



Illinois State Board of Education

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Darren Reisberg
Chair of the Board

Dr. Carmen I. Ayala
State Superintendent of Education

July 29, 2021

Sadia Inayat
U.S. Department of Education
Office of Elementary and Secondary Education
Office of State and Grantee Relations (SGR)
400 Maryland Avenue, SW
Washington, D.C. 20202

Transmitted to email address: Illinois.oese@ed.gov

Dear Ms. Inayat:

This letter serves as Illinois' submission of its maintenance of equity baseline and initial data per Section 2004 of the American Rescue Plan Act of 2021.

Per your email on June 24, 2021, the Illinois State Board of Education (ISBE) is submitting data for items one, two, four, six, seven, and nine. The Department approved ISBE's request to extend the deadline to October 15, 2021 for items three, five, and eight. The table below provides a summary of the baseline and initial data items submitted and a key to find this data in the attachments.

MOEquity Data Item	Excel Document	Excel Tab	Location Key/Comments
One	Illinois MOEquity Master File 07 28 2021	High-Need LEAs	High-Need LEAs are shaded in green
Two	Illinois MOEquity Master File 07 28 2021	High-Need LEAs	Amount is \$3,776.20 and is found in cell I5
Three	Data is due October 15, 2021		
Four	Illinois MOEquity Master File 07 28 2021	High-Need LEAs	Found in Column I
Five	Data is due October 15, 2021		
Six	Illinois MOEquity Master File 07 28 2021	Highest-Poverty LEAs	Highest-Poverty LEAs are shaded in blue
Seven	Illinois MOEquity Master File 07 28 2021	Highest-Poverty LEAs	Found in Column I
Eight	Data is due October 15, 2021		
Nine	Illinois MOEquity High-Poverty Schools 07 29 2021	NonExempt	Found in Column H; Identification and ranking of high-poverty schools is based on the LEA as a whole

The primary funding source for elementary and secondary education in Illinois is the state's Evidence-Based Funding (EBF) formula that was enacted in August 2017. Fiscal year 2022 will be the fifth year for distributions from this formula to LEAs. EBF requires the construction of an Adequacy Target, representing the state's estimate of the cost of providing education, specific to each LEA. The Adequacy Target is based on 34 different cost factors that contribute to the total cost or target. Comparing local district resources and Base Funding Minimum (BFM) to the Adequacy Target produces a percentage of adequacy that communicates how close each district is to adequate funding.

Districts are annually assigned to one of four funding tiers based on their percentage of adequacy. Districts in Tier 1 are those most in need of state assistance. These districts will receive 50 percent of funding increases. Districts qualify for Tier 1 if their percentage of adequacy is less than the Tier 1 Target Ratio. That ratio is calculated so that 50 percent of increased funding is distributed to Tier 1 districts. Tier 2 districts have a percentage of adequacy that is greater than or equal to the Tier 1 Target Ratio and less than 90 percent. Tier 2 receives 49 percent of increased funding which provides distributions to both Tier 1 and Tier 2 districts. Tier 3 districts have a percentage of adequacy greater than or equal to 90 percent and less than 100 percent. Tier 3 districts receive 0.9 percent of increased funding. Tier 4 districts have a percentage of adequacy greater than or equal to 100 percent and receive 0.1 percent of increased funding.

One of the unique characteristics of the state's funding formula is the use of a hold harmless payment, called the BFM. Each district is guaranteed to receive the same amount as the prior year plus the BFM grows annually by the amount of tier funding the district received in the prior year. This feature ensures that school districts are not impacted by enrollment declines (state funding is not reduced). When enrollment decreases, the district's adequacy percentage increases which results in a decreased amount of distributions from tier funds.

The table below shows the state's funding for the EBF formula since its inception.

\$thousands	FY 2018*	FY 2019	FY 2020	FY 2021	FY 2022**	Total
Appropriation Increase to EBF	\$620,484.1	\$381,003.3	\$375,000.0	\$0.0	\$362,100.0	\$1,738,587.4
EBF Actual Tier Funding	\$366,610.0	\$300,022.4	\$312,491.6	\$0.0	\$300,000.0	\$1,279,124.0

*FY 2018 does not include \$221.3 million included in EBF appropriation for the Chicago Teachers' Pension and Retirement Fund.

** FY 2022 appropriation includes the integration of \$12.1 million from the District Intervention line that becomes part of the Base Funding Minimum for two school districts (East St. Louis SD 189 and North Chicago CUSD 187) beginning in FY 2022.

Please feel free to contact me by phone at 217-782-0249 or email at rwolfe@isbe.net if you have any questions.

Sincerely,

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Robert Wolfe, CPA
Financial Officer

Attachments