

The Evidence Based Funding for Student Success Act: Implications for River Forest District 90

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River Forest
Public Schools

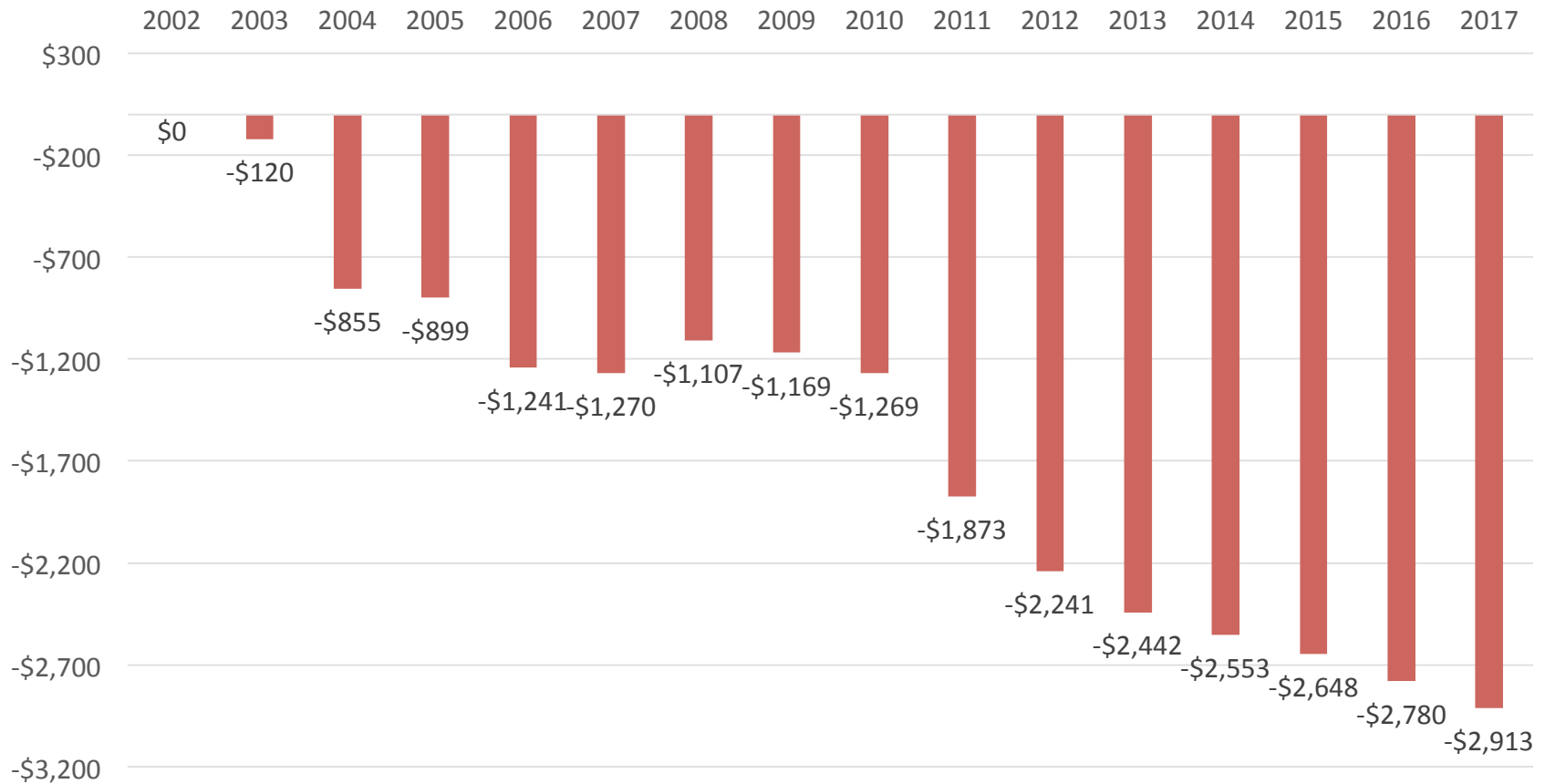
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Why Reform Education Funding Practices

- The Old System Was Not:
 - Adequate;
 - Equitable;
 - Accountable; nor
 - Evidence Based

