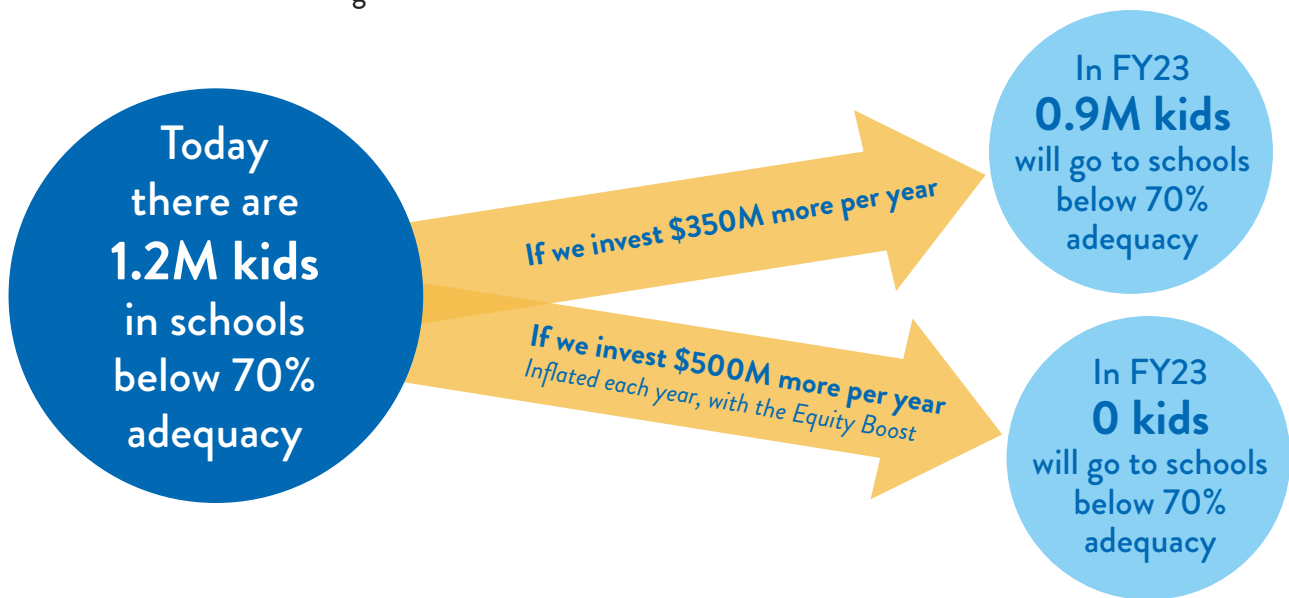


PATHS TO ADEQUACY: ACCELERATING SCHOOL FUNDING EQUITY

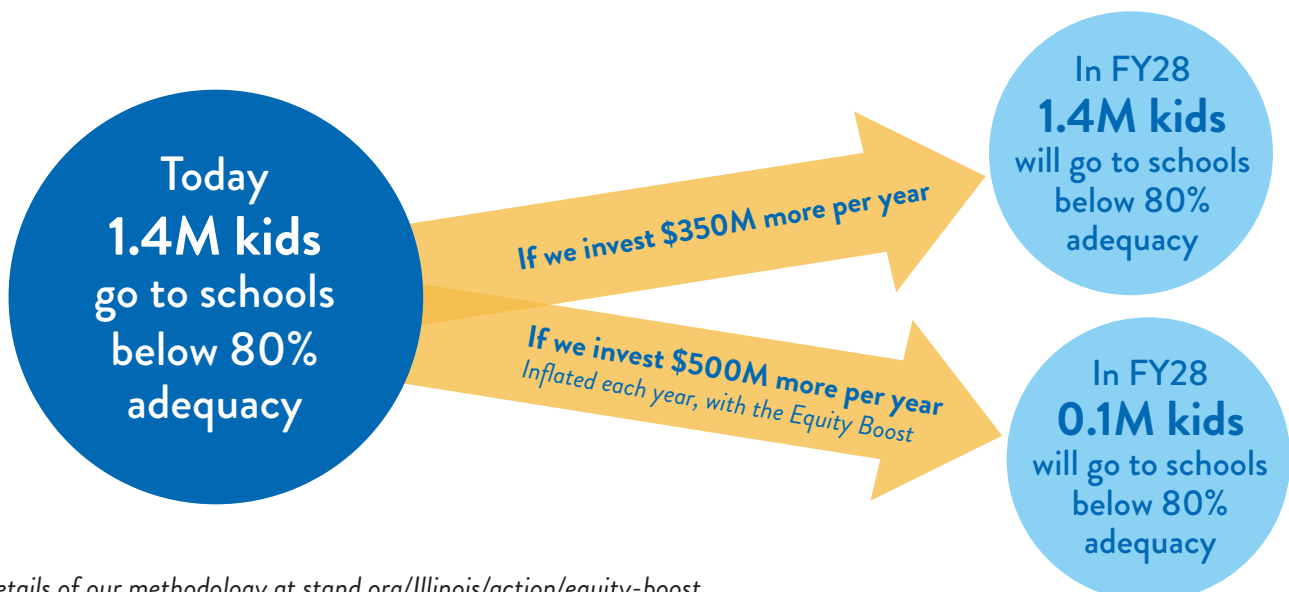
The Evidence-Based Funding (EBF) Formula of 2017 lays out a roadmap to reach adequate funding for every student in Illinois. With the resources in the system today, every school district could be funded at 80%. But instead, because of Illinois' deep inequity, some school districts are barely 60% funded while others enjoy funding above 200% of adequacy.

