

**RESIDENT'S
GUIDE
TO THE BUDGET**
FY2020



CPS AT A GLANCE

The mission of Chicago Public Schools is to provide a high quality public education for every child, in every neighborhood, that prepares each for success in college, career and civic life. As the nation's third largest school district and the largest employer in Chicago outside of the U.S. Government, CPS is a dynamic organization serving a dynamic city.

OUR SCHOOLS

642 Schools

165 High Schools

94 District Run

63 Charter

7 Contract

1 SAFE

477 Elementary Schools

421 District Run

54 Charter

2 Contract

0 SAFE

OUR STUDENTS

361,314 Students

17,668 Preschool

24,128 Kindergarten

213,651 Elementary *Grades 1-8*

105,867 Secondary *Grades 9-12*

OUR EMPLOYEES

38,037 Employees

32,037 School-Based Employees

4,720 City-Wide Student Support

1,032 Central Office Support

249 Network Office School Support

Between our students and employees, CPS directly impacts 15 percent of the entire population of Chicago every day. And when you add in the countless numbers of current and former CPS parents and alumni living and working in Chicago, the importance of public education in shaping the lives and future of our great city becomes exceedingly clear. This is why education funding is such an important issue and why we have created this resident's guide to the budget. We want you, as residents, to understand how CPS is funded and how the success of our public schools is central to the success of Chicago.



2020 CPS BUDGET

TOTAL BUDGET: \$7.7 BILLION

OPERATING BUDGET: \$6.18 BILLION

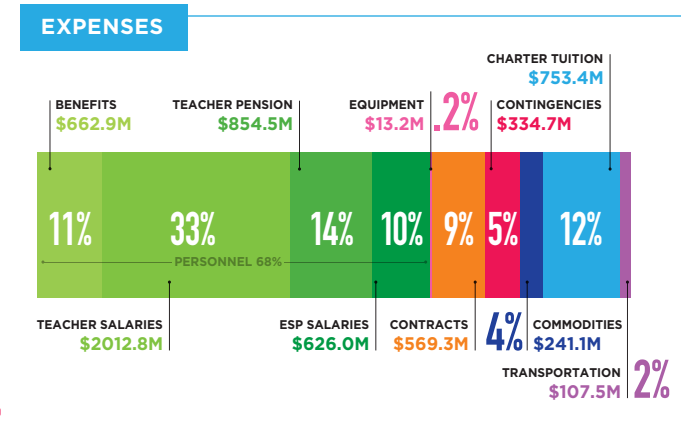
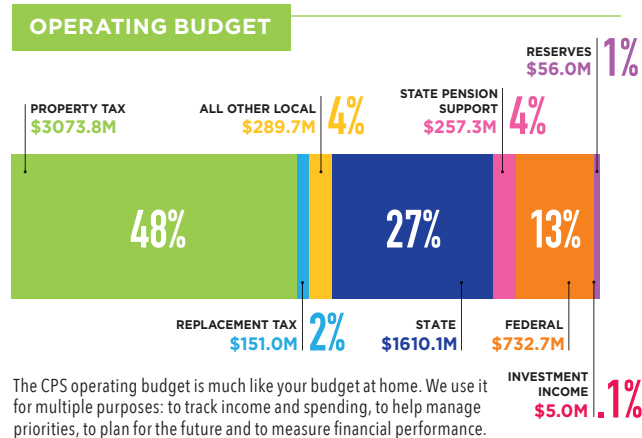
This is the budget figure that most people are familiar with and represents the amount of funds allocated to operate the day-to-day activities of our schools each year.

DEBT BUDGET: \$700 MILLION

The debt budget represents the amount of funds allocated to make annual payments on our bonds and other debt payments.

CAPITAL BUDGET: \$821 MILLION

The capital budget represents the amount of funds allocated for long-term investments in our school facilities including building construction and renovations, and infrastructure based technology like high speed internet. This money is raised largely through the issuance of bonds, which are debt instruments like loans, and require annual payments on the bond principal and interest.



MONEY FOR OUR SCHOOLS



We are firmly committed to ensuring that every dollar we spend goes the furthest for our students and families, so 62 cents (62%) of every dollar spent in our operating budget is tied directly to school-based expenditures and positions, with another 33 cents (33%) directly supporting schools through citywide services.

WHO PROVIDES OUR FUNDING?

Chicago residents are the biggest source of our funding.



