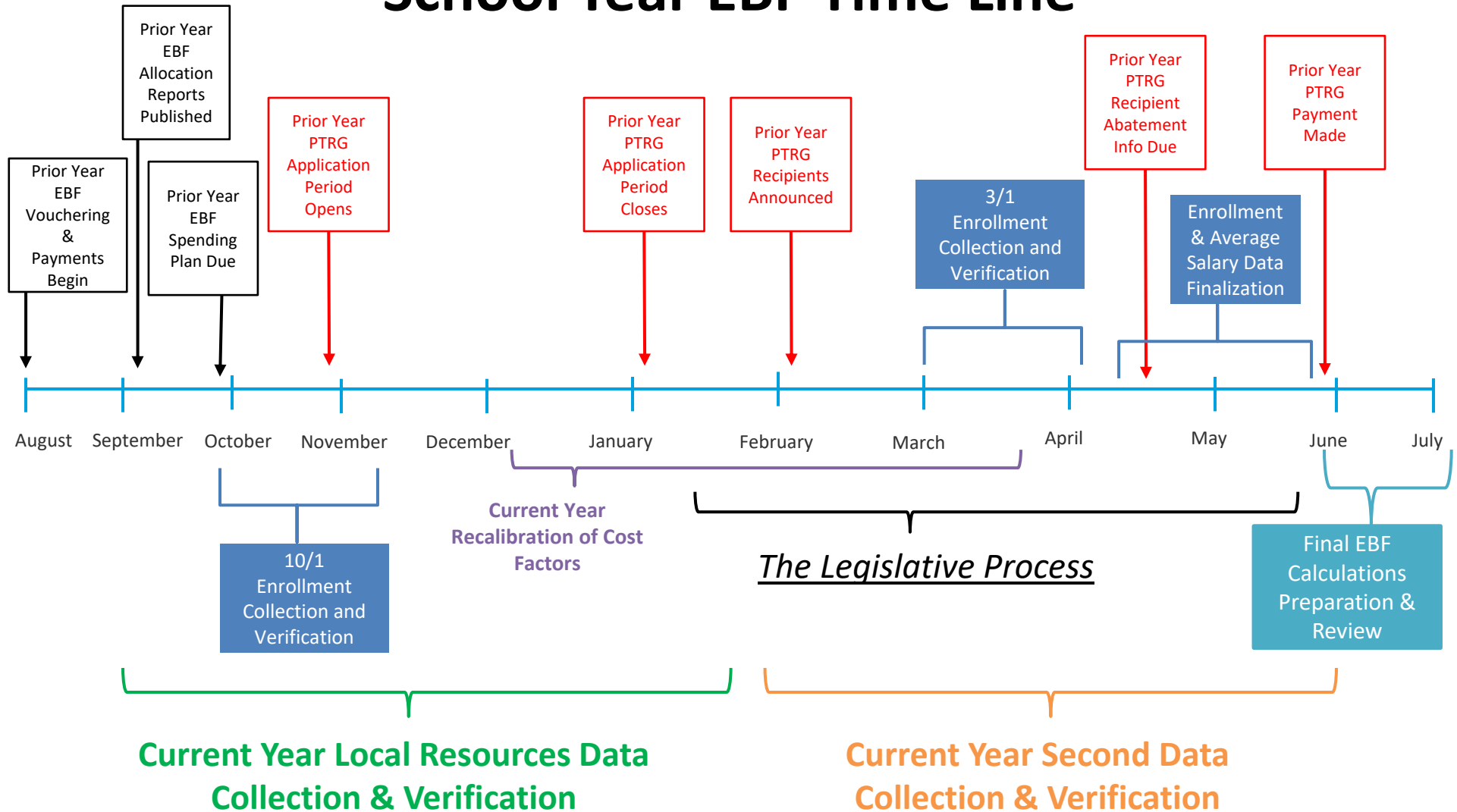# Evidence-Based Funding Basics:
A Practical Guide for District Administrators

