

INVEST AT LEAST \$550 MILLION NEW FUNDS IN THE EVIDENCE-BASED FUNDING FORMULA FOR FY25

To Accelerate Illinois' Progress Toward Adequate, Equitable Funding For K-12 Students



Investments in education make a difference.

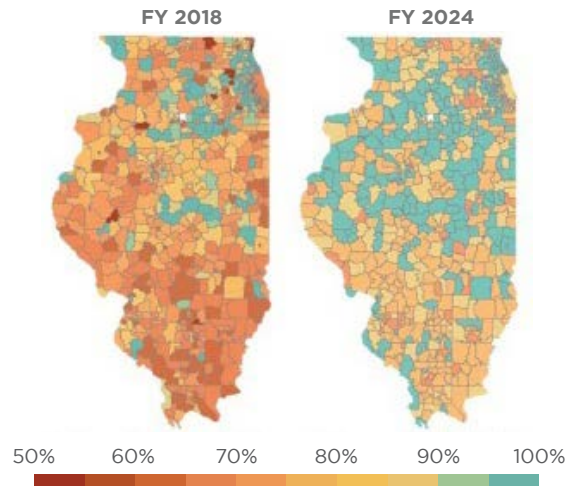
Research shows that high-quality educational experiences from birth through postsecondary (B-20) make a difference for students and their communities. Our B-20 education institutions need adequate and equitable state funding in order to provide these opportunities. Investments in education also pay off for the state. K-12 funding increases raise rates of educational attainment, increase earnings, and improve health outcomes, benefiting tax revenues and lowering social costs. For every student who graduates high school instead of dropping out, taxpayers are estimated to benefit by \$74,000.

Illinois' Evidence-Based Funding (EBF) formula works. The formula drives new state dollars to the public school districts furthest from full funding.

Six years ago, Illinois made a commitment to adequately and equitably fund K-12 schools through the passage of the Evidence-Based Funding (EBF) formula. Each year that the state funds EBF, the formula drives new state resources to the districts furthest from full funding.

Investments in EBF have drastically reduced the number of severely underfunded districts. Prior to the passage of EBF, 169 districts were funded at less than 60% of what they needed. Today, zero districts are below 60% of full funding.

CHANGE IN DISTRICT ADEQUACY (PERCENT OF FULL FUNDING) SINCE THE ONSET OF EBF

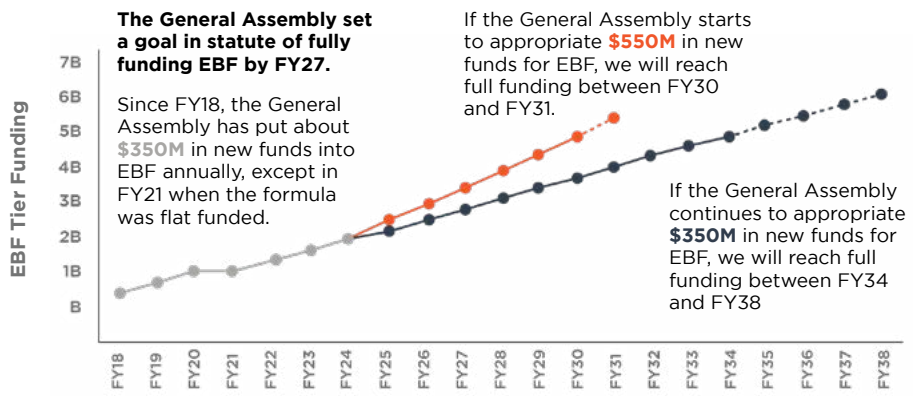


Even with the meaningful progress that Illinois has made, in FY24 over half of the state's students (1.3M kids) are in underfunded districts (below 90% of full funding).

We need to accelerate our path to fully funding K-12 schools. Investing at least \$550 million new funds in FY25 will help us get there sooner.

We still have a long way to go to fulfill our promise of fully funding K-12 education in Illinois. If we continue to add only \$350 million each year in new funds (roughly the pace we've been going), it will take from **9 to 13 years** to reach full funding.¹ Increasing our annual appropriation of new funds to \$550 million will allow hundreds of thousands of students to benefit from attending fully funded schools sooner.

