

FUNDING FUTURE

Better Funding for Better Schools

INVEST AT LEAST \$550 MILLION NEW FUNDS IN THE EVIDENCE-BASED FUNDING FORMULA FOR FY26 to accelerate progress toward adequate, equitable funding for K-12 students.



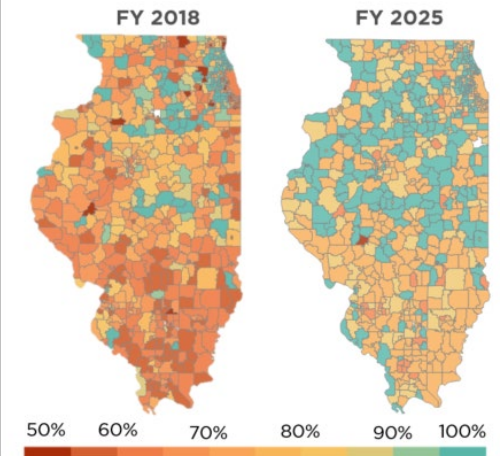
Investments in education make a difference.

Research shows that high-quality educational experiences make a difference for students and their communities. Early childhood, K-12, and higher education institutions need adequate and equitable state funding in order to provide these opportunities. Investments in education pay off for the state, contributing to higher rates of educational attainment, [increased earnings](#), [reductions in poverty](#), and [better health outcomes](#).

Illinois Evidence-Based Funding (EBF) formula effectively reduces longstanding funding inequities.

In 2017, 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. Illinois' investments in EBF have reduced the number of severely underfunded districts, allowing schools to provide stronger instruction and support.

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

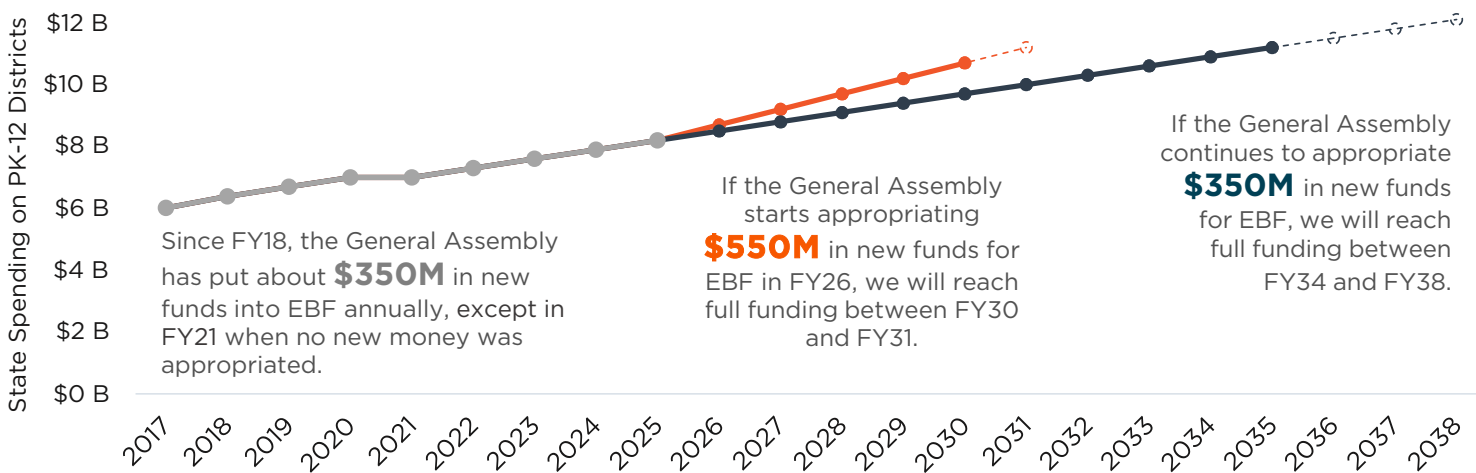


Even with the meaningful progress made, **3 in 4 students** are still enrolled in underfunded districts.

It's time to reaffirm our commitment to students by making an investment in EBF above \$350M in FY26 and beyond.

When EBF was passed, the General Assembly set a goal to reach full funding by 2027. If we continue adding only \$350 million each year in new funds, it will take another 10 to 13 years to reach full funding.¹ Increasing our annual appropriation of new funds to \$550 million will cut our time to full funding roughly in half, allowing hundreds of thousands of students to benefit from attending fully-funded schools sooner.

