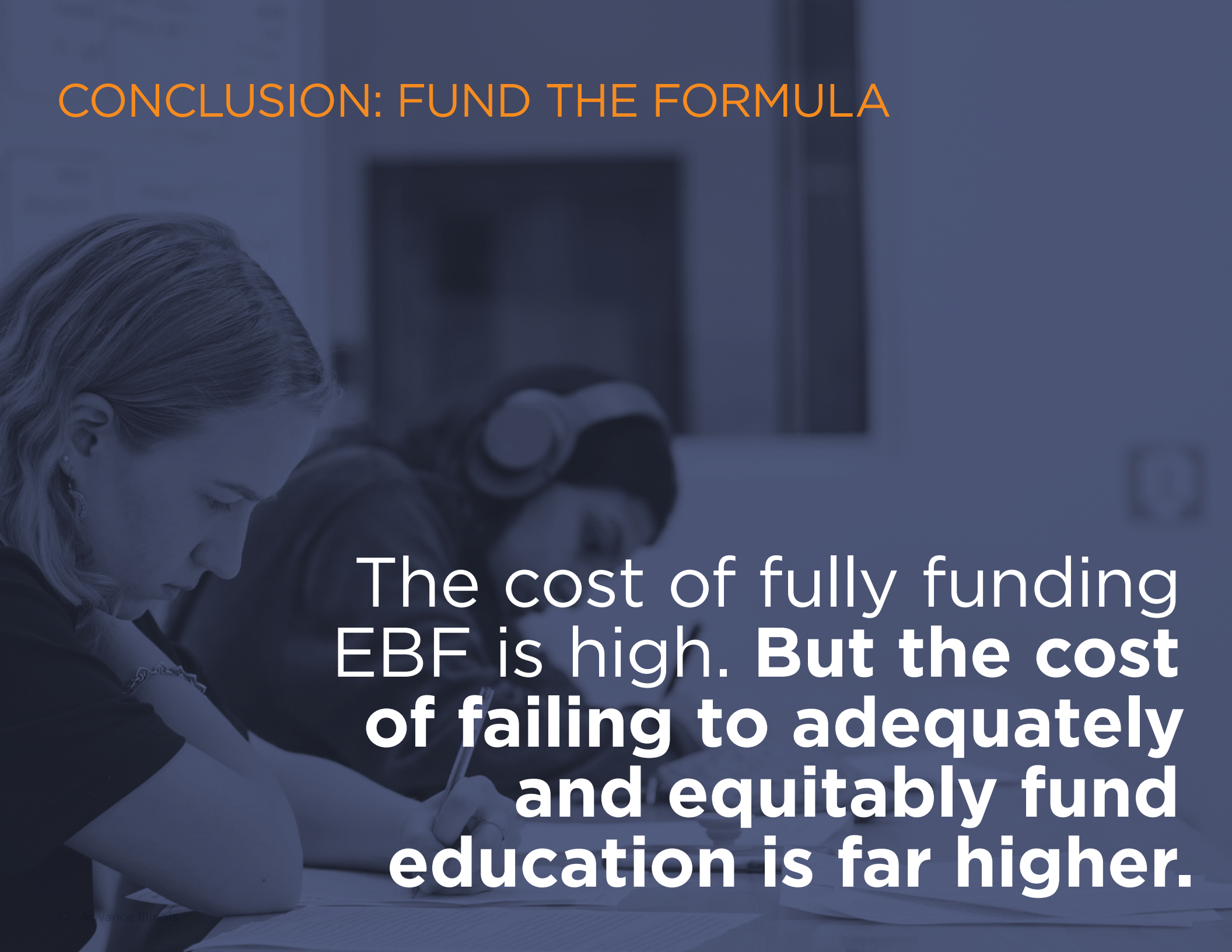
FEDERAL STIMULUS FUNDS WILL PROVIDE MUCH-NEEDED FUNDING FOR SOME OF THESE TARGETED AND COSTLY RECOVERY SUPPORTS, **BUT ONLY RELIABLE INVESTMENT IN EBF CAN GIVE SCHOOLS THE STABLE, SUSTAINED FUNDING THEY NEED TO PLAN FOR THE LONG-TERM** AND TO PROVIDE SUPPORTS THAT MEET THE NEEDS OF THE WHOLE CHILD.

