

Evidenced-Based Funding

What's Next?
An update from the
Professional Review Panel

Introductions

Ralph Martire (Speaker)

- *Executive Director of the Center for Tax and Budget Accountability, and Arthur Rubloff Professor of Public Policy at Roosevelt University*
- *Member, Professional Review Panel*



Michelle Turner Mangan, Ph.D. (Speaker)

- *Professor & Chair, Department of Research, College of Graduate Studies, Concordia University Chicago*
- *Chair, Professional Review Panel*



Susan Harkin, CSBO, SFO (Speaker)

- *Chief Operating Officer, Community Unit School District 300, Algonquin, IL*
- *Vice Chair, Professional Review Panel*



Maureen Jones, CSBO (Moderator)

- *Assistant Superintendent of Finance & Operations, CCSD 89, Glen Ellyn, IL*



Learning Objectives

- Background Professional Review Panel (PRP)
- Focus and Structure of the Panel
- Committee Work to Date
- Looking Forward

Legislation

Public Act 100-0465

Sec. 18-8.15.

A Professional Review Panel (PRP) is created to:

- *Study and review implementation and effect of the EBF; and*
- *Recommend continual recalibration of, and future study topics and modifications to the EBF.*

Breakdown of Districts Spending Above and Below Adequacy Targets, 2018

	Count	% of All Districts	% of Students who are White	% of Students who are Black	% of Students who are Latino
Districts Spending Above Adequacy Targets	146	17.12%	67.62%	4.08%	14.40%
Districts Spending Below Adequacy Targets	707	82.88%	46.00%	19.56%	27.27%

Source: CTBA analysis of ISBE FY2015, FY2016, and FY2017 Illinois Report Cards; CTBA analysis of FY 18 ISBE Evidence-Based Funding Formula Distribution Full Calculations

FY2018 EBF Funding Distribution

	New \$	% of New Money
Tier 1	\$326,630,217	89.09%
Tier 2	\$36,313,680	9.91%
Tier 3	\$3,299,490	0.90%
Tier 4	\$366,609	0.10%
Total	\$366,609,996	100.00%

Source: CTBA analysis of ISBE FY18 EBF Quick facts

FY2018 EBF Distribution as Percentage of State Total

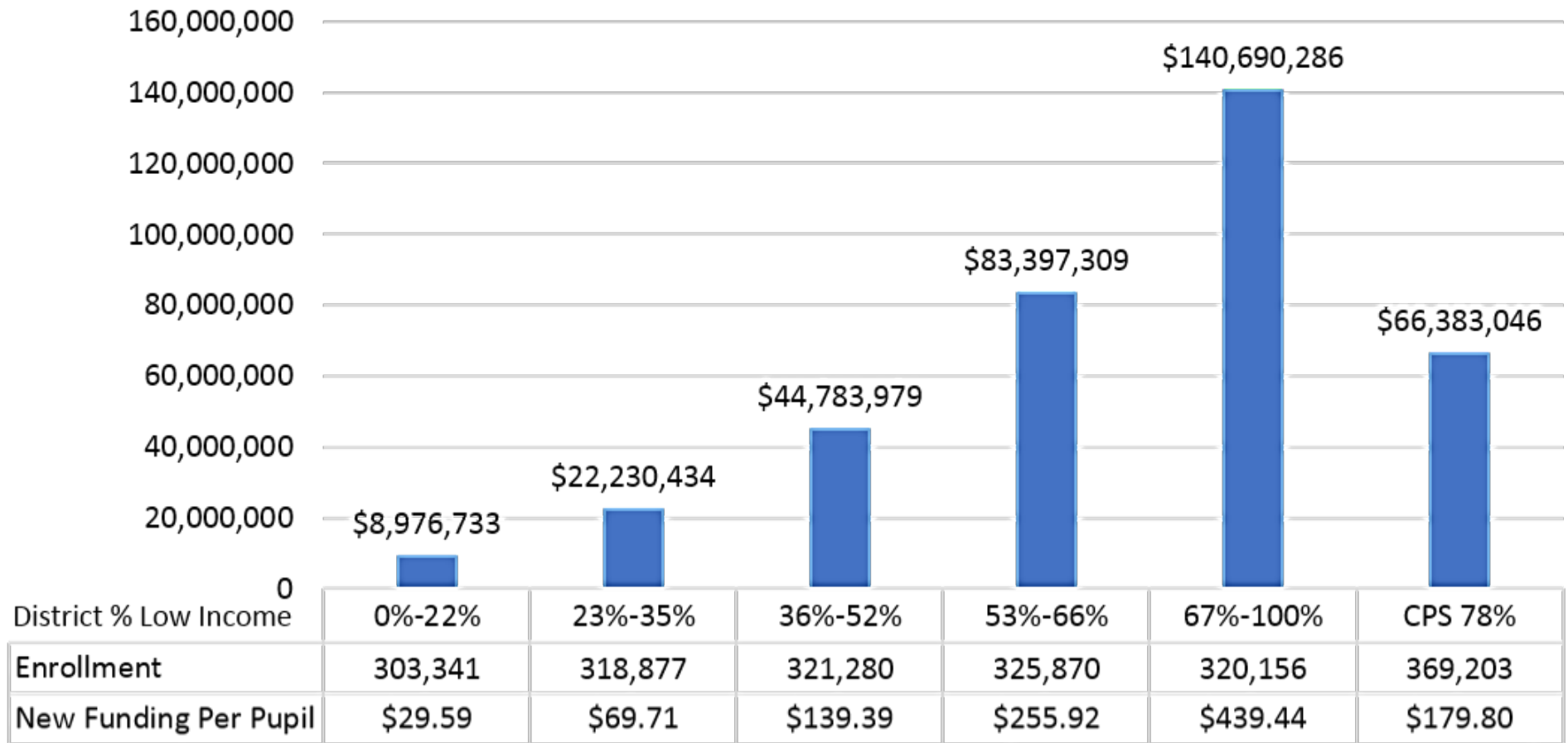
As a % of Illinois	% Final Tier Funding	% Supplemental English Learner Grant	% Total New Money from EBF	% Enrollment (ASE)	% Low Income	% EL
Cook	19.3%	18.3%	19.2%	18.7%	18.3%	26.4%
Collar Counties*	28.4%	30.4%	28.6%	28.5%	20.1%	31.6%
Downstate	34.2%	9.3%	32.4%	34.0%	31.8%	10.3%
CPS	18.1%	42.0%	19.9%	18.8%	29.8%	31.7%

