CHICAGO PUBLIC SCHOOLS
BUDGET HEARING FOR
FISCAL YEAR 2013
held at
DALEY COLLEGE
7500 South Pulaski Street
Theater
July 11, 2012
at
6:17 p.m.

TRANSCRIPT OF PROCEEDINGS regarding the above-entitled matter, taken before Cheryl Dineen, C.S.R, R.P.R., in and for the State of Illinois, taken at 7500 South Pulaski Street, on July 11, 2012, at the hour of 6:17 p.m.

Reported by: Cherie Dineen, RPR, CSR
License No.: 084-004405
APPEARANCES:

PANEL MEMBERS:

MS. JENNIFER RODRIGUEZ, Compliance Analyst
MS. MELANIE SHAKER, Deputy Chief Financial Officer and Treasurer
MR. DAVID WATKINS, Chief Financial Officer
MS. PAT TAYLOR, Chief Operating Officer
MR. TONY RUIZ, Deputy Chief of Safety
MR. STEPHEN ZRIKE, Chief Network Officer
MS. RODRIGUEZ: I am Melanie Rodriguez. I just want to let everyone know that we are having a late start this evening. Thank you so much for your patience.

Some of our panel members are currently enroute. So if you just bear with us, we should be starting shortly. Thank you.

THE SPANISH INTERPRETER: Anybody that needs Spanish interpreting, please come over here.

(Comments spoken in Spanish.)

MS. RODRIGUEZ: Thank you. Good evening and welcome to the Fiscal Year 2013 budget hearing. My name is Melanie Rodriguez with the Office of Budgeting. And I will be the facilitator and timekeeper for the evening.

Let me begin by introducing our esteemed board panel.

To my immediate right we have Melanie Shaker, Treasurer and Deputy CFO; David Watkins, chief Financial Officer; and Tony Ruiz, Deputy Chief of Safety and Security.

We would also like to thank the departments that helped put this together today; the Office of Community Engagement,
Intergovernmental Affairs, Local School Council
Relations, Safety and Security, Office of Budget
and Grants, and Communications, our School
Chiefs that are present and Senior Leadership.

Thank you.

At this time, I will be reading through
the budget hearing process.

Budget hearing will begin at 6:00 p.m.
and end promptly at 8:13 -- correction. We will
begin at 6:17 and end promptly at 8:17.

All who signed up to speak will be
given an opportunity to ask a question until the
meeting is adjourned at 8:00 p.m.

Those wishing to ask questions must
sign in from 5:00 p.m. to 5:30 p.m. on the
speaker sign-in sheet labeled operating budget
or capital budget at the entrance registration
table.

And each speaker will be given a
number.

Please note that no one be will be able
to sign up to speak after 6:30 p.m.

CPS speakers will be limited to
addressing topics related to the budget.
Speakers are asked to limit their questions to two minutes so that everyone that would like to speak will have the opportunity to do so.

If multiple speakers from the same organization or school are listed, only one member per organization or school will be allowed to speak regarding the same issue.

If the speaker has a follow-up question, we ask that you please speak to CPS staff members who will be onsite to help you fill out follow-up cards. Thank you very much.

At this time, I would like to give it over to our presenter that will be presenting on the FY 2013 budget. Thank you.

MR. WATKINS: And I'm -- tonight we are going to summarize two budgets and do a presentation and then obviously open it up for your questions.

So two budgets. The first one is the operating budget that reflects the day-to-day spending of teachers, utilities, and lunchroom and transportation and all the things had that keep CPS running.
The second one is the capital budget which is for major repairs, renovations to the schools, adding new schools, adding new labs, et cetera.

Both reflect our key priorities, which is improved student outcomes and optimizing available resources as we do so.

Obviously, the end goal of our budgeting and our mission is to help every child graduate college and be Career Ready.

The first part of this is investing in every child so that they can graduate and become Career Ready.

The first step is empowering principals. And Jean-Claude Brizard is coming in with the philosophy that the principals are the closest to the individual school needs, and we're starting the process of devolving funds to the principals who are closer to the issues of that particular so that they can make the right choices that further our goals.

Obviously, we are giving more higher quality school options. And under the newly-created public and community affairs
department, we are engaging families and communities to a new level. We must do all of these things in the fiscal constraints that we are given. To do this, we have made significant cuts outside of the classroom from the last year. Plus we have made nearly 400 million of cuts if Fiscal 12, and we have another 144 million slated for Fiscal 13. In essence, we have used every tool in our tool kit available to protect the investment that want to make in kids, including raising our property taxes which is obviously an unpopular thing in the city of Chicago. Yes, we feel it's a significant deficit, and we will need to draw down on our reserves in Fiscal 13. We will start battling the daunting challenge of future years' deficits, because we don't see the revenue increasing in the near term. This budget funds a high quality full school day. It gives teachers and students more time which will increase student learning. We are implementing the common core
State standards that are new.

And we're also allowing more time for instructional training work to better support the teachers to improve what they do in the classroom, which reflects on the kids.

We also are protecting funding for early childhood, maintaining class size and other initiatives which we think are absolutely critical in the overall mission that we have.

And lastly, tending the highest quality school choices that we can give to our parents.

I mentioned earlier empowering principals and school leaders.