Equity ● Quality ● Collaboration ● Community

School Year EBF Time Line

Prior Year EBF Allocation Reports Published

Prior Year EBF Vouchering & Payments Begin

Prior Year EBF Spending Plan Due

Prior Year PTRG Application Period Opens

Prior Year PTRG Application Period Closes

Prior Year PTRG Recipients Announced

Prior Year PTRG Recipient Abatement Info Due

Prior Year PTRG Payment Made

3/1 Enrollment Collection and Verification

Enrollment & Average Salary Data Finalization

| August | September | October | November | December | January | February | March | April | May | June | July |

Current Year Recalibration of Cost Factors

The Legislative Process

10/1 Enrollment Collection and Verification

Final EBF Calculations Preparation & Review

Current Year Local Resources Data Collection & Verification

Current Year Second Data Collection & Verification

Data Sources

First Data Collection - Local Resources Data

Data Type	Source
Limiting Rates for Districts Subject to PTELL	IDOR
CPPRT Receipts	IDOR
EAV	IDOR
Extensions & Tax Rates by Fund	IDOR
Enterprise Zone Abatements	IDOR
Comparable Wage Index (CWI)	Texas A&M

Second Data Collection

Data Type	Source
Low – Income Population	DHS
AFR Transportation Expenditures	Districts as reported
Transportation Revenue	ISBE
EAV Adjustments (Certificates of Error, PTAB Decisions, and Abatements)	IDOR / County Clerks
Finalize All Preliminary Data	IDOR

How Does the Formula Work?

The Evidence-Based Funding (EBF) formula performs calculations in three general stages.

Completing the first and second stages produces a ratio that determines how far away a district is from adequate funding in Stage Three.

- **Stage 1**: Determining the cost of educating all students, according to the defined cost factors. The result is the **Adequacy Target** for each district. This is the ratio's **Denominator**.
- **Stage 2**: Measuring each district's local resources for comparison to the Adequacy Target. This is the ratio's **Numerator**.
- **Stage 3**: Distributing additional state funds to assist districts in meeting their Adequacy Targets.
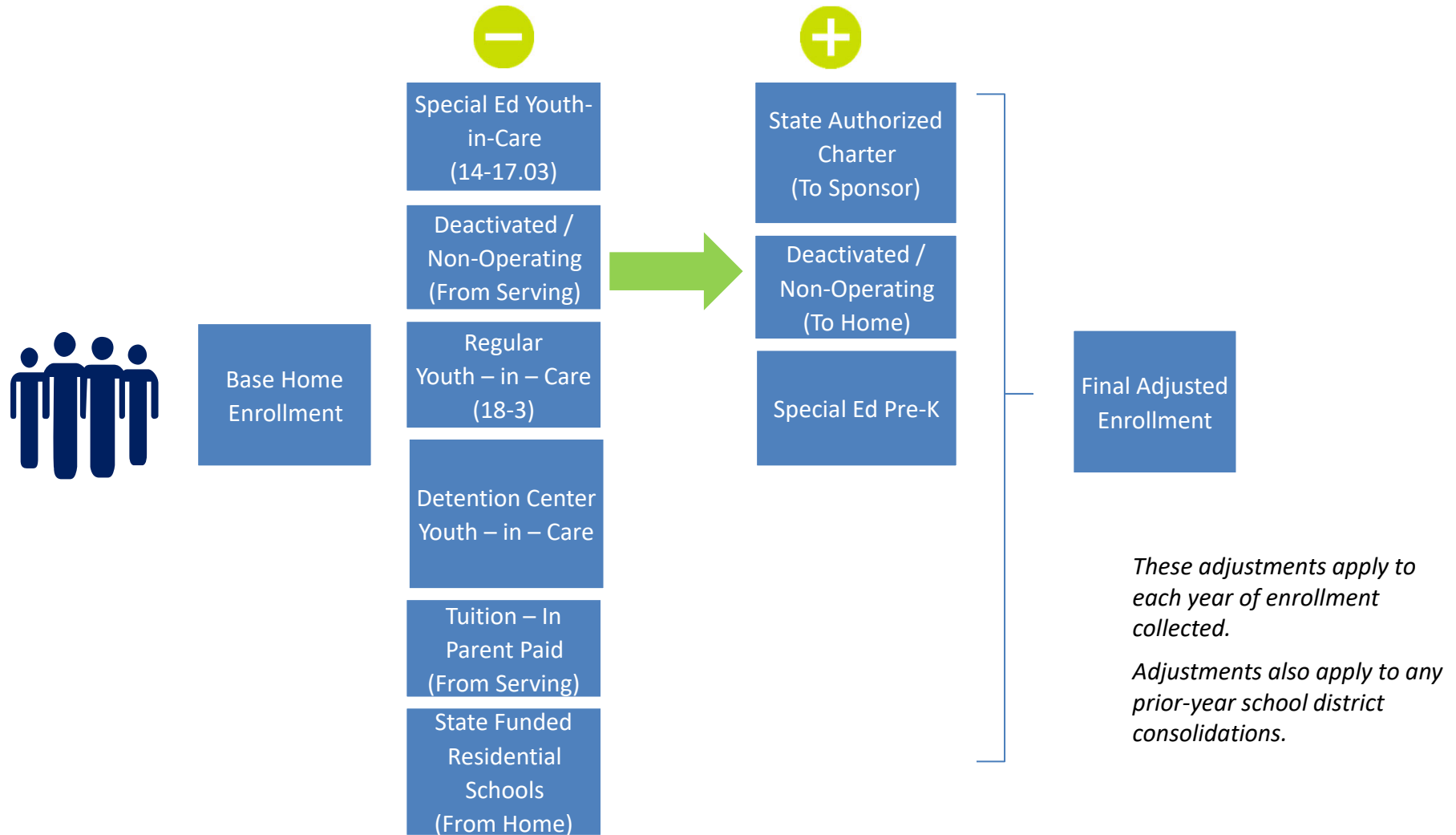
Final Resources	÷	Adequacy Target	=	Final % of Adequacy