As a % of County, Area, District	% Low Income	% EL
Cook	48.2%	14.0%
Collar Counties*	34.7%	11.0%
Downstate	46.2%	3.0%
CPS	77.9%	16.7%
Illinois	49.3%	9.9%

Source: CTBA Analysis of ISBE Data, FY 2018 EBF Distribution Quick Facts, 4/30/2018

*Note: Collar Counties consist of DuPage, Kane, Lake, McHenry, and Will Counties.

Distribution of \$366M in New EBF Funding by Low Income Concentration, FY2018



Source: CTBA analysis of FY2018 EBF Distribution Full Calculation

Average Adequacy Gap per Pupil by Race/Ethnicity, Excluding Districts Spending in Excess of Adequacy Target, 2018

	Average Enrollment, 2015-2017	Total Adequacy Gap, Weighted	Adequacy Gap per Pupil
White	854,854	\$2,829,200,598	\$3,309.57
Black	348,085	\$1,620,778,837	\$4,656.28
Latino	489,610	\$2,386,295,960	\$4,873.87
Total	1,838,110	\$7,369,105,965	\$4,009.07

Source: CTBA analysis of ISBE FY2015, FY2016, and FY2017 Illinois Report Cards; CTBA analysis of ISBE FY18 Evidence-Based Funding Formula Distribution Full Calculations

Panel Members

The Professional Review Panel (PRP) is composed of:

- 27 members
- Voting members are appointed by both the State Superintendent
- Non-voting members are appointed by each of the four General Assembly caucus leaders & the Governor

State Superintendent appointments include representatives from school districts and communities reflecting the:

- Geographic,
- Socio-economic,
- Racial, and
- Ethnic diversity of this state.

The State Superintendent is also required to ensure that the membership of the panel includes representatives with expertise in ***bilingual education*** and ***special education***.

Scope & Reporting Structure

- Panel makes recommendations to the Illinois State Board of Education, the General Assembly, and the Governor.
 - All EBF model elements
 - Annual Spend plan
 - Comparable Wage Index
 - At-risk student definition
 - Benefits
 - Local Capacity Target

Scope & Reporting Structure

- Funding for Alternative Schools, Laboratory Schools, safe schools, and alternative learning opportunities programs
- Funding for college and career acceleration strategies
- Special education investments
- Early childhood investments
- Evaluative Study
- Hold harmless
- Recalibration
 - Gifted, instructional materials, assessment, student activities, maintenance & operations, central office, & technology

Timeline – Annual Basis

- The State Superintendent shall recalibrate the following per pupil elements based on the Panel’s study of average expenses as reported in the most recent Annual Financial Report
 - Gifted
 - Instructional Materials
 - Assessment
 - Student Activities
 - Maintenance and Operations
 - Central Office



Timeline – Periodic Basis

- Within Three Years

- Technology
- Local Capacity Target
- Hold Harmless

By School Year
2020-2021

- Within Four Years

- Alternative, Safe and Laboratory Schools
- College and Career Acceleration Strategies
- Spec Ed – Accounting for Disability Types

By School Year
2021-2022

- Within Five Years

- Comparable Wage Index
- Maintenance and Operations (Inclusive of Capital)
- At Risk Student Definition
- Adequate Funding for Poverty Concentration
- Benefits
- Evaluative Study

By School Year
2022-2023

- Timeline not Specified in Statute

- Format and Scope of Annual Spending Plan
- Early Childhood

Committee Work to Date

- Evaluative Study
- Equity
- Recalibration
- Regional Office of Education Funding
- Annual Spend Plan

Evaluative Study

Within five years after implementation, the PRP is required to complete a study of the entire Evidence-Based Funding model, including an assessment of whether or not the formula is achieving state goals.

The PRP is required to submit a report including the findings of the study to the State Board of Education, General Assembly, and the Governor's Office.

Research Questions to Guide the Evaluation

- 1) Did growth in student achievement and other student outcome measures occur from the baseline 2017-18 school year through the 2021-22 school year in Illinois public schools?
- 2) How faithful was the implementation of the EBF model in Illinois public schools from the 2017-18 to 2021-22 school years?
- 3) Did changes in school-level expenditures predict changes in student growth factors?
- 4) What systemic and organizational change elements were necessary to close the achievement gap?