The first section of this was to devolve $130 million of new funding to the schools so the principals can spend as they see necessary and appropriate for their particular needs, 70 million for the new College Ready fund, another 30 million from existing funds.

60 million with increase in the State and Federal supplement have been removed from the central office spending to the schools.

Commenting that this year we will try a different approach, we sent the school budgets
out to the schools in May after we had a significant decrease in all of them face-to-face.

And we got them back from them and demonstrated to them the fiscal choices that we have had to make.

For example, in the College Ready fund, 276 teaching positions were added as choices the principals made.

Moving onto the -- increasing access to high quality school options, over 6,508 new seats were brought in for Fiscal Year 13 or School Calendar 12-13.

Also 1850 were combined with the magnet that are enrolled and included in magnet and stem programs. An addition 2765 seats were brought in for charter schools.

Nine schools are -- 2,765 and 900 new seats in existing charters just by adding grade levels. And this equates -- this is not an additional $76 million.

This equates to the total spending of $76 million which in essence is just per-pupil funds that will transfer as the student moves to
a charter school.

We also want to continue to invest in early childhood. Obviously it's a conscious decision in both of the State funding and the Federal funding, not a typo, for a $19 million reduction in the funding for both.

We made a conscious decision, given the research that supports how important early childhood is, to continue funding those programs.

The second one that was funded previously by Federal funding was one of the last parts of the OURA fund, you know, through the government. So those have all gone away.

And then lastly we created early childhood evaluation to insure that the programs that we are developing and using and special needs of individuals are identified early so that we can make corrective action early on in their careers.

So I don't know if anybody has had the chance to look at the website this year. And I think here we're representing the union team and budget, because we put up on the website. It
is unparalleled.

We've got a great website that I think is very easily user friendly, at least for some of us that are a little older in age and weren't as tech savvy as some of the people are probably from the audience. But there is a lot of detailed information that you can drill down that you can get from our website.

Hats off to all of the people that worked on that and the budget and IT. It was a Herculean effort.

So CPS faces a significant challenge in Fiscal 13 and beyond after years of obviously increasing revenue, economic downturn that erodes the revenues, all expenses to continue to further the education of our students has continued to decline.

One-time fixes, including the OURA of the Federal stimulus funding, that's gone away. Similarly, we've done in the past bond restructuring and then the TIF surpluses, so those are -- all matched the structural deficit of the declining revenues and increasing expenses in prior years.
Steps were obviously taken in the current fiscal year. We -- you know, we have closed the books for our June 30 year-end. But we had about $400 million in cuts that will help mitigate the challenge.

But likely there is still not enough as Melanie will describe as she takes over the phone to go through some of the detail in changes from the prior year. And we were required to use many of our deficits as our reserves.

MS. SHAKER: I'm just going to walk you through some of the details here to give you a sense of what we were looking at when we tried to put this budget together.

Some of the challenges we were facing this first slide tells you what is going on, with total revenues.

So just the first point I want to make is that State revenue is at the point where it was in 2008. So there's an expenditure problem we face. There's also a very serious revenue problem.

Part of that problem is from reduced
State aid and that is what I mentioned at 2008 levels. And the State remains late on the payment that it does owe us in block increments.

So this is something that we've had to grapple with for several years running now. And it's very serious.

Part of my job is to work on the District cash flow. This creates a lot of challenges.

So from a budget perspective, we are below Fiscal Year 08 levels, and also our local property tax revenue, our local revenue in general is flat.

So we did get a property tax increase. And I don't want to underestimate the importance of that. It's incredibly important to this budget. And it shows that the mayor was behind us here. But it didn't raise enough revenue to counter-bail the other factors that we're looking at here.

So if you look at the Fiscal 11 actual, that was kind of one-time revenues and one-time fixes that Dave outlined. TIF surplus, bond restructuring, simply put, we pushed off our
debt in order to be able to keep money in the classroom.

So we pushed off our debt payments, and you can see what happens in Fiscal 12 and then Fiscal 13.

So this has a little bit more detail.

You can see the projected revenues, the projected expenditures. What does leave you? $665 million problem. That's where it leaves you. So that's where we started compared to last year.

what did we do to close the gap? We protected programs as best we could. So we are using all of our risk, and it's as serious as that.

So revenue increases, we'll go through these on the next page as well as the expenditure cuts that we have made.

I think as Dave mentioned, we have we have already gone through 400 million in cuts. That includes cuts from the Central Office. That includes foregoing a 4-percent pay raise that had been promised teachers. So the pain was -- the pain was everywhere.
So once we looked at Fiscal 13, we did what we could on the revenue side, $88 million. so no small chunk of change. and then we had to make spending cuts. So that's where we are now. That left us with a huge gaping problem still. And that's using the reserves that we went through. Going on to the next page, here is the -- some more detail on so the increase in revenue that we have. Property tax cap, we mentioned. It was low this year. The revenue that we can get on the property tax money was low this year, because part of it is based on inflation. And inflation is low. So we got as much as we could from that which is great. Not great news for taxpayers, but still an affordable 28 bucks per household this year. Also we have a TIF surplus increase which quite meaningful. We got some revenues in Fiscal 12. And then we got additional revenue in Fiscal 13, so the City did release TIF surplus to us. And we benefit from that.
Other adjustments that we made there is in small, mostly small revenue enhancements. And we were able to generate that 80 million. No here's where we fell on time. Here's where -- most of these cuts, 144 million in total, are in operations. That was difficult. But it is where they needed to be. We tried to keep as much in operations as possible to increase facilities. I would like to recognize Pat Taylor as well who has joined us. She is our expert in capital financing. So she is here for us today, and she's experienced quite a bit of cuts like the rest of us have.