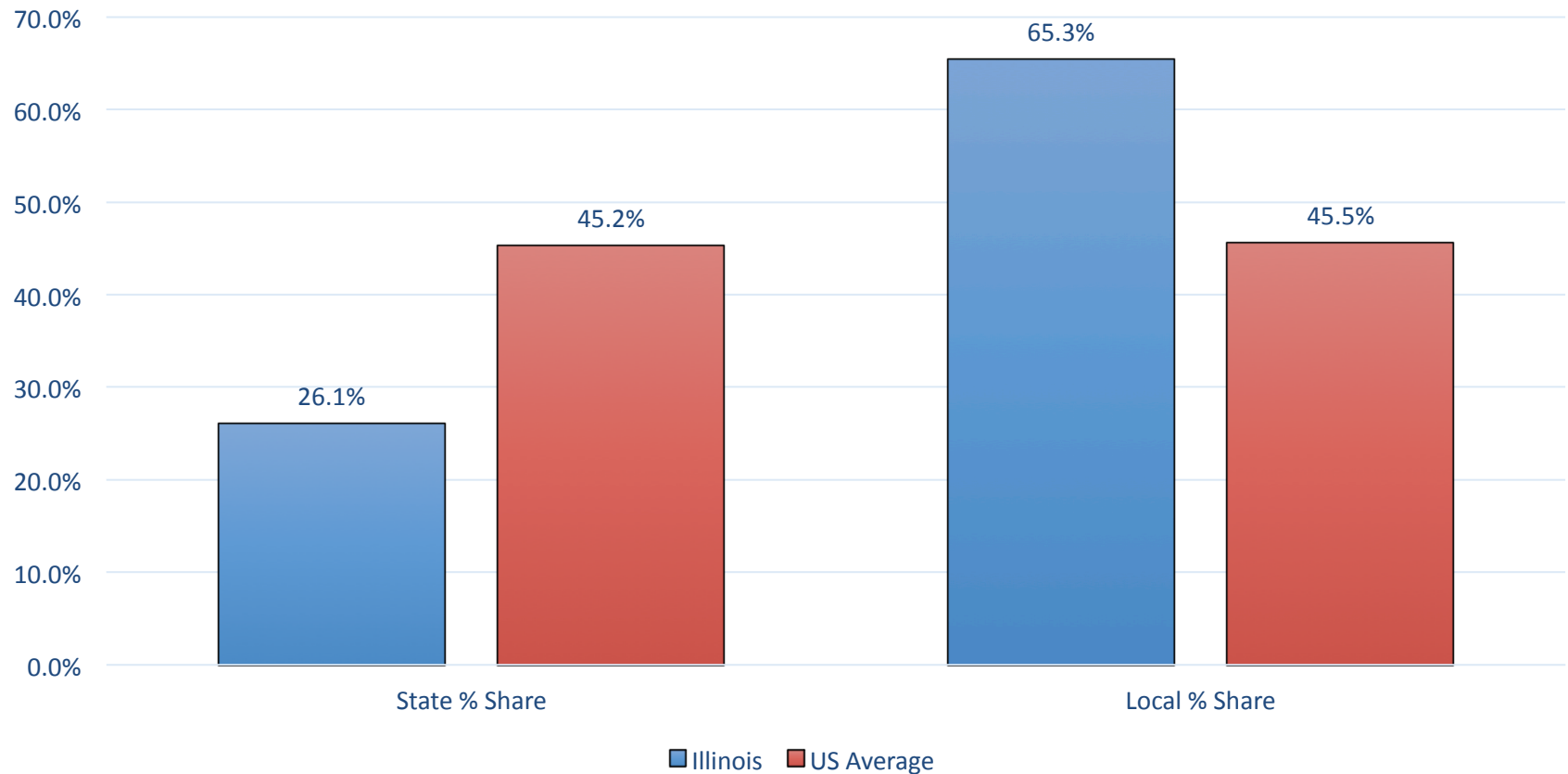
Why Switch from Current Model: NO FISCAL ACCOUNTABILITY

Dollar Shortfall in State Per-Pupil K-12 Education Funding to Meet EFAB Adequate Education Standard by Fiscal Year



Sources: CTBA analysis of January 2013 EFAB data. Education Funding Advisory Board, *Illinois Education Funding Recommendations*, (Springfield, IL: January, 2017).

Local and State Share of Education Funding Spending



Source: CTBA analysis of U.S. Department of Education, National Center on Education Statistics, 2016. "Revenues and Expenditures for Public Elementary and Secondary Education: School Year 2012-2013 (Fiscal Year 2013)."

Getting it Wrong Leads to Racial Inequities

Median hourly wages for Whites increased modestly between 1980 and 2014, but :

- The White-Hispanic wage gap is larger in amount, growing from \$4.36 per hour in 1980 to \$5.98 in 2014, an increase of **37%** over 1980
- Median wages for African-Americans declined, in real terms. The hourly wage gap between Whites and African-Americans grew from \$1.74 in 1980 to \$5.18 in 2014, an increase of **197%** over 1980

Key Features of the EBM Formula

- ① Evidence-Based Adequacy Model
- ② Local Contribution Target
- ③ Funding Tiers
- ④ Accountability & Updates
- ⑤ Only runs “New State \$” through the EBM—in FY2018: \$350 M
- ⑥ Thereafter, SB1947 establishes a Minimum Funding Level for new \$ of @ least \$300 M/yr—w/ an additional \$50 M in play for EBM formula or property tax relief fund