LOCAL REVENUE: \$3.51 BILLION

Our largest source of income, 57 percent, is generated by local sources. The majority of this comes from local property taxes, replacement tax and TIF surpluses. CPS also generates revenue from other local sources such as philanthropic donations, interest income, and school rental fees.



STATE REVENUE: \$1.87 BILLION

State income accounts for 30 percent of our revenue. The bulk of funding we receive from the state is through evidence-based funding (EBF). The amount of EBF that each school district receives is based on a complex formula that considers the number of students, the special needs of the district, household income levels, and many other factors. Though EBF, introduced in FY2018, was a major improvement from the state's old funding model, the state acknowledges that CPS remains close to \$2 billion underfunded. We continue to work closely with our partners in Springfield to advocate for additional education funding for our students.



FEDERAL REVENUE: \$733 MILLION

Federal income accounts for 12 percent of our revenue. Most federal income is distributed through Title I of the Elementary and Secondary Education Act to provide extra support for low-income children. We have limited flexibility in how we spend federal revenue and the money can be used only for certain types of expenses, such as supplemental reading and math instruction and teacher professional development. The federal government also pays for free meals for all CPS students.



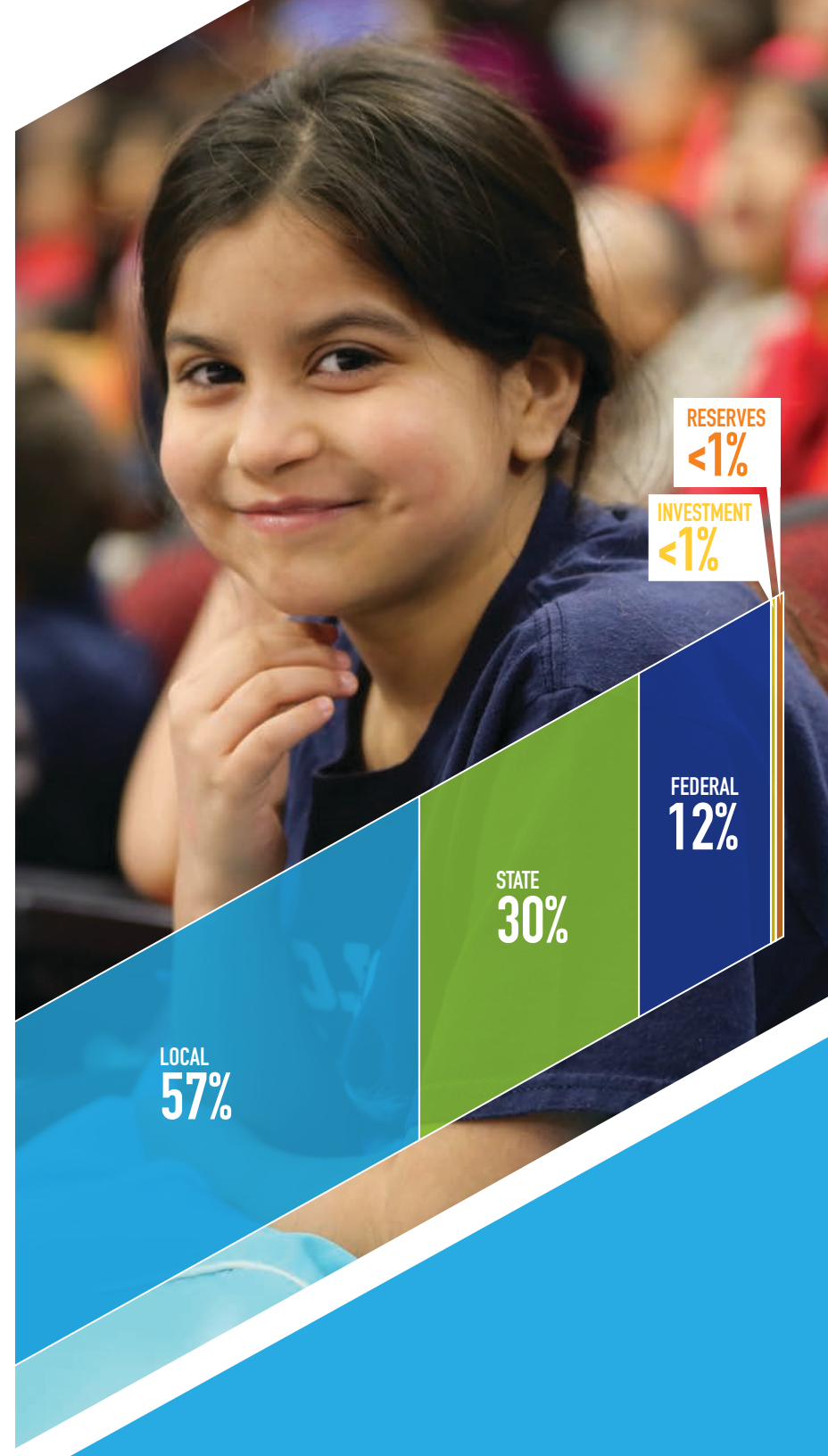
INVESTMENT REVENUE: \$5 MILLION

Investment income accounts for less than one percent of our operating budget. CPS generates this income based on the interest and dividends received off of investments held by the District.



FUND BALANCE/RESERVES: \$56 MILLION

Fund Balances or Reserves account for less than one percent of our operating budget. In certain instances, CPS has restricted funds that can only be spent on specific types of expenditures. If we don't use all of these restricted funds in a given fiscal year, those funds can be rolled over into the next fiscal year and spent on the same specific expenditures.