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Data Collection

1. Quantitative

- Student achievement data & other student outcome measures (ISBE School report card, AFR, EIS, & other data sets)
- EBF school-level elements (FTEs and \$\$)
- Annual Spend Plan
- Timeline: Baseline 2017-18 & 4 subsequent years of implementation

2. Qualitative

- Principal interviews & teacher focus groups
- Timeline: year 2021

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Recalibration

Overview of Subcommittee Charge

- Develop a shared understanding of the purpose for potentially recalibrating per pupil elements in the EBF

6 Recalibration Areas for Year One:

- Gifted
- Instructional materials
- Assessments
- Student activities
- Maintenance and Operations
- Central Office

Challenges:

- AFR Data
- Underfunded System
- Hard to do Evidence-Based

Gifted Expenditures - AFR

	Set by Statute	FY2017 AFR	FY2018 AFR
State Average	\$40	\$28	\$34
Elementary District Average	--	--	\$63
High School District Average	--	--	\$4
90-110% Adequacy District Avg	--	\$57	\$89

Source: CTBA analysis of EBF statute, ISBE FY2017 and FY2018 AFR data

- From AFR: Function 1650 “Gifted Programs”, all funds all objects

Instructional Materials - AFR

	Set by Statute	FY2017 AFR	FY2018 AFR
State Average	\$190	\$199	\$207
Elementary District Average	--	--	\$239
High School District Average	--	--	\$214
90-110% Adequacy District Avg	--	\$214	\$232

Source: CTBA analysis of EBF statute, ISBE FY2017 and FY2018 AFR data

- From AFR: Ed Fund, all 1000 Functions excluding Student Activities Function 1500, 400 Objects “Supplies and Materials”
- Note: CTBA FY18 AFR state average per pupil is lower than reported in ISBE’s analysis by \$4 due to difference in enrollment numbers

Assessments - AFR

	Set by Statute	FY2017 AFR	FY2018 AFR
State Average	\$25	\$23	\$24
Elementary District Average	--	--	\$23
High School District Average	--	--	\$32
90-110% Adequacy District Avg	--	\$22	\$24

Source: CTBA analysis of EBF statute, ISBE FY2017 and FY2018 AFR data

- From AFR: 2230 Function “Assessment and Testing”, all objects, all Funds

Student Activities - AFR

	Set by Statute	FY2017 AFR	FY2018 State AFR Avg–CTBA analysis	FY2018 State AFR Avg–ISBE analysis	FY2018 AFR Avg of 90-110% Dists–CTBA analysis
Elementary Average	\$100	\$101	\$90	\$104	\$84
Middle School Average	\$200	\$202	\$204*	\$208	\$238*
High School Average	\$675	\$696	\$706	\$717	\$819

Source: CTBA analysis of EBF statute, ISBE FY2017 and FY2018 AFR data, ISBE Estimated FY2018 Cost Factors

- From AFR: 1500 Function “Interscholastic Programs”, all objects, all Funds
- Notes:
 - CTBA and ISBE high school average numbers differ slightly due to differences in enrollment numbers used
 - ISBE sets middle school cost at 29% of high school average, and elementary costs at 50% of middle school costs. CTBA analysis uses HS-only and Elem-only district averages to approximate HS and Elem expenditures. Asterisked values are approximated using ISBE methodology (29% of high school expenditures)

Maintenance and Operations

	Set by Statute (FY2018)	FY2017 AFRs, All Dists	FY2018 AFRs, All Districts (CTBA)	FY2018 AFRs, All Districts (ISBE)	FY2018 AFRs, 90-110% Dists
Maintenance and Operations – Total Costs minus Benefits	\$1,038	\$941	\$989	\$1,001	\$1,033
Maintenance and Operations – Salary costs	\$353	\$366	\$357	\$364	\$387
Benefits as Percentage of Salaries	30%	36.6%	20.2%	20.2%	19%

Source: CTBA analysis of EBF statute, ISBE FY2017 and FY2018 AFR data, ISBE Estimated FY2018 Cost Factors

- From AFR: 2540 “Operation & Maintenance of Plant Services” Function, all objects except 500 Capital Outlay, all Funds
- Notes:
 - ISBE also omits objects 700 Non-Capitalize Equipment and 800 Termination benefits from its FY18 AFR analysis, resulting in \$11M less in total OM expend than CTBA’s analysis
 - EBF estimates benefits are 30% of salaries expenditures; might be able to adjust down based on data above

Central Office

	Statute	FY2017 AFR, All Districts	FY2018 AFR, 90-110% Adequacy Districts	FY2018 AFR, All Districts (CTBA)	FY2018 AFR, All Districts (ISBE)
Per Pupil Cost, Total Minus Benefits	\$742	\$782.34	\$819	\$767	\$781
Salaries	\$368.48	\$400.78	\$434	\$409	\$417
Total Minus Salaries	\$373.52	\$381.56	\$386	\$385	\$364
Benefits as Percentage of Salaries	30.0%	34.8%	53%	51.2%	N/A

Source: CTBA analysis of EBF statute, ISBE FY2017 and FY2018 AFR data, ISBE Estimated FY2018 Cost Factors

- From AFR: Functions 2300, 2500, 2600, excluding 2372 (Transportation), 2530 (Facility acquisition), 2540 (Op & Maint), 2550 (Transportation) , and 2560 (food services)
- Notes:
 - EBF estimates benefits are 30% of salaries expenditures; might be able to adjust upward based on data above

Equity

Overview of Committee Charge:

1. Develop a shared understanding of the issue and purpose for studying racial equity as it relates to evidence-based funding (EBF).
2. Determine what information is needed to address racial equity in the elements and distribution of EBF.
3. Determine if an expert is needed to provide information on racial equity in EBF.
4. Develop options and formal recommendations for racial equity in EBF.
5. Present a recommendation to the PRP regarding the elements and distribution of EBF that will facilitate closing the achievement gaps among racial groups of K-12 public school students in Illinois.