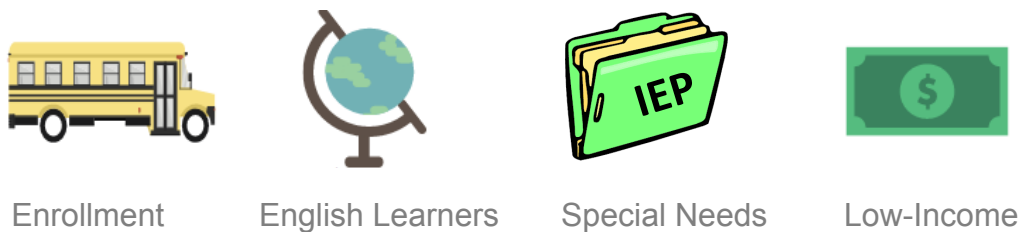
Effect Sizes of Elements

Recommended Strategy	Effect Size
Full Day Kindergarten	0.77
Class Size of 15 in Grades K-3	
Overall	0.25
Low Income and Minority Students	0.50
Multi-age Classrooms	
Multi-grade Classrooms	-0.1 to 0.0
Multi-age Classrooms	0.0 to 0.50
Professional Development with Classroom Instructional Coaches	1.25 to 2.70
Tutoring with Tier 2 Intervention Teachers, 1-1 and small group	0.4 to 2.5
English Language Learners Direct Intervention Support	0.45
Structured Academic Focused Summer School	0.45
Embedded Technology	0.30 to 0.38
Gifted and Talented	
Accelerated Instruction or Grade Skipping	0.5 to 1.0
Enrichment Programs	0.4 to 0.7

STEP 1 Calculate Cost of 27 essential elements



STEP 2 Apply essential elements to individual districts based on demographics



STEP 3 Adjust salary-based elements for regional wage differences



DISTRICT ADEQUACY TARGET

Hold Harmless/Base Funding Minimum

- Each District receives prior year's state funding for:
 - GSA (w/ Equity Grant and/or Tier Funding)
 - Supplemental Poverty Grant
 - Bilingual
 - PTEL Adjustment
 - Special Ed Personnel
 - Special Ed Child Funding
 - Special Ed Summer School
 - Base Funding will be:
 - Sum of above grants
 - BFM **increases** annually after 2018
- This \$ is still for Special Ed—even though it is rolled into the BFM**

*NOTE: all other mandated categoricals—like Transportation and Early Childhood—are NOT part of the new, EBM formula and remain separately funded

Under SB1947

- If the state does not appropriate enough to cover the Base Funding Minimum in a Fiscal Year: the BFM of the *most* adequately funded districts are the first EBM dollars cut (unlike proration in the past).
 - In this case, Tier 3 and 4 districts would first lose any evidence based dollars received in prior years.
- If that does not cover the full amount of under-appropriation, further reductions will be on a per pupil basis for all districts.
 - Which is more equitable than past practice.

Local Capacity Target or “LCT” Identifies Dollar Value of Local Resources Available to Support Education

- The LCT is the dollar amount a district would ideally contribute towards its Adequacy Target, based on a comparison of all districts in the state.

**Districts With Higher Property Wealth
Are Expected To Contribute More**

That All Leads To:

1. PERCENT OF ADEQUACY



YEAH!!

WHAT??



$$\% = \frac{\text{LCT} + \text{BFM} + \text{CPPRT}}{\text{ADEQUACY TARGET}}$$

2. AND THAT IDENTIFIES A DISTRICT'S TIER FOR NEW STATE FUNDING PRIORITY

Distribution

- Districts annually placed in one of 4 Tiers based on their current adequacy %
- In FY2018:
 - Tier 1 = all districts 64% or more below Adequacy get 50% of new state \$
 - Tier 2 = all districts Above Tier 1, but with less than 90% Adequacy share next 49% of new state \$ with Tier 1, pro-rata
 - Tier 3 (.9% of New State \$) = all districts between 90 and 100% Adequacy
 - Tier 4 (.1% of New State \$) = all districts over 100% Adequacy

*NOTE, this is for FY2018 only—scoring for Tiers is dynamic thereafter—but Tiers I and II always get 99% of new EBM \$ until full Adequacy reached statewide.

Does the Formula Work?

SB1947 Provides Equitable Funding To Both Low-income And Low Property Wealth Districts