RESERVES
<1%

INVESTMENT
<1%

FEDERAL
12%

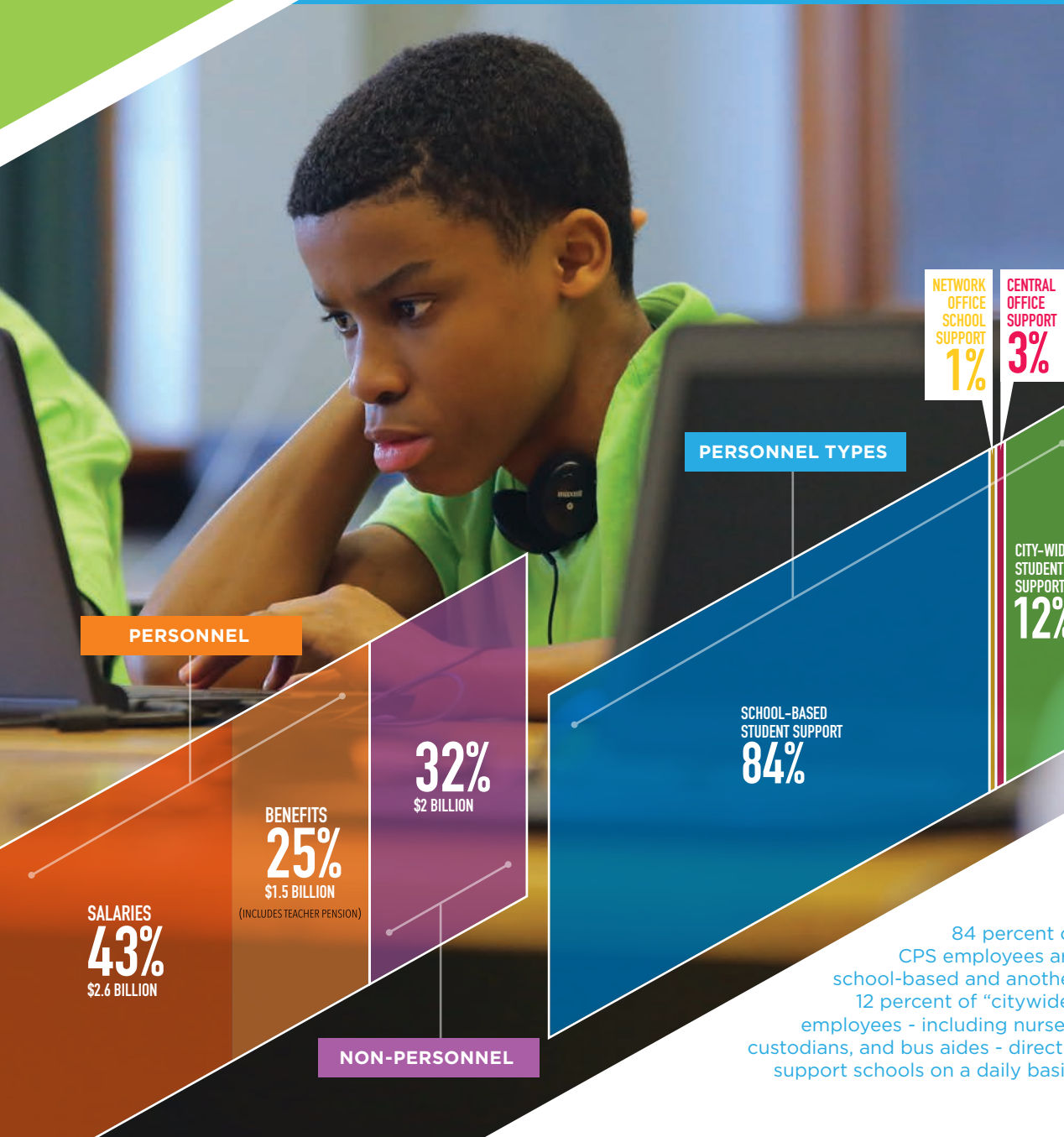
STATE
30%

LOCAL
57%

WHAT DO WE SPEND MONEY ON?

OPERATING BUDGET: \$6.18 BILLION

Day-to-Day School Operations: All the money in the CPS' operating budget is used to pay personnel and non-personnel costs.



84 percent of CPS employees are school-based and another 12 percent of "citywide" employees - including nurses, custodians, and bus aides - directly support schools on a daily basis.

Personnel Costs: \$4.16 Billion

68 percent of the CPS budget is used to pay for the salaries and benefits of our 38,037 employees. This includes school-based staff such as teachers, principals, teacher aides, security officers, school clerks, cooks and janitors. It also includes central and network office staff that provide administrative and programmatic support to schools. We also have city-wide support staff that include coaches, clinicians, nurses, social workers and speech pathologists.

Non-Personnel Costs: \$2.02 Billion

32 percent of the CPS budget is used to pay for non-personnel expenses, which are the costs required to keep our schools running. This includes commodities such as food and utilities, instructional supplies, building supplies, and software. It also includes equipment like furniture and computers, transportation via school buses or CTA passes, and contingency funds for unexpected or discretionary purchases. Lastly, non-personnel costs also include the tuition we pay to charter schools, which primarily funds salaries and benefits for charter school staff.

PERSONNEL COSTS

(of \$4.16 Billion)

\$626.0	15%	ESP SALARIES
\$662.9	16%	BENEFITS
\$854.5	21%	TEACHER PENSION
\$2012.8	48%	TEACHER SALARIES

NON-PERSONNEL COSTS

(of \$2.02 Billion)

		EQUIPMENT
\$13.2	1%	
\$107.5	5%	TRANSPORTATION
\$241.1	12%	COMMODITIES
\$334.7	17%	CONTINGENCIES
\$569.3	28%	CONTRACTS
\$753.4	37%	CHARTER TUITION

WHAT DO WE SPEND MONEY ON?

CAPITAL BUDGET: \$821 MILLION