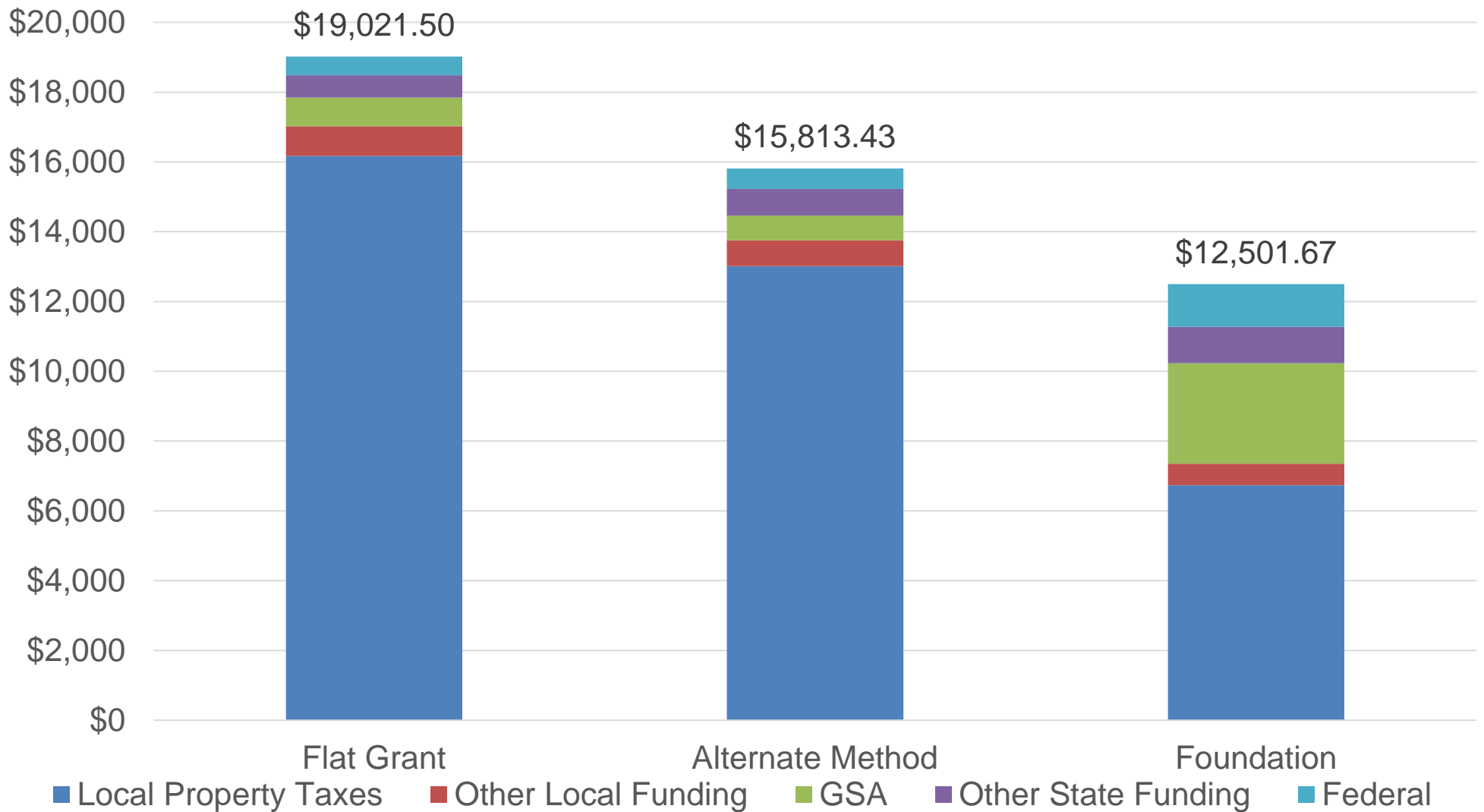
Average Adequacy Gap per Pupil by Race/Ethnicity, Excluding Districts Spending in Excess of Adequacy Target, 2018