Stage 1:

A Brief Summary of

Determining a District's Adequacy Target

(Building the Denominator)

Adequacy Target – Enrollment

(−)

(+)

Base Home Enrollment

Special Ed Youth-in-Care (14-17.03)

Deactivated / Non-Operating (From Serving)

Regular Youth – in – Care (18-3)

Detention Center Youth – in – Care

Tuition – In Parent Paid (From Serving)

State Funded Residential Schools (From Home)

State Authorized Charter (To Sponsor)

Deactivated / Non-Operating (To Home)

Special Ed Pre-K

Final Adjusted Enrollment

These adjustments apply to each year of enrollment collected.

Adjustments also apply to any prior-year school district consolidations.

*ISBE collects the above data on both October 1 and March 1. EBF calculations use the greater of the three-year average or current year for each data set. Final enrollment for each year is the average of the October 1 and March 1 data sets.

Adequacy Target

Average Student Enrollment
(ASE)

Core Investments

Uses ASE to determine the number of Full Time Equivalent (FTE) positions needed for "Core" positions.

FTE is then multiplied by average salaries to determine the cost.

.

Per Student Investments

Uses ASE to determine the district investments that have a per student cost.

ASE is multiplied by the cost.

Additional Investments

Uses ASE to determine the number of Full Time Equivalent (FTE) positions needed for Special Education. Use population specific data to determine Low-Income and English Learner student supports.

FTE is then multiplied by the average salaries to determine the cost.

DHS and EL ASE is used for the calculation of Low-Income and EL FTEs.

See https://isbe.net/ebfdist for details on investment types.

