

For Immediate Release

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State K-12 Funding Formula Reducing Spending Gaps, Inequities Across Illinois

*New report from Center on Tax and Budget Accountability finds
Evidence-Based Funding working as intended*

CHICAGO, MARCH 8, 2023 – Six years ago Illinois enacted a new K-12 funding formula that was supposed to direct more resources to historically under-supported school districts in low-income communities generally—as well as districts in Black and Latinx communities specifically—by tying the dollar amount taxpayers invest in schools to covering the cost of educational practices which the evidence shows actually enhance student achievement. New research released today finds that the program is working as intended, and, in fact, benefiting all students in every geographic region of Illinois—irrespective of race or ethnicity.

The report, [*Educating Illinois: A Look at the Evidence-Based Funding Formula*](#), from the nonprofit and nonpartisan [Center for Tax and Budget Accountability \(CTBA\)](#), finds that the Evidence-Based Funding for Student Success Act (EBF) is helping redress historic funding inequities by race and ethnicity, “effectively countering the structural racism inherent in the state’s former approach to school funding,” while increasing the state-level investment made in school districts spanning Illinois.

The EBF identifies what it would cost each school district to implement the evidence-based practices that enhance student achievement, with monetary adjustments to account for the unique characteristics of the students attending the district in question. These evidence-based practices include 34 factors ranging from class size, core teachers, and guidance counselors, to professional development for faculty.

The formula boosted the state’s investment in public education by \$1.6 billion between FY 2018-FY 2023, with 99% of that new investment going to districts with the least adequate funding levels.

According to the Report, because of this significant increase in state funding, as well as growth in local school revenues, the total, statewide, adequacy funding gap declined from \$5.21 billion in FY 2018 to \$3.68 billion in FY 2023.

Three key findings of the Report “confirm that the EBF is working as intended”:

- First—the data confirm the EBF is helping redress the state’s historic underfunding of schools attended by Black and Latinx students, thereby countering the structural racism inherent in the state’s former approach to school funding. In fact, the per pupil funding gap faced by Black students was \$3,770 in FY 2018, or \$1,142 more than the \$2,628 it is in FY 2023; while the per pupil funding gap faced by Latinx students dropped from \$3,958 in FY 2018, to \$2,830 in FY2023.

- Second—the EBF is helping reduce the per pupil funding gap faced by both low-income and English Language students. Consider that in FY 2018—the first year of the EBF—the per pupil funding gap faced by low-income students was \$3,695, or \$1,037 more than it is today. Similarly, the per pupil funding gap faced by EL students in FY 2018 was \$3,918, or \$1,095 more than the \$2,819 it is in FY 2023.
- Third—the EBF is benefiting students of all races and in all regions: the average, annual per pupil distribution of new funding made to districts located in Downstate Illinois was \$183, which was the greatest per pupil distribution of such funding made in any region of the state, while 37 percent of all new funding has been distributed to white students, which is tied with Latinex students for the most new funding dedicated to any racial or ethnic subgroup.

According to Ralph Martire, CTBA’s Executive Director, “the EBF is one of those rare public policy initiatives that is truly working as intended. Schools, and hence students, in every region of Illinois have benefited from the new state investments in K-12 education since the EBF’s inception in FY 2018. And just as promised, the EBF has effectively targeted the vast majority of new education funding to: districts with the least amount of resources in comparison to their needs; supporting students who have been historically marginalized; and reducing educational funding gaps by race, ethnicity, and income that were created under Illinois’ prior school funding formula.”

Except for FY 2021, the state has increased year-to-year K-12 funding under the EBF by at least \$300 million since the legislation passed. At that rate, Illinois will not fully fund the EBF until FY 2038, which is over a decade past the target date for full funding set forth in the legislation. Hence CTBA recommends in the Report that the state increase its annual new investment in the EBF to at least \$500 million, so that Illinois doesn’t lose another generation of school children to an underfunded education system.”

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About the Center for Tax and Budget Accountability

CTBA is a nonprofit research organization committed to advancing social and economic justice in Illinois and nationally. Our evidence-based research is central to public policy solutions that create fundamental changes in education, healthcare, housing, economic development, and tax policy. We gain broad-based support for policies that provide access to opportunity for everyone, regardless of income class, race, gender, or ethnicity, improving lives and communities. Learn more at: www.ctbaonline.org.