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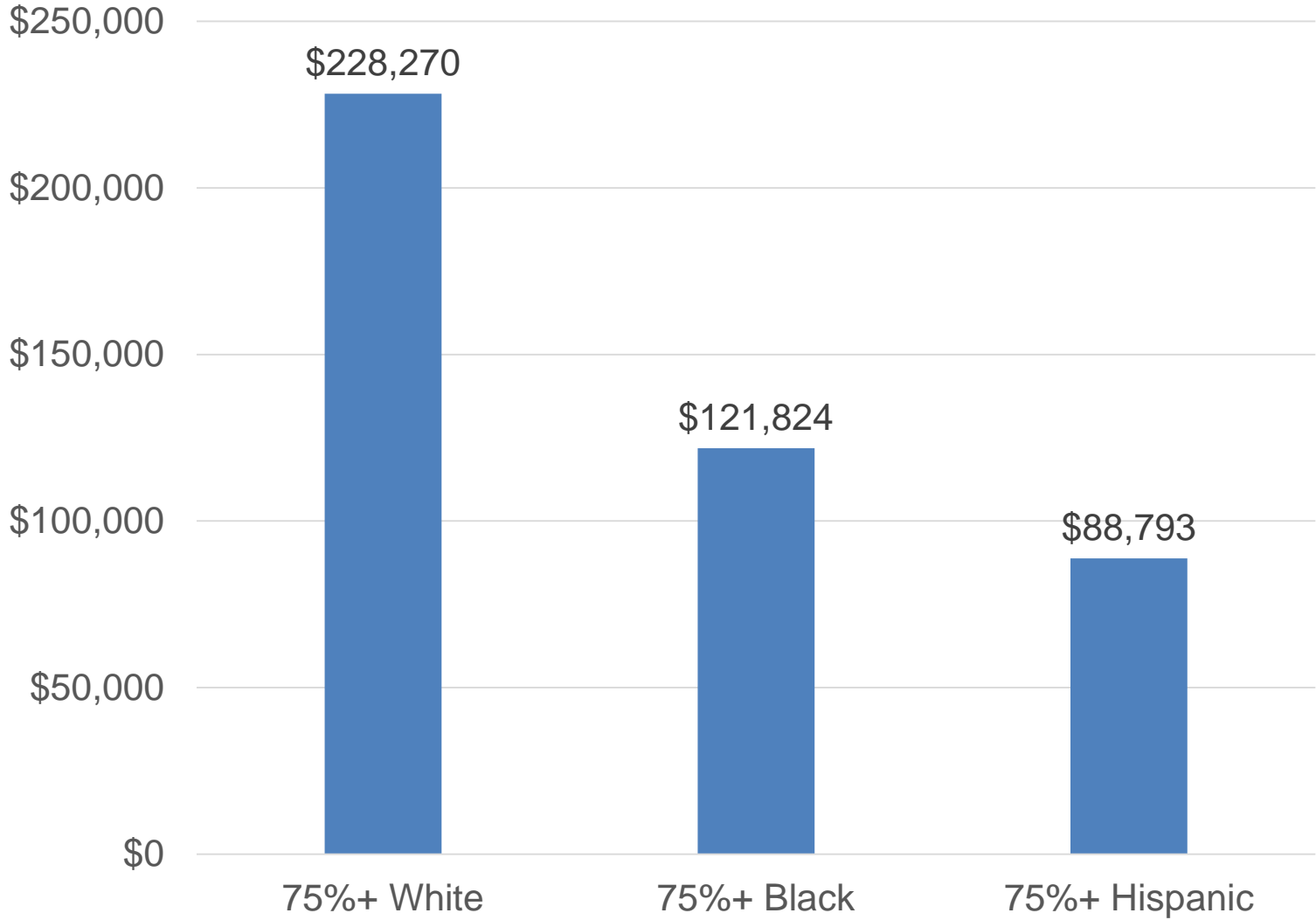
Source: CTBA analysis of ISBE FY2015, FY2016, and FY2017 Illinois Report Cards; CTBA analysis of ISBE FY18 Evidence-Based Funding Formula Distribution Full Calculations

District Funding Per-Pupil by Source

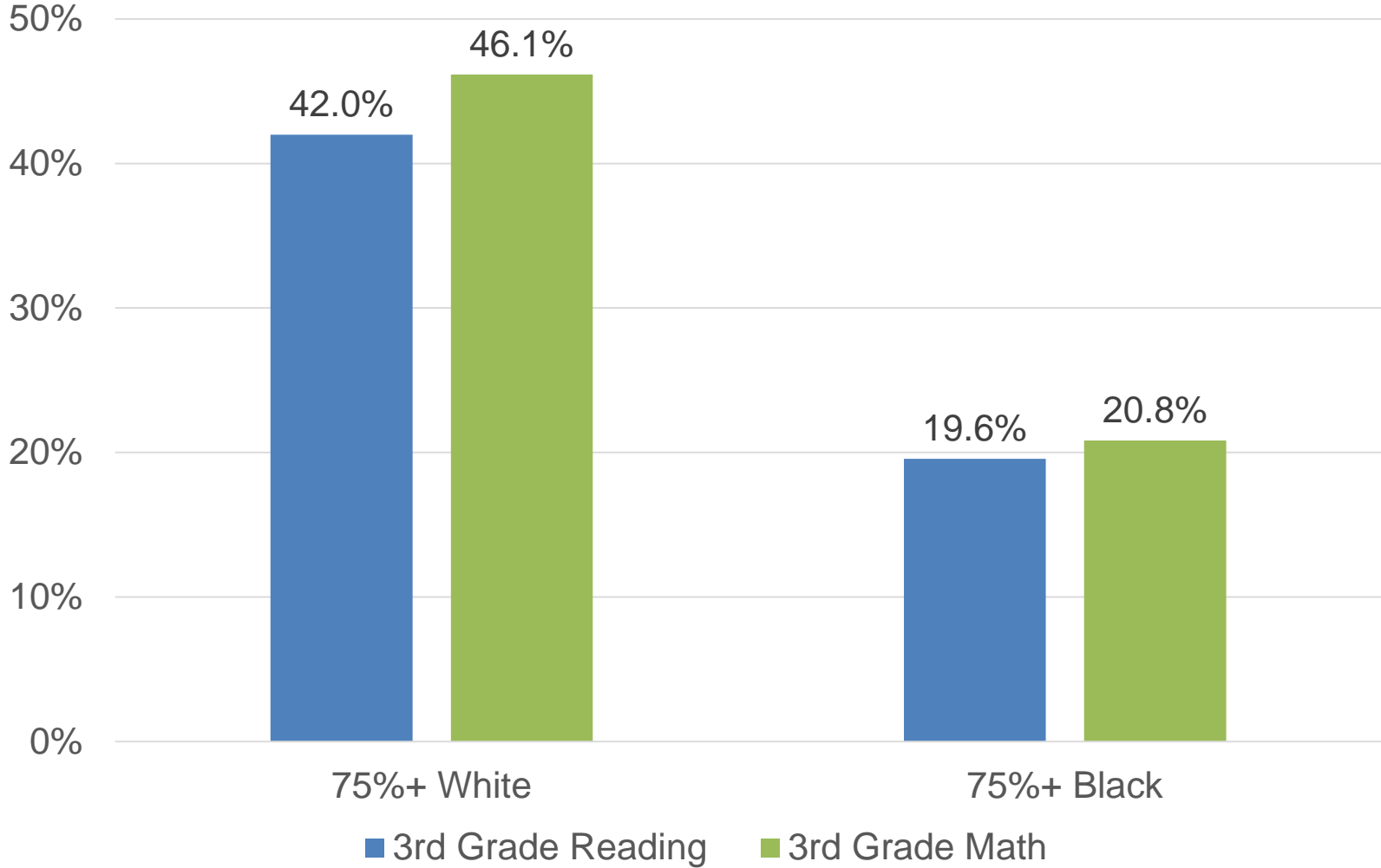
Old Formula



EAV Per-Pupil by Racial Supermajority



Percentage of Students Meeting or Exceeding PARCC by District/Racial Ethnic Majority