Adequacy Target

Adequacy Target (AT) = Sum of all Education Cost Factors

Core Investments	Per Student Investments Subject to CWI
Per Student Investments Not Subject to CWI	Additional Investments
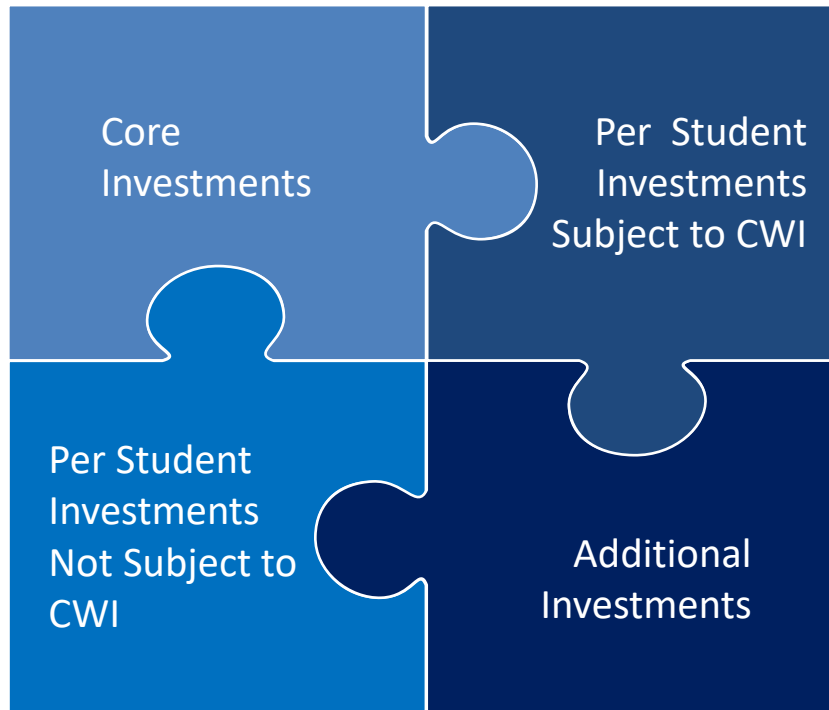
= **Initial Adequacy Target**

CWI = Comparable Wage Index, a measure of regional variations in salaries

Adequacy Target – Regionalization Factor

A Regionalization Factor is used to determine the Final Adequacy Target.

The Regionalization Factor or Comparable Wage Index (CWI) is a measure of regional variations in salaries.

| Initial Adequacy Target | **✕** | Regionalization Factor (CWI) | **=** | Final Adequacy Target |

Note: EBF sets the lowest Regionalization Factor to 0.90.

Stage 2:

A Brief Summary of
Determining a District's Local Resources
(Building the Numerator)

Determining Local Resources & Percent of Adequacy

EBF defines a district's resources as the sum of:

Local Capacity Target (LCT)	**+**	Corporate Personal Property Replacement Taxes (CPPRT)	**+**	Base Funding Minimum (BFM) (Prior Year Distributions)
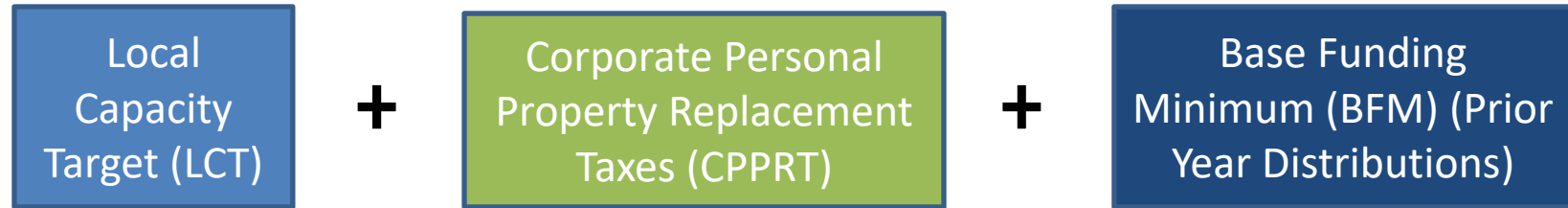
Dividing a district's resources by its **Adequacy Target** determines the district's **Percent of Adequacy**:

Resources	**÷**	Adequacy Target	**=**	Percent of Adequacy

Increasing any element of the numerator (Resources) means a district appears closer to its Adequacy Target, resulting in less State funding.

i.e. A low Percent of Adequacy means the district is distant from meeting its Adequacy Target and ***needs greater state assistance****. A higher Percent of Adequacy means the district is closer to its Adequacy Target and therefore* ***requires less state assistance.***

What causes % of Adequacy to Change?

EAV

- As EAV increases, in general districts move closer to Adequate Funding.

  – This will cause the numerator in the ratio to increase and thus increase the % of Adequacy.

- As EAV decreases, in general districts move further away from Adequate Funding.

  – This will cause the numerator in the ratio to decrease and thus decrease the % of Adequacy.

What causes % of Adequacy to Change?

Enrollment

- As Enrollment increases, in general districts move further away from Adequate Funding.

  – This will cause the denominator in the ratio to increase and thus decrease the % of Adequacy.

- As Enrollment decreases, in general districts move closer to Adequate Funding.