Long-Term Asset Investments: The FY2020 budget includes a capital budget totaling \$821 million of investments that will focus on priority facilities needs at neighborhood schools; the district's largest-ever Pre-K capital investment; ADA accessibility; and continued expansion of technology upgrades, modern science labs, and other academic priorities.

Priority Facility Needs at Neighborhood Schools

As part of our commitment to equity, the district is prioritizing renovations at neighborhood schools throughout the city to ensure all students can learn and grow in school buildings that support high-quality learning environments. CPS is allocating \$263 million in funding for critical maintenance projects and interior improvements. In previous years, we have invested in facilities needs along with significant new construction projects that benefited a smaller number of families. The FY2020 capital budget addresses the district's priority renovation projects and most urgent facility needs. The funding will provide:

- \$163 million for roof and envelope projects
- \$50 million for unanticipated emergency repairs
- \$15 million for district maintenance priorities
- \$10.5 million for ADA accessibility
- \$10 million for masonry remediation
- \$7.5 million for fire alarm system replacement
- \$5 million for chimney stabilization
- \$2 million for critical temperature control system replacement

Expansion of Free, Full Day Pre-K

CPS is making its largest ever Pre-Kindergarten capital investment as part of its plan to provide free full-day Pre-K to all 4-year-olds in Chicago by 2021. As part of a \$120 million combined investment in Pre-K facilities, \$20 million is being allocated for classroom conversions to be completed in time for the 2019-20 school year, and \$100 million is being allocated for classroom expansion at schools throughout the city to support additional Pre-K seats that will open in fall 2020.