Procurement has also gone through some pretty serious cuts. We're calling every single one of our vendors, telling them to cough up some money for us. We're going through every contract we have to see what we can do to save more money there.

IT streamlining, you will see there as well.
Non-personnel costs, transportation savings. They're hoping to get some efficiency in transportation. Other operations savings here, streamlining talent, finance, security, everything that we can do to be as efficient as possible.

My office has had reductions in staff. So has everybody else in the Central Office. We're working very hard to do as much as we can with a lot less.

On the teachers' side, of not a lot of money there. There's $49 million in cuts that are coming out of education.

Some of this is Eliminating outdates programs. Some of it is cleaning up what we've had to, what was kind of spiked up from Federal revenues that we got from stimulus money.

Stimulus money has run out, so we don't the benefit of that any longer. so we also have the Central Office cuts that you see here, cuts that are in the departments in the Central Office. And rationalized staffing for many schools and culture efficiencies. What we tried to do is
put in place a larger security plan.

We tried to broaden the investment that we have in socioeconomic supports, while we're still looking at the total distribution of security as a whole.

So those are the things we tried to do to decrease spending. But as you will see on the next page, it's simply not enough.

So the revenues enhancements that I have told you about, the expenditure cuts that we have made leaves us with a large gap.

So by law, CPS has to have a balanced budget. It is not an option. It's law. So we have to have it. So we have to make the gap -- we have to close the gap one way or the other.

And the way we did it is we used our bank account. We are draining it.

So that is what we had to do to make this budget work. That's what we had to do to keep class size consistent. And that's what we did.

If we didn't use those reserves, we would have had to make a lot more painful cuts to the classroom and programs.
That being said, Fiscal 14 is going to be a huge challenge. So that's going to be what we -- the next daunting task in front of us.

I'm going to move on to the capital budget. I'm going to cover some of this as well.

And I want to make sure to leave enough time for questions. So I'm going to go through this a little bit quickly. But we're anxious to answer your questions on the capital side.

Legislation requires that we have a capital plan in place and available to the public by May 2. We worked very hard to get that out there by May 2, and we did.

The capital plan itself is kind of like our operating budget in the sense that put all of it on-line, so you can see the projects in the area that are being done.

Bogan, for example, Bogan boilers, technological improvement, HVAC improvements to the tune of something like $14 million. That's one of the things you will find on the website.

So I hope you look at it.

The -- unfortunately as a result of our
fiscal situation, we have had to reduce capital investment.

We've been able to build new schools in the recent years. And unveil new facilities. That is on hold, frankly.

We're going to do the best we can to shrink our capital plan. You will see that on the next page. But that's new capital investment.

We do have projects that are currently underway that can't be halted in the middle of the project. So you will see additional capital investment continuing. But as far as new investment goes, we have really clamped it. We have really clamped down on what we have projected for future years.

So there's going to be about 110 million for Fiscal 13. That's drastically reduced from prior years. You will see that on the next page.

And about 40 million of that is expected to come from the City. I think you may have read about that. There's a plan together to try to generate some private dollars to
invest in our schools, and we hope to benefit from that.

We've been working with the City on an ongoing basis for several months on about 40 million in energy-type projects. And beyond Fiscal 13, it would be about 200 million a year.

So you see, the next page here, the scope of the plan is smaller than in the past.

I think I have said pretty clearly that we can't afford to continue to invest as much in terms of capital as we have in the past.

Fiscal 09 through Fiscal 12 were huge capital investment years. Some of those years we had some money from the City to match funds through the Modern Schools Program, a great program. But it's over. So now we have to pull back as much as possible.

You will see the Fiscal 13 number in there, 40 million. That's -- sorry. That's a little bit hard to see. But it's 40 million on top from the infrastructure fund that I just mentioned. So that will come from the City.

And then the bottom is going to come from CPS-raised funds.
If you look at the out years, you can see that we continue to keep it as little as possible, because every dollar we spend on operations -- or on capital takes away funds we can spend in the classroom.

so these are some of the capital initiatives we put together. I'm not going to go through every single one of these.

But what I want to point out is we're trying to invest more in playgrounds. Again, we have Pat here as well, so she's the one who can answer some of your questions on these individual items.

We're going put in over $4 million for recess, because we know that's a big component of a longer quality school day.

So we have set aside funding to repair and renovate existing playgrounds, build new ones where there aren't any.

IT upgrades we are bidding. We're trying to do what we can here to invest in student achievement.

There are two key elements I think in the capital program; and that's investing in
health and safety-type capital things that you
need to do just to keep the building safe and
warm.

And then there is also capital
investment that we think is going to drive
student achievement. So these are the areas
that we're focused on.

These are some of the investments that
I mentioned where we're focusing on safety and
security of our students. These are our basic
things; chimneys and roofs and energy
improvements.

these are things we can't go south. So
we're doing what we can to get the basics done.
And those basics continue with or without a
fiscal crisis.

So just in terms of how we choose
capital projects, we go through a pretty
extensive filtering system.