To ensure that poorly funded districts increase in adequacy, the EBF legislation established a Minimum Funding Level of \$350 million per year. But in FY20, the system will be **\$7 billion short**. That gap grows over time unless sufficient money is invested, as inflation drives up the costs of education while the value of \$350 million diminishes. So, while \$350 million drives equity – it does little to close the gap.

Nevertheless, Illinois can make significant progress in closing the gap to adequacy with a few modifications and a renewed commitment to investing in the formula.



Five years after that, the \$500 million annual investment increase would raise the floor to 80%. From FY19 to FY28, 1.43 million students would cross the threshold from below 80% to above it.



See details of our methodology at stand.org/illinois/action/equity-boost.

What is the Equity Boost?

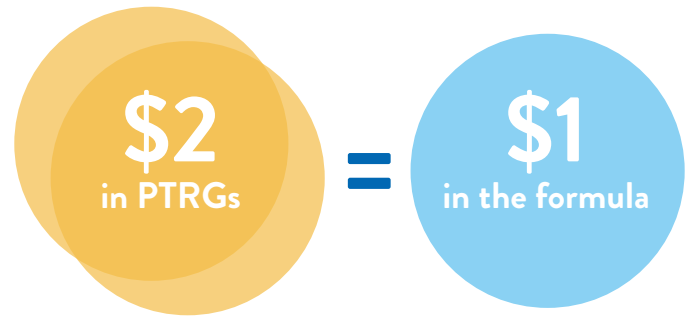
The Equity Boost proposes to integrate teacher pension funding into the EBF formula, while holding districts harmless and bringing the system \$300 million closer to adequacy. The current practice of state-paid employer costs for teacher pensions disproportionately benefits the wealthiest districts. Read the report at stand.org/illinois/action/equity-boost.

How Much Does the Equity Boost Matter?

In FY20, the Equity Boost closes the adequacy gap at equivalent of two years of investing \$500 million in the EBF formula alone. In the out years, the Equity Boost drives increases in pension funding through the formula.

Does Property Tax Relief Grant Funding Close the Adequacy Gap?

The funding law devotes the first \$50 million appropriation increase beyond \$300 million to these grants. Some think of this as a diversion of resources from the formula, but investment in the PTRG pool still helps close the gap because those funds remain in the Base Funding Minimum each year. We estimate that every \$2 in PTRGs has the same gap-closing power as \$1 in the formula.



The Gap to Adequacy is Large. We Need to Invest to Close It.

The current Minimum Funding Level does not make progress quickly enough. Significantly larger investments are dependent on changes in taxes. In the meantime, we need to make every attempt to invest more quickly. This should allow us to hit significant benchmarks such as ensuring that all students are funded at least 80% of adequacy. This would make a tremendous difference to the students who attend the most underfunded schools today. Moving forward, we need to ensure that dollars are directed to those districts with the least funding. With new, sustainable revenue in the near future and continued commitment, Illinois can reach adequate and equitable funding for its students.

How is the New Formula Helping Students?

Districts across Illinois are investing their EBF funds to improve learning and restore cuts that they endured after years of underfunding. From replacing outdated instructional materials and defunct HVAC systems, to lengthening the school day and expanding early childhood, districts are maximizing the value of their new funding. For example:

- **DeKalb CUSD 428** hired 11 teachers, added enough social workers for each building site to have its own, and abated \$1.7 million in property taxes.
- **Zion ESD 6** reduced its kindergarten class sizes from 30 to 11-17 and hired 12 interventionists to support teachers, work with staff to analyze data, and provide direct instruction.
- **Jacksonville SD 117** raised their starting teacher salaries by over \$3,000 to help recruit talent to the district.



STAND | ILLINOIS
for children

Jessica Handy
Government Affairs Director
312.404.0223 | jhandy@stand.org

850 W. Jackson Blvd., Suite 330
Chicago, IL 60607

601 W. Monroe St.
Springfield, IL 62704

 stand.org/illinois

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