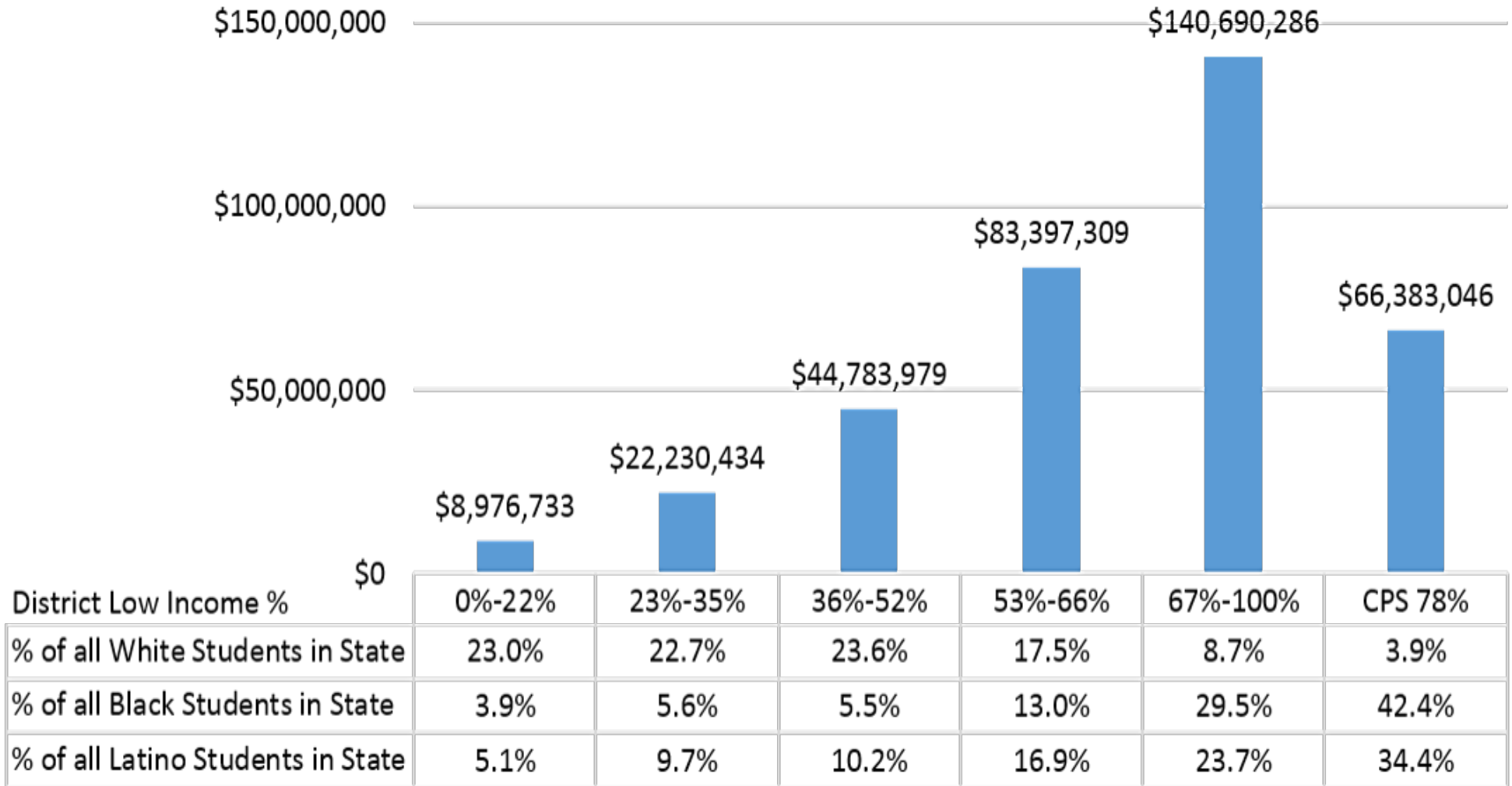
Controlling for Low-Income Status, Race Was Still a Predictor of PARCC Scores

- Was race a predictor of PARCC summative scale scores in the 2016 & 2017 school years, controlling for low-income status?
- Descriptive Statistics for PARCC by race and low-income status

	Summative Score	
	Mean	SD
Low Income	716.4	35.1
Non Low Income	731.3	37.8
White	730.3	37
Black	708.4	34.6
Hispanic	715.1	34.9
Other Race/Eth.	727.7	37.9

- $Y'_{PARCC} = 755.50 - 18.23(\text{Hispanic}) - 27.53(\text{Black}) - 9.32(\text{White}) - 19.44(\text{Low-Income})$
- Race was a statistically significant predictor of PARCC summative scale scores ($F(4) = 346890, p < .0001$), with an R^2 of .0561.