Pat presents a plan. The departments
present a plan. And then it goes through all
the way up to the Board to choose an individual
capital project.

So it's an objective process. There
are a lot of needs we can't meet. So the
laundry list is long. The projects we choose to
move forward with are limited.

I mentioned the website already. We're
very proud of it. I hope you look at it.

And this was a sample of what you will
see on the website. So you can enter any
particular location you might be in in the city,
and look at what we're investing in that
neighborhood.

And I think this is important so you
know what's going on. So you know how much
money we're putting into each neighborhood.

So you can click on any individual one
of these boxes to see exactly what the project
is, and you will see an area attached to it as
well which will go through the project in detail
and what the project scope is.

Just to summarize here, despite the
challenge we face, we made a conscious decision
to put the money into the classroom and not cut
programs, keep class size consistent. And to do
that, a very real financial crunch, the use of
our bank account.
We will suffer negative actions from outside watchdog groups. They have already been out challenging our budget, mentioning how much of our reserves that we're using in a very negative fashion.

But we just don't think that we can wait another day making the investments that we have in kids, preserving early childhood education with the budget cuts we've got there, and keeping class size consistent as well.

So we need to continue the continued input of our parents and our staff and our kids, educators.

I'm very glad to see you here today. We worked very hard to put this together. And so I'm very anxious to hear what you have to say.

We understand that this is difficult. And we're anxious to listen to you.

So just logistically, what we're going to do is we're going to take questions. We're going to go through any comments or questions on the capital budget first.

My namesake here is going to help me
with the logistics here. First we're going to
start with the capital budget. So please keep
your questions for the capital budget confined
to that.

And then we'll move onto the operating
budget. When we get through them both. And if
we don't have time to get to your question,
we'll take whatever cards, whatever question you
have written on cards. We are going to post the
answers on-line. We are going to post the
townhall where we will be responding to any
questions that we can't get to.

And then the townhall is going to be on
the 18th. So you can see some of the details
here.

Okay. So at this point, we're going to
ask that the rest of the panel introduce
themselves. I don't think everybody got a
chance to do so.

So myself, Deputy CFO and Treasurer.

Dave Watkins, Chief Financial Officer.

MR. RUIZ: Tony Ruiz, Deputy Chief of Safety
and Security.

MS. TAYLOR: Pat Taylor, Chief Operating
MR. ZRIKE: I'm Steve Zrike, Chief Network Officer.

And then we have some other members of CPS right up here.

MR. SIMON: I'm Victor Simon, Chief of Schools for the (incomprehensible) network, 31 schools that go from Englewood all the way out to the Back of the Yards.

MR. VOLAN: I'm Greg Volan. I'm the budget manager for schools.

MS. FORD: Dee Dee Ford.

MR. FRALIN: Alex Fralin. Deputy Chief of the Rock Island Network.

MS. SAFFOLD: Karen Saffold, Chief, Rock Island Network.

MS. TOWNS: Thyaticia Towns for Rock Island Network.

A GENTLEMAN: (Incomprehensible) the Office of Early Childhood Education.

MR. WRIGHT: Jeff Wright, safety and security.

MS. SHAKER: Okay. No capital budget questions?
Ellen Alanson?

MS. THOMAS: So they can just come counsel
to the microphone to the end aisle. They can go
to either end, so....

MS. SHAKER: There will be microphones on
either side, so....

MS. ALANSON: Good evening. I am a retired
teacher. I worked for 35 years for the Board,
and I am also very -- still very involved in my
community.

And I was listening to one of my
neighbors, and she just told me that last
Thursday, her students were really looking
forward to a scheduled visit from one of our TV
meteorologists as part of the science weather
curriculum.

Now, that visit never happened due to
the closing of the schools which was due to a
lack of air conditioning in our classrooms.

Now, if the Board position is children
first, why was 29 million of our educational TIF
money be given to a contractor to build
a high-rise building downtown.

This is a building that most of our
students will never live in or visit.

So now this money could have been used to fund air conditioners for those neighborhood schools that need them.

I ask you to find a way to retract that money and keep our students in school. Thank you.

(Applause.)

MS. SHAKER: I'm sorry. What was the school?

We missed that.

I appreciate your comments. And thank you.

MS. TAYLOR: I think we all agree that it was very uncomfortable temperatures last week.

the District does find itself in a financial situation and it includes things like air conditioning.

As far as the -- in the funding that went towards the building, the Jones College Prep, those were TIF dollars. These are dollars that were earmarked by Modern Schools across Chicago initiative.

MS. ALANSON: That's not the building.

I'm talking about a high-rise building in order
to live downtown. That's what the money was
used for.

MS. TAYLOR: Then I'm completely sorry

MS. ALANSON: That is not for that school.

MS. SHAKER: We use TIF money for schools.
We don't build high-rises. We build schools.

MS. ALANSON: What was it used for? That's
what I'm say.

MS. TAYLOR: Do you have a location?

MS. ALANSON: But I think you need to look
into that. Because it was used for that
high-rise building.

MS. SHAKER: Okay. We can look into that and
follow up.

MS. ALANSON: Ask Rahm.

MS. SHAKER: Next is Melinet Jones. I'm
sorry if I'm mispronouncing that wrong.

Miss Jones?

Okay. Any more comments on the capital
budget? I don't want to cut this off. But if
you don't have anything else. Okay.