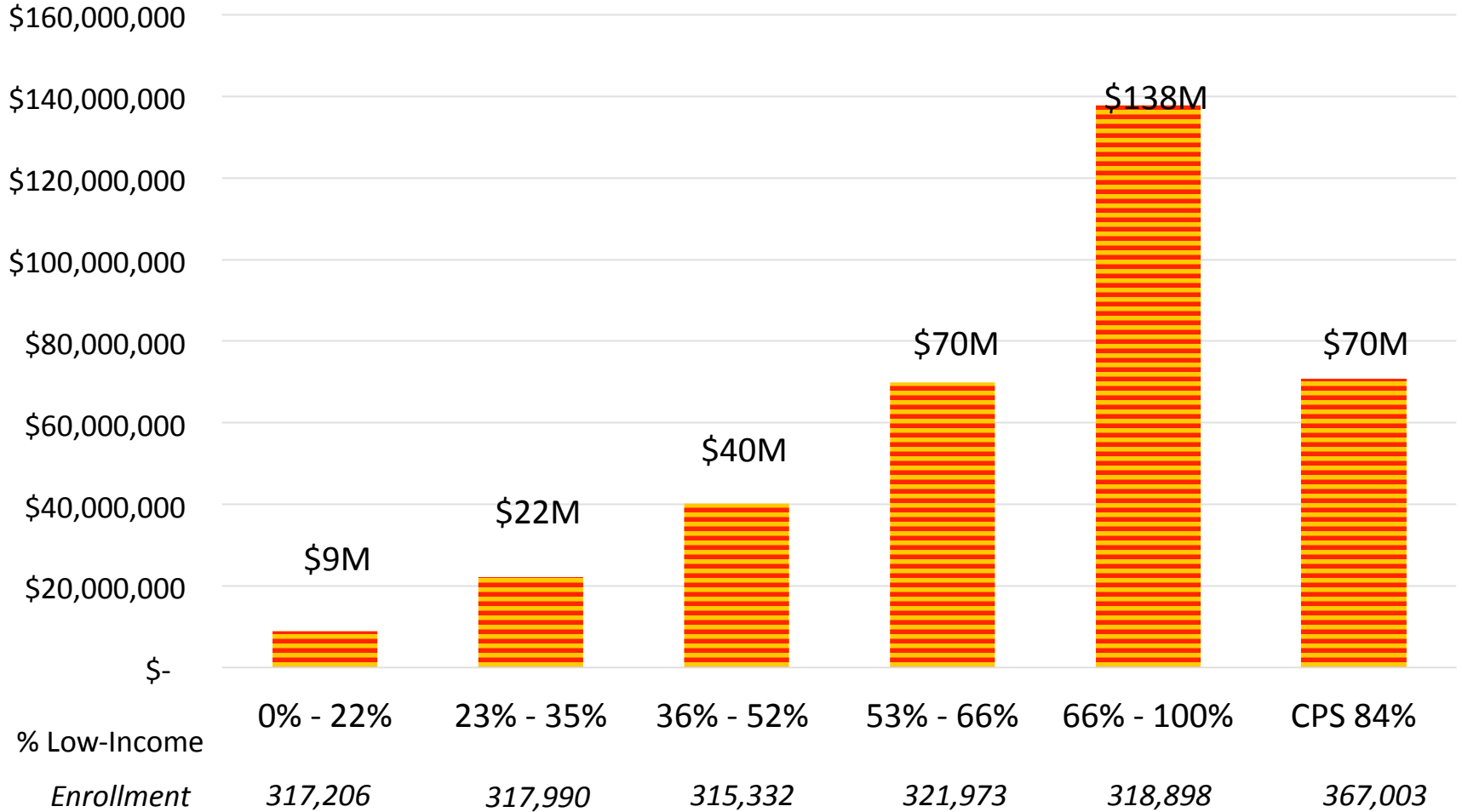
- Over 85% of all new state dollars go to districts with greater than 50% low-income.
- Almost 70% of all new state dollars go to districts with lower than median property wealth.
- CPS receives about 20% of all new formula dollars. It has about 19% of the state's students and 1/3 of its low-income students.*

SB1947 intentionally directs dollars to the least well-funded districts. These are by and large both the poorest and most property poor districts.

*(All based on estimates using ISBE's FY2017 simulation—FY2018 will vary some)

SB 1947 Increases Equity By Sending New Dollars To Neediest Districts

Distribution of \$350M in New Funding by Low-Income



*Analysis is based on public ISBE data. Data reflects FY17 simulation. FY18 numbers will vary.

HIGHLIGHTS OF SB1947

- ✓ The new formula ties school funding to those evidence-based best practices the research shows enhance student achievement in the classroom.
- ✓ Each school district is treated individually, with an Adequacy Target based on the needs of its unique student body. The greater the student need, the higher the Adequacy Target.
- ✓ New dollars go to the neediest districts first—those furthest from their Adequacy Target. Over time, this will help close the gaps in funding that exist in our current system.
- ✓ SB1947 treats students in Chicago the same way it treats students in every other school district in the state by getting rid of Block Grants and reconciling pension payments.
- ✓ **No district loses money.** All new state funding going forward is on top of what districts currently received in the prior year.

Low Lights of SB1947

Invest in Kids Tax Credit

- What is it?
 - A 75% credit against Illinois income taxes, up to \$1 million per taxpayer for funding scholarships to private schools.
 - Maximum credit is \$1 million, so the maximum donation for scholarships is \$1.333 million.
 - A taxpayer claiming the credit cannot take a charitable deduction on federal income taxes.
 - The credit is capped at \$75 million state wide and is given out on a first-come, first-served basis.
 - Individuals may designate their donation to a specific school or group of schools; however corporations and partnerships may not.
 - The donation may not be designated to an individual scholarship recipient

OTHER PART 1:

Property Tax Relief

- A. Creates Property Tax Relief Fund targeted to districts with high property tax rates but low property wealth
 - Districts can apply for state grants which they must use to reduce property taxes
 - For example, unit districts can lower their tax rate about 1 percentage point: a district with a 7% operating tax rate could lower it to 6%
- Requires state appropriation to fund the grants. No funding appropriated in FY2018—up to \$50 million in a Fiscal Year. However, to the extent this is funded, it reduces new state \$ for distribution through the EBM.
- B. Voters in districts funded above 110% of adequacy can petition for a referendum to force their district to lower property taxes by 10%
- C. Creates Task Force within General Assembly to look at TIF funding issues. Report due April 1, 2018.