Support for Students With Physical Limitations

We will invest \$10.5 million to increase ADA accessibility as part of a multi-year program to ensure all CPS buildings have first-floor accessibility. While any major capital project contains significant ADA upgrades, for the first time in more than a decade, CPS will set aside funds separate from existing capital upgrades or new construction to begin addressing this critically important need.

Programmatic and Technology Investments to Build Upon School Success

The FY2020 budget prioritizes high-quality educational programming in neighborhoods throughout the city. CPS is investing \$147 million in building modernization to ensure all schools are able to support 21st Century learning environments, including:

- \$30 million to launch the second phase of our high school science lab modernization project to add, upgrade, or renovate science labs in 29 high schools
- \$30 million in capital upgrades to align with academic program needs
- \$85 million to provide devices and infrastructure modernization at over 130 schools
- \$2 million will fund new security equipment including cameras, intercom phones, alarms, and screening equipment

Site Improvements that Foster Learning

The proposed capital budget includes an additional \$45 million in site improvements to design and build new playgrounds, play lots, and turf fields at over 20 schools across the city so that students can benefit from a well-rounded education that promotes healthy development.

DEBT BUDGET: \$700 MILLION

Principal & Interest Payments on District Debt: The FY2020 budget includes total appropriations of approximately \$700 million for principal and interest payments on the district's outstanding bonds, which were issued to fund the district's capital plans and related investments. As of June 30, 2019, the Board of Education has approximately \$8.4 billion of outstanding long-term debt and \$450 million of outstanding short-term debt.

HOW IS THE MONEY DISTRIBUTED?

SCHOOL-BY-SCHOOL FUNDING
 In order to distribute the funds in our operating budget to our 642 schools, two basic factors are used to determine how much money each school receives:



THE NUMBER OF STUDENTS AT THE SCHOOL



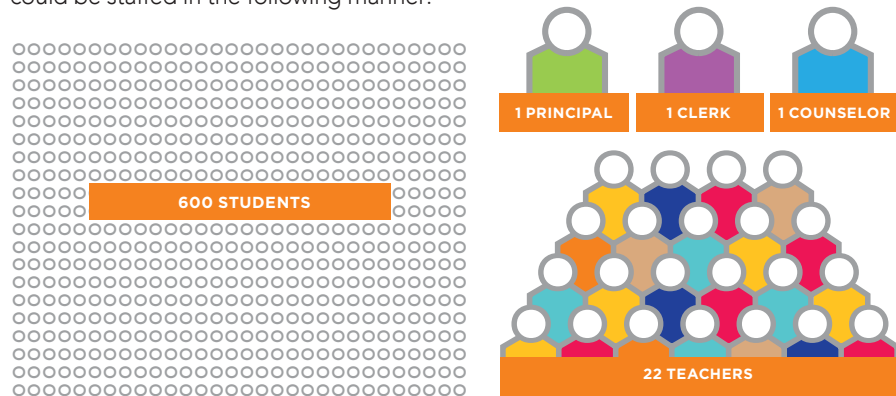
THE SPECIFIC NEEDS OF THE STUDENTS,
 such as status under low income guidelines, requirements for students within special education plans, or limited English proficiency.

TRADITIONAL SCHOOLS

500 Traditional District Schools

Funding for the 2019-20 school year is based on the 20th day enrollment count from the 2018-19 school year and Student Based Budgeting is used to determine the base amount of resources that a school receives for core instruction. SBB is a per-pupil funding allocation, weighted based on grade level and diverse learner category. The FY2020 base per-pupil rate was increased to \$4,507 from the FY2019 rate of \$ 4,397 . Students in grades 4-8 receive the base per-pupil rate. Students in kindergarten through third grade receive a weight of 1.07, which means that their per-pupil rate is seven percent higher than the base rate. High school students receive a weight of 1.24.

Every district-run school also receives three foundation positions – one principal, one counselor and one clerk. Then the principal has discretion on how they allocate their resources to staff assistant principals, teachers, and other support personnel. This allows the principal to alter the staffing mix of the school in a manner that best meets the needs of the students and communities they serve. For instance, an elementary school with 600 students could be staffed in the following manner:



Schools also receive additional positions and resources to serve special education students and students with limited English language proficiency. And based on the percentage of students who qualify for free or reduced-price lunch, schools receive substantial additional dollars to use at their discretion. Many schools use these funds to reduce their class sizes by hiring more teachers, providing enrichment programs, offering professional development or increasing security. This supports the principal to customize the staffing mix of the school in a manner that best meets the needs of the students and communities they serve.