So we have a lot of speakers on the
operating budget. So I'm going to go ahead and
shift over to that.
So let's start with Daisy Sharp, please. Would Daisy come to the microphone.

MS. SHARP: My name is Miss Sharp. And I work at Oliver Wendell Holmes in the Englewood Gresham Network. I'm a middle school math teacher. And I travel from home to school and back. I listen to news station 105.9 FM.

And I started hearing this propaganda on the news that CPS paid for stating how the union prematurely went for a strike vote. There was nothing premature about that so that was a bold-faced lie.

Secondly, if CPS hadn't gone against our contract and given us a 4-percent raise, we wouldn't be battling here right now.

So I thought to myself, and I was watching some of the words you were using, a daunting, oh, that was a great word. It was daunting when I heard that propaganda.

To make people think out there that we're just in it for the money or that we're prematurely trying to shut CPS.

If you didn't go against the contract, we wouldn't be striking or even have any talks
Now, and then and I'm going to paraphrase, every dollar CPS has used went to the classroom.

my question is how much money did CPS pay for this propaganda advertising which is nothing but a bunch of lies that should have gone back into our classroom?

(Applause.)

MS. SHAKER: Thank you. We'll have to follow up on the advertising.

The next speaker is Evelyn Nunez.

As I kind of mentioned at the beginning, it's not like we're going to have every single answer that you're looking for. But we will address what we can, and then we'll go ahead and address other questions on-line in the townhall. Now if we could have our Speaker 2, Evelyn Nunez.

MS. NUNEZ: Hi. Good evening, everyone. My name is Evelyn Nunez. I am former CPS student. I currently attend Yale University, and I am member of the Chicago Teachers Solidarity Campaign and others throughout Chicago.
And I spoke with a number of you earlier. So if you could just join me in the statement that I passed out earlier that I will be reading. And if you could all read it in unison, that would be great.

What is happening to our schools is an injustice and a shame. All 160 schools in the city lack (incomprehensible) almost all of them on the South and West Sides, 42 percent of them don't have funding for full-time music or the arts teachers.

Charter schools get resources while public schools are slashed.

You tell us we have a deficit of $700 million so we can't pay teachers or improve the schools.

Our kids will be in for an even longer school day. But Illinois is not broke.

$250 million in TIF money is taken out of our schools each year to fund the projects of the wealthy, like the $5 million Penny Pritzker just go to build another hotel.

Corporate America doesn't pay its fare share. And our teachers pay with their jobs.
The Board of Education has shown time and time again that their primary concern is not the children or the teachers, but the pocketbooks of the rich.

Here's your chance to do what's right. Support the teachers and stand for a quality public education.

The bottom line is that no Chairs and no Chairs for the Board don't care about working families or our schools, but we do. We stand in solidarity with the Chicago Teachers Union, because we are parents, and we are students, and we are the community.

And we will never bow down to the interests of the 1 percent.

Unions (incomprehensible).

(AppAUSE.)

MS. SHAKER: Thank you.

Our next speaker is Andrew Martinez. I'm going to read a couple at once so we can have a couple come up.

Andrew Martinez, and then Debbie Poke.

MR. MARTINEZ: I'm Andrew Martinez. And I'm a parent, teacher, taxpayer.
So this is sort of a an annual dance where CMS presents a huge deficit to the media. Comes up with a budget that is not quite as huge, and then we go through the fiscal year. And six months after the fiscal year, we find out that they were $200 million in the black.

That is pretty much what happened last year. $351 million ended up being put into the Office of New Schools which there is no contractual commitment for, while the 4 percent that was contractually committed to the teachers whereas summarily withheld, stolen, if you will.

Similar things have been going on for years with the pensions. 1995 I think they've arranged for about 15 years of pension holidays where they haven't paid anything into the teachers' pension fund, effectively stealing 7 percent of earnings from teachers each year they have done that.

Much more than that when you think about the amount of money that won't be there invested earning interest over time for their retirement.

So my big question is when is CPS going
to start recognizing that it has obligations and commitments that must be fulfilled before they engage in new-type projects.

That is the big deal here. I mean when you become a member of the Board of Education, you represent that institution past, present, and future.

So I want to know what this Board is going to do to return what was taken from people to put the children in the classrooms in the existing schools ahead of any new pet projects, and snow respect to the teachers.

(Applause.)

MS. SHAKER: I think I mentioned earlier that the decision was made to forego the 4-percent wage increase, so you mentioned that.

This budget does contain a wage increase for teachers.

AN AUDIENCE MEMBER: How much?

MS. SHAKER: 2 percent.

You also mentioned pension funding. Pension funding, we have been paying as according to State law. We didn't -- when the funding levels were above 90 percent, the
pension funding -- the pension contributions
that were made, the pension was well-funded. We
weren't required to make additional
contributions.

The 7 percent that -- 9 percent that
these contract employees go to the pension
system. So when the pension funding fell below
90 percent is when our contributions really
skyrocketed, and that's again 2005.

So we've been making very large pension
contributions since '05, and the pension
payments in 2014 will increase more than
$300 million.

Thank you.

Debbie Poke. And then after Debbie,
Bob Schubert, please

MS. POKE: My name is Debbie Poke. I am
retired teacher from Gage Park High School here
on the South Side.