OTHER PART 2: Mandate Relief & Charter Funding

- **PE.** School boards can determine frequency of PE, as long as it is at least 3 days per week (previously statute required daily PE)
- **Sports Exemption.** Allows districts to exempt on a case-by-case basis 7th-12th graders who participate in sports from the PE requirements (previously only 9th – 12th graders could be exempted)
- **Driver's Education.** Allows districts to contract with third party Driver's Education vendors without requesting a waiver from the General Assembly
- **Streamlined Waivers.** Provides “sort-of” a streamlined process for waivers from the General Assembly from other state mandates
- **Charter Payments.** Narrows range of payments to charters from between 75% and 125% of per capita student tuition, to between 97% and 103%

Why Reform Education Funding Practices?

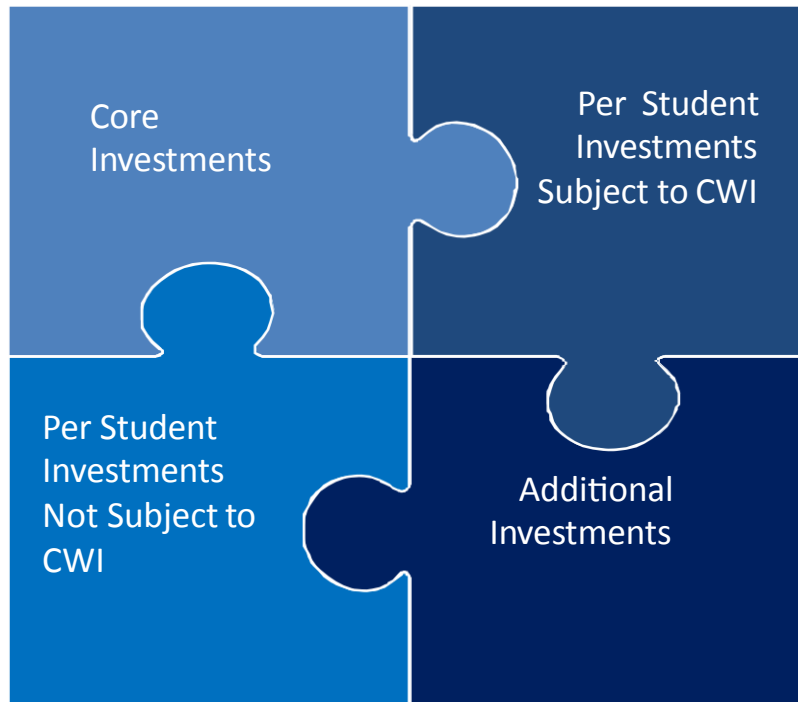
- Correlations between educational attainment and unemployment rates/wages has never been greater
- Adequate K-12 investment is one of the few public policy options that bear a statistically meaningful relationship to boosting state economic growth over time
 - Over last 30 years, states that invested the most in building K-12 capacity had statistically meaningful advantage in GDP growth (Bensi, Black & Dowd)
 - Examples include Massachusetts, which realized “dramatic” economic gains after making enhanced investment in better schools (Source: Hanushek, Ruhose & Woessmana)

ALSO OPENS THE DOOR TO A BETTER
ACCOUNTABILITY SYSTEM



Adequacy Target

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



= Initial Adequacy Target

CWI – a measure of regional variations in salaries

Adequacy Target – Regionalization Factor

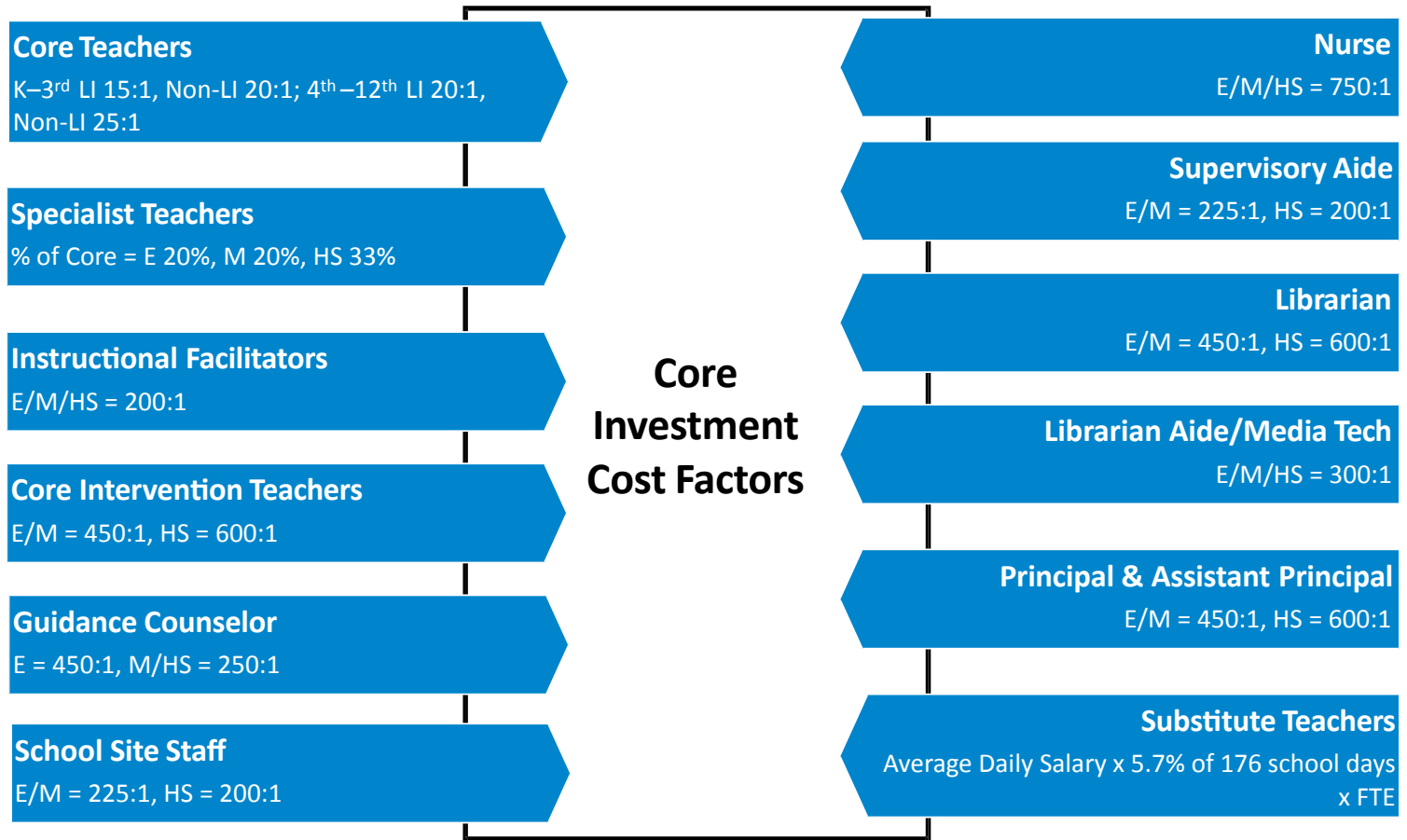
A Regionalization Factor is used to determine the Final Adequacy Target.