Distribution of \$366M in New FY2018 EBF Funding, by Low Income Concentration and Race/Ethnicity



Sources: CTBA analysis of ISBE Evidence-Based Funding Formula Distribution Full Calculations; Enrollment by race from ISBE FY2017 Report Card data

Present Recommendations for Equity in the EBF to the PRP

1. Before PRP committee recommendations are brought to the full panel, the Equity Committee will view them through an equity lens to avoid possible adverse effects.
2. Identify elements that close racial achievement gaps and provide systemic support for implementation of EBF to stakeholders.
 - Professional Development (PD) is an important element to aid implicitly biased views and culturally relevant pedagogy. Embedded PD is the most effective. Utilize approved providers vetted by ISBE.
3. Evaluate Study: Disaggregate student achievement and other student outcome measures by race.
 - Use the Odden-Picus Adequacy Index and Horizontal weighted equity measure to assess adequacy and equity statewide.
4. Annual Spend Plan: Include racial achievement gap as part of goals for achieving student growth and state education goals.

Issue and Purpose for Studying ROE Funding

On any given day, the education for 7,127 students is funded differently from the other 2 million students in Illinois.

These students receive educational services from ROE/ISCs.

These students may:

- have multiple suspensions,
- be expulsion eligible,
- be in danger of dropping out, or
- have significant attendance issues caused by a variety of problems.

Currently, the EBF model does not address the needs of these students as compared to the other students in Illinois Public Schools.

Summary of Issues Related ROE Funding

- EBF funding for ROE/ISCs was and will be held flat because:
 - There is no local effort target for ROE/ISCs.
 - There is no low income count for ROE/ISCs.
 - The model does not account for dynamic program enrollment.
- Because ROE/ISC FY18 funding was held flat, there was a supplemental appropriation in FY18 to fund FY17 programs that experienced increased enrollment.

Recommendation

The PRP approved the recommendation of the ROE Funding proposal as presented with the understanding that appropriation amounts for FY 2020 are sufficient so as to not impact or diminish the amount of tier funding available to a Illinois organizational units. This recommendation will sunset on June 30, 2020.

Modify the EBF state statute to allow **Regional Safe School** and **Truant Alternative Optional Education Programs** to receive **Tier Funding** effective with the FY 2020 budget cycle to include:

- Setting a local effort to 10% ⇒ Mirrors Lab Schools
- Establishing a Low Income Count of 50% ⇒ State average
- Using a March Enrollment Count ⇒ Addresses the fact that programs grow throughout the year. ROE/ISC will receive the funding for these students/not the home school enrollment account with a phase of FY20 – Current year enrollment only, FY21 – Current year or two year average enrollment (highest of), and FY22 and ongoing – Current year or three year average enrollment (highest of)

Eliminate the **Hold Harmless Base Funding Minimum** for Regional Safe School, Truant Alternative Optional Education and Alternative Learning Opportunity Programs once they no longer continue

Continue **studying** the following items:

- **Alternative Learning Opportunity Program** funding,
- **EBF elements** in relation to **RSSP, TAOEP, and ALOP**, and
- **Truancy alternatives** for students no longer in the public education system.

State Requirements for Annual Spend Plan (ASP)

Timing: By the end of September, as part of the annual budget process

Requirements: Districts will create an annual district level spending plan that describes how they:

- Will **utilize its Evidence-Based funding** with specific identification of the intended utilization of Low-Income, English learner, and special education resources,
- Expect to **achieve student growth**, and
- Will **achieve State education goals**.

Committee Guidelines for ASP

The Committee established the following guidelines for the development of the proposed ASP:

- The ASP must **comply** with State legislation.
- The committee should look for opportunities to **utilize existing state reports** to populate Annual Spend Plan, e.g, EIS reporting, Annual Budget, Adequacy Target Gap Calculator, etc.
- The ASP data should be **prospective**.
- The ASP should be a tool to **facilitate local discussions** tying school improvement goals to **academic needs and resource allocation**.

EBF FTE and Dollar Allocation Comparison

Using the ISBE *Adequacy Target Gap Calculator*, districts would be required to:

- Enter projected FTE and dollar allocations aligned to the EBF elements and provide explanations for changes and
- Provide explanations for funding out side of the EBF elements.

ASP Sample Subset

<u>Position / Investment</u>	<u>FY 19 Adequacy Target</u>	<u>FY 19 Actual Staffing</u>	<u>FY 20 Budgeted Staffing</u>	<u>FY 19 Actual - FY 20 Budgeted</u>	<u>Explanation</u>
<u>Core Investments</u>					
Core Teachers	970.70	900.00	905.00	5.00	To maintain current class size
Specialist Teacher	231.88	200.00	200.00	-	No Change
Instructional Facilitator	102.79	33.00	42.60	9.60	To add coaches at Elementary Schools
Core Intervention Teacher	42.08	20.00	20.00	-	No Change

ASP Next Steps

- Refine components of the ASP
- Work with ISBE to develop the template to be utilized in the FY 2020 budget cycle
- Finalize ASP at the June 2019 PRP Meeting
- Rollout out to school districts for submission with their FY 2020 budget

Looking Ahead

EBF Shortfall in Millions of Inflation-Adjusted Dollars after \$350M/Year New Money until Fully Funded