YEARS TO FULLY FUNDING K-12 SCHOOLS IN ILLINOIS BASED ON ANNUAL INCREASE IN EBF APPROPRIATION



¹ Projections of time to full funding in FY24 are inflated by temporary pandemic-related increases to Corporate Personal Property Tax (CPPRT) revenues. The range of years given here represents the difference between projections run in FY23 (partway through the surge in CPPRT) and FY24 (peak CPPRT revenue).

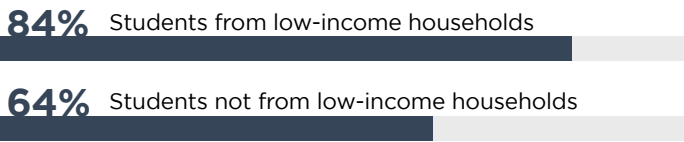
Addressing Systemic Inequities and Providing a High-quality Education to All Illinois Students Requires Investing an Additional \$550 Million in EBF for FY25.

Investing \$550M more in EBF is the best way to address systemic inequities in our education systems that have been exacerbated by the COVID-19 pandemic.

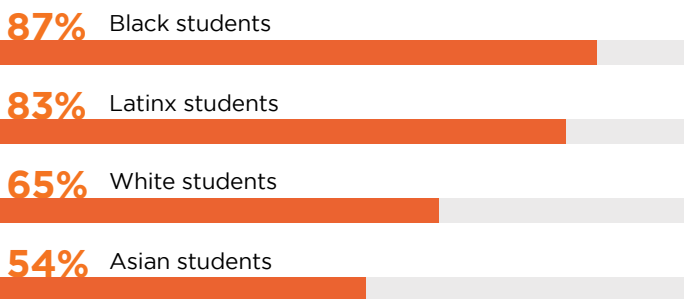
Despite gains made by investments in the formula, Students from low-income households, students of color, and English Learners are disproportionately concentrated in Illinois' most underfunded school districts. Students from rural and urban areas are also more likely than their suburban counterparts to be in underfunded districts.

PERCENTAGE OF STUDENTS IN UNDERFUNDED DISTRICTS (BELOW 90% OF FULL FUNDING)

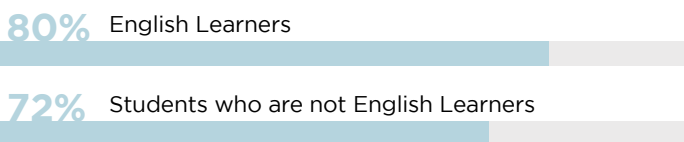
Income



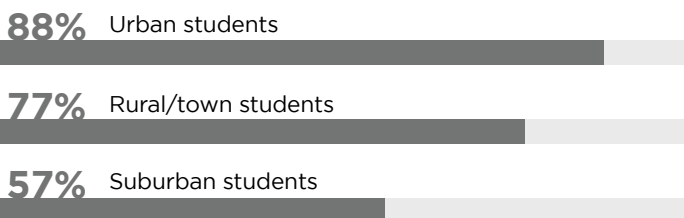
Race



English Learner Status



Geography



Districts are facing multiple funding cliffs with pandemic-inflated local revenues falling and federal stimulus funds expiring, all while the pandemic's impacts on students continue to be felt.

This year, districts are facing two funding "cliffs."

- 1 In fall 2024, funds from the last wave of federal pandemic relief (ESSER III) will expire, a total of \$4.8 billion.
- 2 After a significant pandemic-related spike, school district revenue from the state's Corporate Personal Property Tax, one of several funding sources, is predicted to **decline by nearly \$700 million in FY24.**

While these temporary pandemic-related revenue increases are going away, the challenges caused by the crisis persist. The pandemic has had profound effects on teaching and learning, and has not only highlighted but exacerbated inequities in our state's education system. While data show Illinois students' levels of proficiency in Math and English Language Arts have improved since the lowest point in SY20-21, progress slowed in SY22-23 and outcomes remain well below pre-pandemic levels.

Furthermore, inflation has driven up the costs of adequately funding a school. What could be purchased with \$350 million in 2017, when the formula was passed, now costs \$437 million.

Closing the gap to adequate funding in our K-12 schools is necessary to support districts as they continue improving the quality of education in Illinois while also providing long-term support to students whose learning has been impacted by the pandemic.

A \$550 million increase in EBF in FY25 will help mitigate impact of vanishing federal funds, growing inflation, and a missed year of funding increases in FY21, while continuing to address historic resource inequities in our state.