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

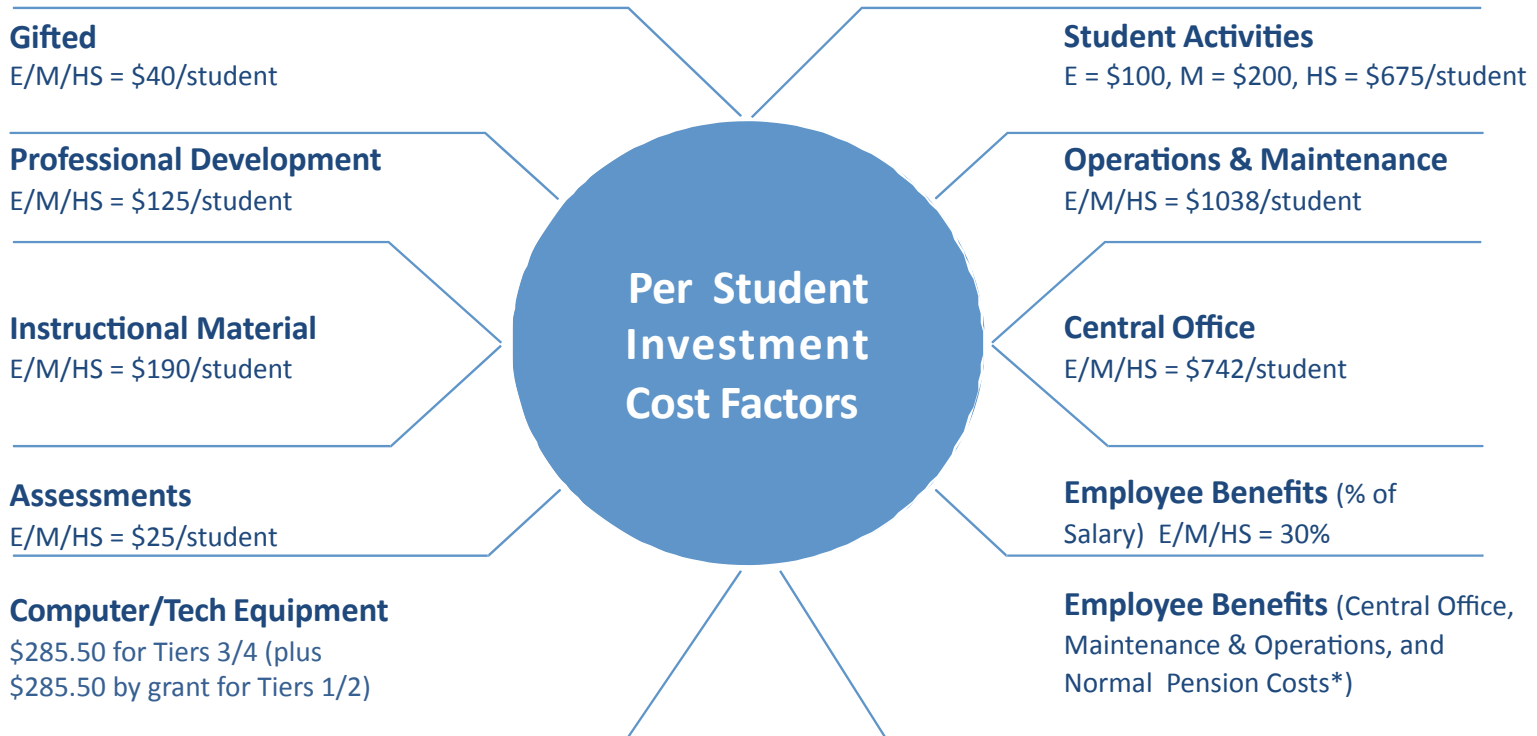


Note: EBF sets the lowest Regionalization Factor to 0.90. Previous EBF models used a highest factor of 1.05651.