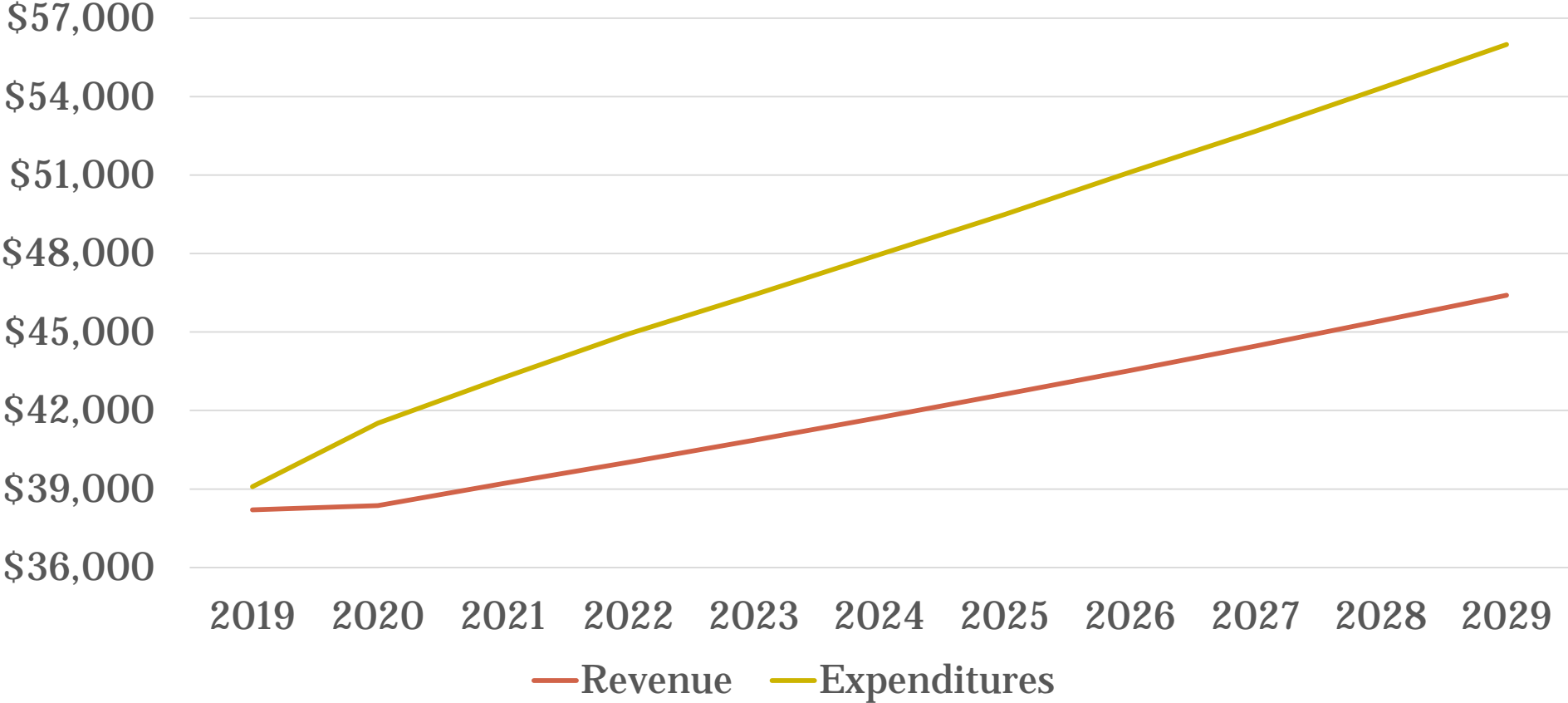
	FY2019	FY2020	FY2030	FY2040	FY2051
Total Funding Needed to Fund EBF Fully (infl adj)	\$7,350	\$7,504	\$9,284	\$10,522	\$11,055
Total New Money Put into EBF since FY2020	--	\$350	\$3,850	\$7,350	\$11,200
Shortfall/Surplus (infl adj)	-\$7,350	-\$7,154	-\$5,434	-\$3,172	\$144

EBF Shortfall in Millions of Inflation-Adjusted Dollars, Fully Funding EBF in 10 Years

	FY2019	FY2020	FY2025	FY2030
Total Funding Needed to Fund EBF Fully (infl adj)	\$7,350	\$7,504	\$4,371	\$779
Total New Money Put into EBF since FY2020		\$779	\$4,676	\$8,572
Shortfall/Surplus (infl adj)		-\$6,725	-\$3,592	\$0

Source: CTBA analysis of ISBE FY2019 EBF Calculation using Bureau of Labor Statistics ECI historical data.

Illinois Structural Deficit, Including Full Funding of EBF



Source: CTBA analysis of COGFA figures. Assumes expenditures keep pace with inflation and funding of the Evidence Based Formula as required under P.A. 100-0465, a total increase of \$7.4 billion (on a fully inflation-adjusted basis in FY2018 dollars) by FY2029 (which totals \$9.17 billion in FY2029); assumes revenues grow at historic rates, and assumes no change in law.

Questions and Answers

We thank you for your time!

Presenters:

MODERATOR INFO:

Maureen Jones, Assistant Superintendent of Finance and Operations
Community Consolidated School District 89
(630) 469-8900; mjones@ccsd89.org

PANELISTS INFO:

Ralph M. Martire, Executive Director, Center for Tax and Budget Accountability and Arthur Rubloff Endowed
Professor of Public Policy at Roosevelt University

Center for Tax and Budget Accountability
(312) 332-1049
rmartire@ctbaonline.org

Roosevelt University, College of Arts & Science
(312) 341-3766
rmartire@roosevelt.edu

Michelle Turner Mangan, Ph.D., Professor & Chair, Department of Research
College of Graduate Studies, Concordia University Chicago
(708) 209-3493
michelle.mangan@cuchicago.edu

Susan Harkin, Chief Operating Officer/CSBO
Community Unit School District 300
(847) 551-8319; susan.harkin@d300.org