I'm a parent of CPS graduates. One of
them is getting Ph.D. at the University of
Illinois. And I'm extremely concerned about the
future of education in Chicago.

I am concerned about public schools.
I'm concerned about the way the teachers are being treated.

I am concerned about the idea that we have a $276-million budget item to hire new teachers when over 800 teachers have been laid off, and in the majority of those cases, they were cited as being laid off for economic reasons.

The Board is playing games. The Board is attempting to get rid of experienced teachers, many of them women of Color, and attempting to hire cheap young teachers to recycle the labor.

Now, that may help you balance your budget, but that is not going to help you provide a quality education.

 MS. POKE: I wanted to make -- the main point that I wanted to make is that huge quantities TIF money is being spent, and those huge quantities of TIF money are not going into our schools. They are not going into our neighborhoods.

They have almost all the TIF money.
The vast majority of it is spent Downtown and in the Near Loop area which is a very wealthy part of our city.

So I am not here just about the budget, which of course, the gentleman before me mentioned about that annual dance.

I'm here about trying to save public education, and not to have public education denied to the children of Chicago. Thank you very much.

(Applause.)

MS. SHAKER: Thank you. I will address the TIF question, because I know it comes up a lot. And it is a source of contention.

CPS receives two different types of TIF revenue.

First of all, we don't control TIF revenue. The City does.

Second of all, we receive two types. Some is for capital. Some is for surplus which is operations.

We received between 8 and $900 million in the last ten years for capital projects which we've used to build schools like Jones.
As for the operating surplus, we don't control it. The City controls when there is an operating surplus or not.

We did get TIF distributions, TIF surplus. You know, again, the 800 to 900 million I mentioned before could only be used for capital. Again, it's not for the operating budget.

When the City declare a TIF surplus, the City Council must vote on it to declare a TIF surplus.

When they do declare a TIF surplus, we get our portion of that surplus, which is 52 percent. It's distributed to all the taxing bodies, including the County, the City, and us.

We do expect some TIF surplus this year very thankfully. So we do receive TIF money from the City.

Thank you.

AN AUDIENCE MEMBER: What is --

MS. SHAKER: The next speaker is Bob Schubert.

MR. SCHUBERT: Thank you.

MS. SHAKER: Ken Murphy after that.
MR. SCHUBERT: Thanks for the opportunity to speak on behalf of citizens and teachers and students, alike.

I really feel like we're being shortchanged on the privatization deal.

I think it's scary when you think about it.

What does it mean for us in the future to privatize? I mean you are public entity charged with the obligation to make sure that the children in Chicago are taught, and that the money is being sent to private hands. It seems disturbing to me.

But that's not why I'm here. I am here more on a larger view of things. And I just philosophically thought it was a bad idea from the start.

I got caught up in it, but that is just circumstance. I really think that the public needs to start getting some questions answered.

For instance, why do we insist on privatizing? I mean that I think it's not proving yet as far as helping the situation.

I think philosophically, it's a really
bad idea. After seeing what happened with the economy.

And we give the rich the power. You know, deregulate, and where do we -- they let us down. And we do it all over again, and this time in education?

So my biggest concern is the money that is spent on privatizing education. And I would like an answer why we're spending so much on continuing to privatize, when he have serious issues.

I mean the teachers, we're expected to teach an extra hour and a half a day. We're getting a net cut of 2 percent after the 4 percent was taken from us last year, and add it up, and that's a net loss of 2 percent. And we're expected to work an extra 20 percent of the time?

MS. RODRIGUEZ: Your time's expired

(Applause.)

MS. SHAKER: Ken. And then after Ken Murphy, we'll have Aurelia Villanueva.

MS. SHAKER: I'm not quite sure what you mean by privatization.
MR. WATKINS: Melanie, let me. We absolutely believe in quality schools for all of our children. I don't think anybody can argue that. We do.

and part of that is if you look at the budget, it is about trying to create quality options for our parents and for our students. All of our schools serving all of our students. Charter schools are not private institutions. They are public schools.

Contract schools are not private institutions. They are public schools. They are not privatized. They're public institutions.

They're not-for-profit. They are not profit energizing, at least not in Chicago. These are not-for-profit institutions.

They are public schools that happen to be charter.

So I appreciate what you are saying. And there may be a philosophical disagreement about charter schools or not charter schools. But it's not -- they're not private schools. They're not privatizing. They are public
AN AUDIENCE MEMBER: They run it like that.
MS. SHAKER: Ken Murphy and Aurelia. Is it that Ken?
If you could please give your name, so that we can keep track of the questions.

MR. MURPHY: I want to talk about charter schools, too. Be prepared.
I paid attention to the PowerPoint.

MS. SHAKER: If you could please give your name.

MR. MURPHY: I'm Ken. I'm a teacher I work on the South Side at two schools.
And I paid attention to the PowerPoint.
You guys increased $76 million to fund the charter schools. And I have no idea why we're increasing the money. We have increased the money all the way from 2004 every year, and we figured out through research that these charter schools, they really don't work any better than a regular community school.
And so this is a failed experiment.
And we keep throwing money at it, which doesn't make a lot of sense to me.
So what we should be throwing money at is things that have been proven to work through educational research.

I don't know if you guys have ever read education research before. But it says what works at the schools, like resources, more teachers, you know, smaller class size.

So I would like to know why we keep increasing money this failed experiment known as charter schools.