Adequacy Target – Core Investments



Adequacy Target – Per Student Investments



*Currently Normal Pension Costs only applies to Chicago Public Schools.

Adequacy Target – Additional Investments

Additional Investment Cost Factors

Low-Income

- **Intervention Teacher** (125:1)
- **Pupil Support** (125:1)
- **Extended Day Teacher** (120:1)
- **Summer School Teacher** (120:1)

English Learner

- **Intervention Teacher** (125:1)
- **Pupil Support** (125:1)
- **Extended Day Teacher** (120:1)
- **Summer School Teacher** (120:1)
- **English Learner Core Teacher** (100:1)

Special Education

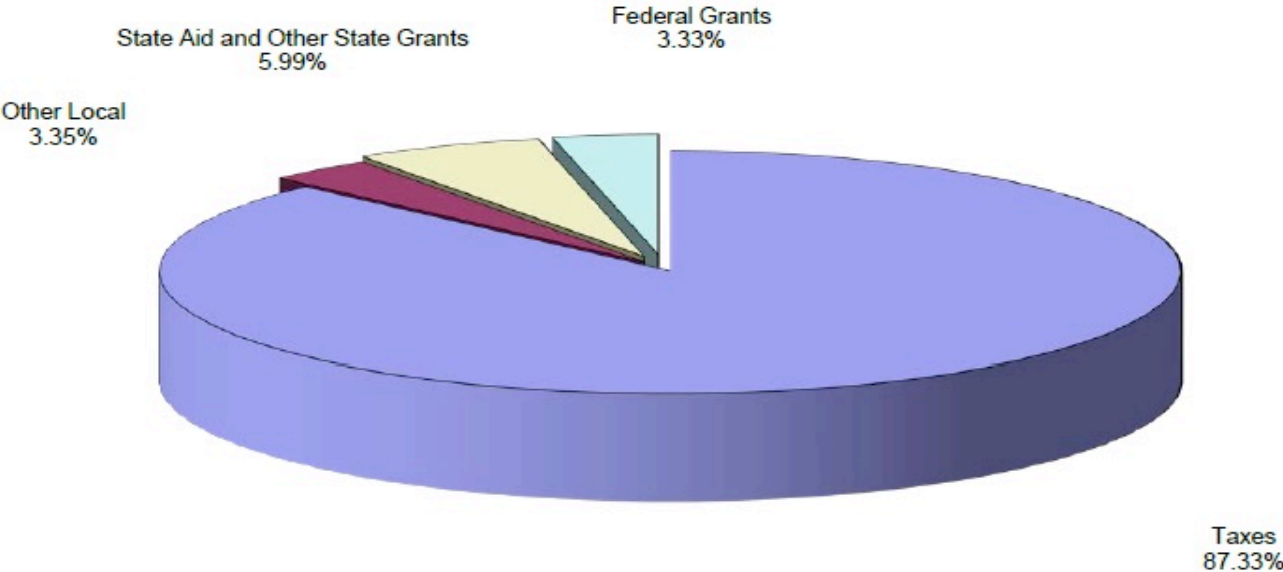
- **Special Education Core Teacher** (141:1)
- **Instructional Assistant** (141:1)
- **Psychologist** (1000:1)

Financial Implications on District 90

- Currently classified as a Tier 4 district based on percent of adequacy.
- Each year, if State appropriates enough to cover the Base Funding Minimum, District 90 State funding will not decrease due to Hold Harmless provision.
- If State appropriates additional dollars for Education, with Tier 4 classification, District 90 is only eligible to receive their portion of 0.1% of new funding.

Financial Implications on District 90

**RIVER FOREST PUBLIC SCHOOLS DISTRICT 90
Education Fund Budgeted Receipts - By Source
Fiscal Year 2017/18**



Financial Implications on District 90

RIVER FOREST PUBLIC SCHOOLS DISTRICT 90

EDUCATION FUND BUDGETED RECEIPTS BY SOURCE - FISCAL YEAR 2017/18 With Comparative Actual Amounts For FY 2016/17 and Projections For FY 2018/19 Through 2021/22