One-time disaster recovery funds are just that—a short-term lifeline to help school communities begin to bear the massive unanticipated cost increases created by COVID-19. Those relief funds will not be available beyond the next couple of school years, and thus cannot be used for recurring costs like hiring new staff. Considering that salaries make up roughly 90% of district expenditures, districts will still be left with the same gaps in funding that existed prior to COVID-19. EBF costs reflect evidence-based staffing levels for core teachers and programming, support staff, and critically needed counseling ratios. Filling those positions, and keeping them filled, requires the state to make good on its commitment to fund EBF.

When federal funds run out in 2024, districts will face a funding cliff, which makes it difficult to use those funds on recurring investments like hiring permanent staff members. **The less the state puts into EBF over the next several years, the steeper that cliff will be for our highest need, most underfunded districts.**



CONCLUSION: FUND THE FORMULA



The cost of fully funding EBF is high. **But the cost of failing to adequately and equitably fund education is far higher.**

THE CONSEQUENCES OF ANOTHER YEAR OF FLAT FUNDING FOR EBF INCLUDE FAR-REACHING RIPPLE EFFECTS THAT WILL BE FELT BY INDIVIDUAL STUDENTS, HOMEOWNERS, COMMUNITIES, AND THE STATE'S ECONOMY AS A WHOLE.



» WIDENING OF EQUITY GAPS

Economic fallout from the COVID-19 pandemic is increasing rates of poverty, especially for families with children. This will almost certainly increase the number of students from low-income households served by school districts across the state. Left unaddressed, this increased level of need will compound existing income-based disparities in school funding. Moreover, because Black and Latinx students disproportionately go to school in districts with the greatest proportion of low-income households, failing to fund the formula will also exacerbate racial equity gaps.

» INCREASES IN PROPERTY TAXES

The last recession and subsequent disinvestment in education by the state had a dramatic effect on property tax rates in Illinois. To keep schools functioning, local communities bore the burden of making up for lost state revenue by increasing local property tax rates. Absent state investment in EBF, low-wealth districts will be forced to do so once again, at a time when families are already weathering the effects of the pandemic's economic fallout.

» LONG-TERM ECONOMIC IMPACT

Schools are a vital economic engine. As jobs increasingly require higher levels of education, Illinois' economic future depends on our ability to prepare more students for college or career.

Though any of these impacts will undoubtedly be worse if K-12 funding were to see cuts, even flat funding represents regression since costs continue to increase at least at the rate of inflation and will grow even more in FY22 than in a normal year due to growing student need.

Prior to COVID-19, increasing state investment in the Evidence-Based Funding formula by at least \$350 million a year was already an urgent need deeply felt by students, the majority of whom attend schools in significantly underfunded districts. Having skipped a year of promised increases and faced with the unprecedented challenge of recovering from a worldwide pandemic, the urgency around upholding our commitment to invest in EBF has only increased.

Our goal for FY22 is therefore clear: Illinois must get back on track to reaching and maintaining adequate, equitable school funding.

**THE NEED IS
URGENT, AND THE
TIME IS NOW FOR
STATE LEADERS
TO STEP UP FOR
ILLINOIS' STUDENTS
AND FUND THE
EBF FORMULA.**

ABOUT ADVANCE ILLINOIS

Advance Illinois is an independent policy and advocacy organization working toward a healthy public education system that enables all students to achieve success in college, career, and civic life. Since its founding in 2008, Advance Illinois has become a nationally recognized thought leader in education policy advocacy.

At Advance Illinois, we develop data-informed policies to support student success; build leadership and community partnerships and coalitions; and elevate the education narrative with the goal of furthering equity and pushing the state to achieve its goal of 60 percent of adults holding a post-secondary degree or credential by the year 2025.

Advance Illinois

303 East Wacker Drive
Suite 1925
Chicago, IL 60201
312.235.4531

advanceillinois.org

 @advanceillinois

 @advanceillinois