Thank you.

(Applause.)

MS. SHAKER: I think we have answered that question. Charter schools are CPS schools.

Aurelia Villanueva?

MR. ZRIKE: Melanie, let me just address what you just asked.

And I do read educational research.

I'm an educator. I'm a teacher, former principal. So that's what I know.

Quality education does not reside solely in a neighborhood school or solely in a charter school or solely in a contract school.

There are great charter schools, and
there are some that aren't so great.

There are great neighborhood schools and some that aren't so great.

I have seen heads nod. There's an agreement around that.

We want to create quality options and opportunities for every single child in this city. And currently, every child doesn't have a quality option. And there's lots of reasons.

It's not just -- it's not just funding. There's lots of reason. Okay?

So we want to create opportunities; utilizing the charters, utilizing our neighborhood school structures, our magnet schools, contract. Every school needs to be a high-quality school based days on research.

And I totally agree with you about we know what we need to do. That is clear. There are some really great charter schools, just like there are some really great neighborhood schools.

We want to take what we've learned from both of those and replicate that.
We want more and more, better and better school options for all of our kids, whether they're charters, neighborhood, contract. From my perspective, I don't care where it is. I care that it's quality.

MS. SHAKER: Okay. Aurelia.

and then the next speaker is Diane Barik, please.

And then after that we'll have I think it's Alva or Masoloto.

So Aurelia, Diana, and then Masoloto.

MS. VILLANEUVA: Yes. My name is Aurelia Villaneuva. I'm a CPS teacher at Juarez Elementary School.

In my school, the teachers, all the teachers here we care about the student, and we do what we can.

This past year, I am the science teacher, that's difficult, but I have lot of students with special needs.

But while I'm not a special education teacher, but then I have to be teaching the student, and then my in the class, what over the
course of the time, teachers keep blaming why
this course, why the students are not improving.
It's all about the teachers. And I notice that
the deficit's going on in CPS, and not just
there.

But my question is what are you going
to do to help us with those resources that we
need, like more special education teachers, more
resource for bilingual students.

I'm a bilingual student, and I know we
need a lot of -- also social workers.

There's one social worker, but she
can't do her job, because she has the paperwork.
so what are you going to do to help us
so that we're not blamed why there's low scores,
where you are not doing your job.

We actually need that. We're
overcrowded. There's a lot of schools -- I have
a lot of students in my classroom, and yet you
say you're cutting that, but we still have it.

Thank you.

(Applause.)

MS. SHAKER: Steve, I don't know if you want
to --
MR. ZRIKE: Absolutely.
So we really appreciate you coming up
and saying that.
Teaching is a really hard job.
Everyone in this room knows that. And not
having everything that you need and everything
that you want to do for the children you serve.
I'm hearing that frustration in your voice.
The reality is we don't have a lot of
funding. But we have some funding.
And, in fact, we cut programs -- we cut
programs centrally that were not effective.
And we pushed those dollars to the
school sites. Over a $102 million of new
dollars to the schools that used to be
centrally-held for schools to make choices
around some of the things you just said.
Schools are in the best position to
decide what kind of staffing they need, what
type of resources they need, what kind of
professional development they need.
in all honesty, Central Office has for
years tried to do that, and Central Office --
it's difficult. It's almost impossible.
And this is just decided for the District to control exactly what happens in each school. And we all know that. The power sits in the school. And if you seen Jean-Claude -- seen him talk about the idea of a system of schools with the school being from the centerpiece, that's where the resources need to be, not held centrally, but devolved to the schools.

And so in this budget, that has been a primary lens that we have done our work through, pushing as many dollars as we can.

Yes, it's not a lot. I mean I understand that. And it will never be as much money as any of us want to use to serve our children.

But whatever we have, there's a basic philosophy that applies here that it will get pushed to the schools, and the schools make that decision, because they are closest to the children that we serve.

MS. SHAKER: And the only thing I'd ask about is special ed funding, according to the individual IEP, and we respected that in the
The other thing I would mention to you is that we spent more than $500 million a year on special ed and State funding is less than half of that.

The next speaker Diana, please, Miss Barik?

MS. BARIK: I am Diana Barik. And I'm a mother of children who have been in the Chicago Public School System.

I am a grandmother of three children who are currently in the Chicago Public School System.

so to borrow the gentleman's metaphor, if this is a dance, I have been a wallflower at the dance for 20 years.

I think the problem started back in 1995 when lawmakers gave the mayor the sole control of the public schools.

(Appause.)

MS. BARIK: So I'm going to take issue with something you just said. Power does not reside in the schools. Power resides in the Mayor and the Board. And the Mayor and the Board, and
they make an agenda to privatize and
corporatize, thus stealing the wealth that is
public education.

And as a parent, a grandparent,
a community member, I am not going to let you do
that. I'm going to fight it.

(Applause.)

MS. BARIK: I'm going to support the
teachers all summer long. I'm going to do
whatever it takes for the Board and the Mayor to
get the message.

(Applause.)

MS. SHAKER: And thank you.

Miss Masoloto?

MS. MASOLOTO: I am a parent of four Chicago
Public Schools students. They are fourth
generation CPS students. I myself, my parents,
my grandparents have graduated from Chicago
Public Schools.

I'm very proud of -- to be a Chicago
Public School student -- I'm sorry.