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



¹ Projections of time to full funding 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 (towards the beginning of the surge in CPPRT) and FY25 (peak CPPRT revenue). Data Source: CTBA Fully Funding the EBF Volume VI and Volume X

ADDRESSING SYSTEMIC INEQUITIES AND IMPROVING ACADEMIC OUTCOMES FOR ALL ILLINOIS STUDENTS REQUIRES INVESTING AN ADDITIONAL \$550 MILLION IN EBF FOR FY26.

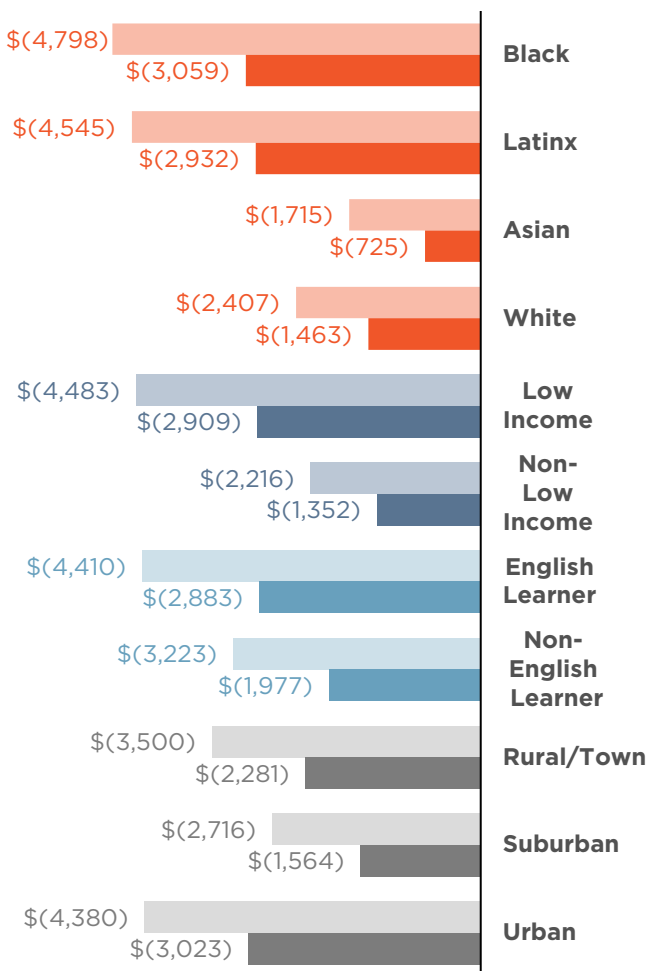
Investing \$550M more in EBF is the best way to address systemic inequities in our education systems that were exacerbated by pandemic disruptions.

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 enrolled in underfunded districts.

PER-STUDENT GAP TO FULL FUNDING

How to read this chart:

On average in FY18, the average per-student spending on Black students was \$4,798 below the amount needed for adequate funding. The state has lessened this gap, but average spending on Black students is still \$3,059 less than what is needed.



Ongoing student needs, rising costs, and expiring federal stimulus funds are putting immense pressure on district budgets this year.

Pandemic related disruptions had profound effects on teaching and learning that continue to be felt today. While data show Illinois students' levels of proficiency in English Language Arts now exceed pre-pandemic levels, progress is lagging in Math, and outcomes remain deeply inequitable across lines of race and income. There is significant work left to be done to address these historic and persistent inequities. Further, student mental health needs have grown tremendously, meaning additional services are needed to support students to achieve strong academic outcomes.

The need to accelerate learning and close gaps remains pressing, but our school districts need funds to do it. This year, districts are facing a significant set of budget pressures, including:

- 1. Inflation and rising costs.** The state's \$350 million investment, while meaningful, doesn't go as far as it once did. What could be purchased with \$350 million in 2017, when the formula was passed, now costs \$450 million.
- 2. Declines in Corporate Personal Property Tax revenue** going to school districts. After a significant spike, this revenue predicted to decline by over \$500 million in FY25.
- 3. Expiration of federal pandemic relief**, the last wave of which (ESSER III), totaled \$4.8 billion.
- 4. Underfunding of Mandated Categoricals**, which include transportation and special education services. Lack of reimbursement for these required costs places greater demands on EBF dollars, which districts use to cover the balance, leaving less funding to invest in the evidence-based programming EBF was designed to support.

If we expect our districts to deliver more for students, we can't offer them less. A \$550 million increase in EBF in FY26 will help mitigate budget pressures, advance strong instruction and support for student success, and keep Illinois on a path to redress historic funding inequities.