NONTRADITIONAL SCHOOLS

142 Charters, Contract, Specialty, Options

Nontraditional schools include charter, contract, specialty, and options schools. Each group of these schools is funded differently due to the type of school they are or the students that they serve.

Charter Schools and Contract Schools are managed independently and receive funding on a per-pupil basis. Like district schools, their primary source of funding is SBB. In addition, they receive shares of the district's grant funds, along with per-pupil dollar of services CPS provides to district schools, including facilities, school-based programming, and central office support.

Specialty Schools and Options Schools serve non-traditional student populations, including students with significant diverse learning needs, early childhood learners, or students that have dropped out or are at-risk of dropping out. Given the unique nature of these schools, they receive funding tied to the programs and the students they serve, rather than the actual enrollment of the schools themselves.

*Note: **ALOP programs**, managed by independent operators to provide educational options for students who have dropped out of school, are technically not schools under the CPS definition but operate under the same funding model as charter and contract schools.*

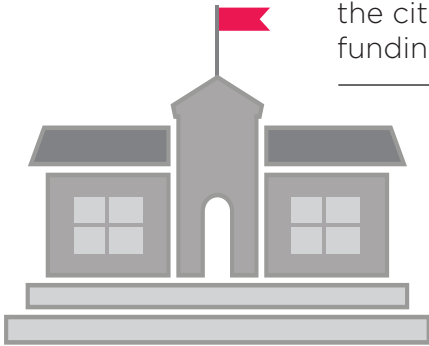


OUR VISION

CPS continues to invest in areas that drive student achievement and reflect the values and priorities of the administration as outlined in our FIVE-Year Vision.



The FY2020 budget focuses on equity and directs needed capital improvements to more than 300 schools in neighborhoods across the city—with 93 percent of the \$619 million in guaranteed capital funding going to schools that serve majority low-income students.



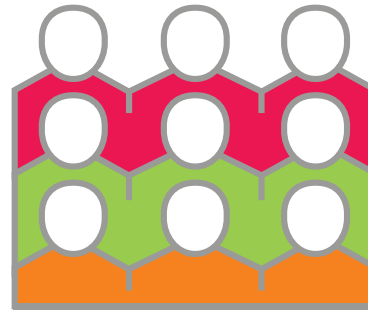
\$280 MILLION

TO RENOVATE AND MODERNIZE SCHOOLS

\$120 MILLION

TO FUND FREE, UNIVERSAL FULL-DAY PRE-K

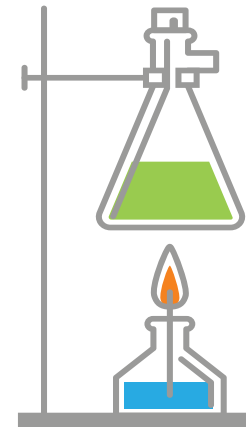
CPS is investing \$120M, the district's largest ever Pre-Kindergarten capital investment, as part of our plan to provide free full-day Pre-K to all 4-year-olds in Chicago by 2021.



\$10 MILLION

TO HIRE ADDITIONAL NURSES SOCIAL WORKERS SPECIAL EDUCATION CASE MANAGERS

As part of the district's multi-year commitment to increase staffing for critical roles, CPS is investing \$10M to hire 95 additional nurses, social workers, and special education case managers.



\$30 MILLION

TO BUILD STATE-OF-THE-ART SCIENCE LABS IN 29 ADDITIONAL HIGH SCHOOLS

SCIENCE LABS IN EVERY HIGH SCHOOL BY 2021



\$85 MILLION

TO EXPAND ACCESS TO HIGH SPEED INTERNET AND MODERN TECHNOLOGY



\$45 MILLION

TO IMPROVE AND BUILD PLAY AND ATHLETIC SPACES

RESIDENT'S GUIDE TO THE BUDGET FY2020



CHICAGO PUBLIC SCHOOLS

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cps.edu

773-553-1000

FOR MORE INFORMATION

cps.edu/budget

GET INVOLVED

Family And Community
Engagement in Education (FACE)

cpsparentu.org

773-553-FACE

Local School Council (LSC)
Relations

cps.edu/lscrelations

773-553-1400