	<u>Actual 2016/17</u>	<u>Budget 2017/18</u>	<u>Projected 2018/19</u>	<u>Projected 2019/20</u>	<u>Projected 2020/21</u>	<u>Projected 2021/22</u>
Local Sources:						
Property Tax	\$ 17,730,633	\$ 17,705,000	\$ 18,230,000	\$ 18,105,000	\$ 17,295,000	\$ 17,995,000
CPPRT	170,760	130,000	130,000	130,000	130,000	130,000
Tuition	73,352	100,000	102,000	104,000	106,000	108,000
Interest	138,653	130,000	125,000	120,000	115,000	100,000
Lunch Fees	239,386	237,000	241,000	245,000	249,000	253,000
Other Fees	165,343	173,000	176,000	179,000	182,000	185,000
Other Local	134,909	44,000	25,000	25,000	25,000	25,000
State and Federal Sources:						
State Aid	1,065,269	1,222,300	1,225,000	1,225,000	1,225,000	1,225,000
Federal Aid	685,004	681,000	690,000	690,000	690,000	690,000
Transfers In	-	-	-	-	-	-
Total	<u>\$ 20,403,309</u>	<u>\$ 20,422,300</u>	<u>\$ 20,944,000</u>	<u>\$ 20,823,000</u>	<u>\$ 20,017,000</u>	<u>\$ 20,711,000</u>

Financial Implications on District 90

RIVER FOREST PUBLIC SCHOOLS DISTRICT 90

EDUCATION FUND BUDGETED EXPENDITURES BY OBJECT - FISCAL YEAR 2017/18 With Comparative Actual Amounts For FY 2016/17 and Projections For FY 2018/19 Through 2021/22

	<u>Actual 2016/17</u>	<u>Budget 2017/18</u>	<u>Projected 2018/19</u>	<u>Projected 2019/20</u>	<u>Projected 2020/21</u>	<u>Projected 2021/22</u>
Salaries	\$ 12,776,985	\$ 13,588,100	\$ 13,900,000	\$ 14,339,000	\$ 14,689,000	\$ 15,113,000
Employee Benefits	2,922,433	3,112,000	3,593,000	4,103,500	4,651,400	5,273,000
Purchased Services	1,473,211	1,540,100	1,595,000	1,640,000	1,690,000	1,740,000
Supplies and Materials	602,352	795,900	785,000	660,000	830,000	705,000
Capital Outlay	391,057	484,600	500,000	500,000	500,000	500,000
Other, Including Tuition	754,380	631,500	625,000	640,000	650,000	660,000
Non-Capital Equipment	2,112	4,500	5,000	5,000	5,000	5,000
Transfers Out	119,803	121,800	130,000	130,000	130,000	130,000
Total	<u>\$ 19,042,333</u>	<u>\$ 20,278,500</u>	<u>\$ 21,133,000</u>	<u>\$ 22,017,500</u>	<u>\$ 23,145,400</u>	<u>\$ 24,126,000</u>
Beginning Fund Balance, 7/1	\$ 22,412,239	\$ 23,773,215	\$ 23,917,015	\$ 23,728,015	\$ 22,533,515	\$ 19,405,115
Receipts (from previous pg)	20,403,309	20,422,300	20,944,000	20,823,000	20,017,000	20,711,000
Trans In (from previous pg)	-	-	-	-	-	-
Expenditures (from above)	<u>(19,042,333)</u>	<u>(20,278,500)</u>	<u>(21,133,000)</u>	<u>(22,017,500)</u>	<u>(23,145,400)</u>	<u>(24,126,000)</u>
Ending Fund Balance, 6/30	<u>\$ 23,773,215</u>	<u>\$ 23,917,015</u>	<u>\$ 23,728,015</u>	<u>\$ 22,533,515</u>	<u>\$ 19,405,115</u>	<u>\$ 15,990,115</u>

The Elements in Practice – Examples for District 90

Adequate Staffing for Core Programs:

5. Instructional Facilitators/Coaches

Recommendation: 1 Instructional Coach position for every 200 students

D90 Staffing: 1 Instructional Coach position in each elementary school ✓
1 Instructional Coach position in the middle school ✗

The Elements in Practice – Examples for District 90

Adequate Staffing for Core Programs:

8. Core Guidance Counselors (Social Workers) and Nurses

Recommendation: 1 guidance counselor for every 450 grade K-5 students
1 guidance counselor for every 250 grade 6-12 students

D90 Staffing: 1 social worker position in each elementary school ✓
3 social worker positions in the middle school ✓

The Elements in Practice – Examples for District 90

Adequate Staffing for Core Programs:

11. Principal/Assistant Principal

Recommendation: 1 principal per prototypical school
1 assistant principal per prototypical school

D90 Staffing: 1 principal position in each school ✓
1 assistant principal in each school (P/T at
elementary level) ✓

The Elements in Practice – Examples for District 90

Dollar Per Student Allocations:

15. Instructional Materials

Recommendation: \$190 per student for instructional and library materials

D90 expenditure (2017): \$298 per student for instructional and library materials ✓

The Elements in Practice – Examples for District 90

Dollar Per Student Allocations:

17. Computer Technology and Equipment

Recommendation: \$285 per student for school computer and tech equipment (based on 1:1 program cost)

D90 expenditure (2017): \$239 per student for school computer and tech equipment (based on 1:1 program cost) ✘

Implications for Financial, Staffing and Programmatic Decision-Making

- Ongoing decisions must continue to be based upon alignment with the Strategic Plan
- Resource allocations must be intentional and reflect desired outcomes

River Forest Public Schools

Presentation Sources Include:
Illinois State Board of Education



With Special Thanks to:



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Thank you for attending the presentation!

Q & A

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