  – This will cause the denominator in the ratio to decrease and thus increasing the % of Adequacy.

Determining Local Resources & Percent of Adequacy

There are several additional steps included in the calculation to determine a district's Local Resources that will not be covered in this presentation.

To learn more visit the ISBE website:

https://www.isbe.net/ebfdist

Stage 3:

A Brief Summary of

Distribution of New State Funding

Determining State Contribution – Tier Assignments

A district's Final percent of Adequacy determines its assignment into one of the four tiers.

A low percent of Adequacy means the district is distant from meeting Adequacy and **needs and receives more state assistance***.*

A higher percent means the district is closer to Adequacy and therefore **requires and receives less state assistance.**

Tier	Target Ratio	State Assistance
Tier 1	< 68.5% (FY 22)	Furthest away from Adequacy, more state assistance
Tier 2	≥ 68.5% and < 90%	
Tier 3	≥90% <100%	
Tier 4	≥100%	Greater than adequacy, least amount of state assistance.

Remember EBF Tiers are different from ESSA Tiers.

Understanding the Tier 1 Ratio

- The Tier 1 target ratio, or the value a district's percentage of adequacy must be below to qualify as a Tier 1 district, is set annually and varies based on the amount of tier funding.

- Greater tier funding in a given year means the Tier 1 target ratio may be set higher. The higher the Tier 1 target ratio, the more districts may qualify as Tier 1.

Determining State Contribution - Tier Funding

Once the funds available for Tier Distribution are identified, the percent of funding for each Tier is calculated. Per EBF, each Tier receives the percent as listed below.

Tier	% of New Funding
Tier 1	Receives 50%
Tier 2*	Receives 49% (*Includes Tier 1 and Tier 2 Districts)
Tier 3	Receives 0.9%
Tier 4	Receives 0.1%

How Are Funds Available for Tiers Determined?

EBF specifies how to determine the total funds available for Tier Distributions.

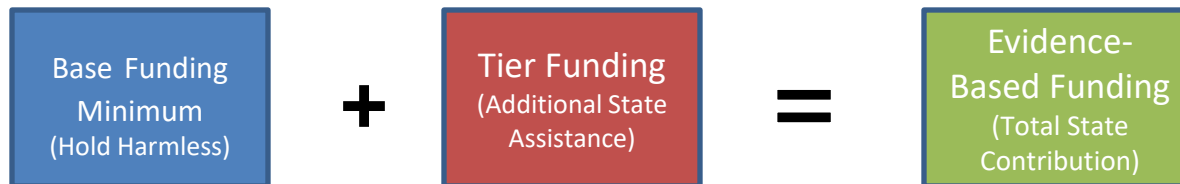From the total appropriation amount, subtract BFM and Fixed Distributions:

- BFM for all public school districts and Regional Offices of Education (ROE) programs
- BFM for Specially Funded Units (State Authorized Charters, Illinois Department of Juvenile Justice Programs, Co-ops, and Glenwood Academy)
- English Learner Technical Assistance and Professional Development
- Prior Year Adjustments for EAV Corrections
- Prior Year EBF Calculation Corrections
- $50 million for Property Tax Relief Grant in years where the appropriation is $350 million or greater.

The remaining funds are available for Tier Distributions.

Determining State Contribution

The State Contribution to Evidence-Based Funding is comprised of:

| Base Funding Minimum (Hold Harmless) | + | Tier Funding (Additional State Assistance) | = | Evidence-Based Funding (Total State Contribution) |

Tier Funding will vary depending on a district's Final % of Adequacy

Reminder on Goals of EBF

- As districts receive additional Tier funding amounts over the years, they should move closer to adequacy.

- Districts gaining in adequacy will eventually move into Tiers 2-4.

- Districts receiving both tier funding and Property Tax Relief Grant funds may move closer to adequacy more rapidly.

Resources Available

The EBF team has developed several resources for district administrators that are available on the website. This includes:

- EBF Full Calculation Files with District Summary
- EBF Quick Facts
- EBF Allocation Reports for use with the Annual Spending Plan
- EBF Adequacy Target Gap Analysis
- EBF Data Impact Calculator
- EBF Distribution Calculation Training Modules
- Link to Property Tax Relief Grant Information Page

https://www.isbe.net/ebfdist