



Advocating for DuPage Schools



Illinois School Funding: A Growing Imbalance for Districts and Taxpayers

A growing reliance on local taxpayers due to structural funding imbalance

Illinois has made meaningful progress in improving school funding through the Evidence-Based Funding (EBF) formula. However, a growing structural imbalance is emerging, driven in large part by the chronic underfunding of mandated categorical grants (MCATs). While EBF is designed to prioritize the state’s most under-resourced districts, insufficient funding for core reimbursements is shifting an increasing share of education costs onto local property taxpayers, particularly in Tier 3 and 4 districts.

- **Limited EBF gains for many districts:** While the state invests approximately \$300 million annually through EBF, the formula appropriately prioritizes, as it should, the least adequately funded districts. As a result, 84% of new EBF dollars (FY 2026) go to Tier 1 districts, with Tier 2 districts receiving the next largest share, and only less than 1% of new funding reaching Tier 3 and Tier 4 districts.
- **Property wealth driving “adequacy” gains:** In many communities, increases in adequacy levels are the result of a number of factors including rising local property values, further deepening reliance on property taxes to fund schools.
- **Costs outpacing available resources:** District expenditures for contracts, transportation, food service, and special education continue to rise faster than available funding, putting additional strain on local budgets. These escalating cost pressures impact all districts, regardless of their adequacy level.
- **Severe underfunding of MCATs:** Mandated categorical grants remain significantly underfunded, with an estimated **\$761 million needed to reach full funding in FY27**.
- **Unfunded mandates shifting the burden locally:** Shortfalls in MCAT reimbursements leave districts covering millions in costs the state fails to reimburse, turning state obligations into local property tax burdens. **NEW UNFUNDED MANDATES: HB4416 (Unemployment Insurance) adds cost and complexity with no additional resources.**
- **FY27 Federal Uncertainty:** The recently released FY27 budget proposal includes a \$6.5 billion cut to K-12 education programs.

EBF INVESTMENT

\$300M annual increase supports predictable progress towards adequacy

TIER 3 & 4 IMPACT

Minimal state increases result in greater local property tax reliance

RISING COSTS

Contracts, transportation, services, and unfunded mandates are outpacing funding investments

MCAT SHORTFALL

Districts are expecting to cover \$761 million in unreimbursed costs for FY27

OUR ASK

Add \$300M to EBF & Fully Fund MCATs. STOP Unfunded Mandates!