I'm from the 19th Ward which is fondly
referred to as the Irish ghetto by one of our
mayors. And I would just like to know why my
children -- my children are in two different Chicago Public Schools. Three are in the 19th Ward and one is not. I would like to know why certain schools in the city get better facilities, better funding than others.

Approximately six years ago, there was a billion dollar capital improvement announced by the former mayor to improve our facilities. Okay.

Not one penny went to the 19th ward. There's a school in the 19th ward that was built in the 1800s that is still standing. And it's not slated -- it was not slated at that time for replacement -- improvement upgrades.

Our local high school has a swimming pool that was built in -- prior to 1920. That has not been slated. My daughter's school does not have a cafeteria. She was in a classroom of 35 for the past four years. Now, in your PowerPoint, you said you were going to maintain class size.
Does that mean that you are going to maintain their class size at 35?

(Applause.)

MS. MASOLOTO: I want to know to know why -- and my son goes to a different school, and he had a class of 20. I just want to know why there's certain areas of the city that get attention when others do not

(Applause.)

MS. SHAKER: I'll make one comment, and then maybe I'll hand it off to Pat and you, Steve. The class size is 28, elementary school; 31, high school. But it is for core classes. So you are absolutely right there. And there are going to be some fluctuations in those averages.

AN AUDIENCE MEMBER: All day long, third grade class, they have 35.

MS. SHAKER: As I said, it will change depending on grade level. And it will change. That's all I can say on this. I can hand it to Steve and Pat for further comment.

MS. TAYLOR: Would you mind telling me what
the three schools are?

MS. MASOLOTO: Sutherland, Keller, and South Loop.

MS. TAYLOR: So Sutherland, Keller, and South Loop.

And the one with the pool is --

MS. MASOLOTO: Oh, that's Morgan Park High School. That's our local high school.

MS. TAYLOR: I don't have the details with me right now. But I would like to be able to get back to you and whether they lie on a proposed five-year plan.

And what I can't speak to is how the selections process was for the original building that I am believing you are talking about which is the Modern Schools across Chicago.

So I know that there were 27 schools initially selected to be new schools.

AN AUDIENCE MEMBER: And 15 were on the Northwest Side.

MS. TAYLOR: Actually, I can get the details for that. But I think they were pretty geographically diverse across the city.

AN AUDIENCE MEMBER: No. No.
MS. TAYLOR: I can't say for sure. But I
will certainly get that. I will add that to the
list. And what I will tell you is how many
decisions, how we make decisions about facility
improvements today as we do one, any of the
structural. We then run it through the other
departments to make sure what other programs are
going on or not going on, or what plans for the
schools are to make sure that we meet with our
intergovernmental affairs group, our community
groups.

The next steps would be to reach out to
the communities themselves. We're currently in
a process at the District of putting together
a master education facility plan.

The first piece of that this year was
to do the an assessments of the structure of the
building.

The second is for the education team to
talk about what is their vision, that piece by
State law is required to be done at least in the
first draft by the end of this year.

Those -- those two things, the facility
assessment and master plan and the education
master plan they're going to help us make better
decisions down the road, to make sure that we're
making the investments where we need to be
making those investments.

Unfortunately, with the financial
situation that we're in today, if it's -- we
have to look at more of the safety concerns.

So I look at two things when I assess
the building. I look at the envelope, which is
the roof, the windows, and the masonry because
we know that that's how we can cure the air and
moisture from getting in, and then look at the
mechanical systems to make sure the schools are
warm.

Certainly our need is to greater than
the funding we have available to us, so we have
to look and say which are the worse of the
schools and address those first.

What I will say to you is that I always
make sure that there are no safety concerns that
go past. Is there is a safety issue in any
school, we respond to that immediately.

AN AUDIENCE MEMBER: Then why are you
spending more money on building new schools when
you have so many schools that need help right now?

MS. TAYLOR: I believe that the building of new schools was really earmarked through the Modern Schools across Chicago.

And if you look at our budget this year and if you look at our budget next year, and the coming years what you'll see is that these are really projects that are more focused on the schools themselves, and renovations that would be done, looking at things like mechanical, looking at the envelope, looking at safety and security. So we're looking at having the --

AN AUDIENCE MEMBER: I really need to --

MS. SHAKER: I really need to make sure we hear from everybody who signed up. I really need to make sure we get to everybody. But I hear that you want more answers on this.

So we will follow up on it.

MR. ZRIKE: I will respond to the staffing issues. You just heard all schools are staffed by the same ratio. All schools are staffed to that ratio.

However, some schools do need
additional resources for multiple reasons.
Schools that serve large percentages of
students in poverty get additional dollars,
Title I dollars.
Schools that serve large numbers of
students -- second-language learners get initial
funding, bilingual programs, both in staffing
and dollars.
And so that is an equitable approach.
It's not equal. But this core staffing is the
same across the District.

Now, how a school decides to allocate
that staffing and what they choose to do with
that additional funding they might have, whether
it's Title 1 or bilingual, or funding that they
have discretion.
Because as we said earlier, schools got
significant large amounts of discretionary
funding this year that they could use to
purchase positions.
How that money is used is at the
discretion of the school and the school
principal.

And I guess I would invite our Chiefs
in the audience to maybe give an example. Is that Victor Simon right there, and we have Karen Saffold right up there.

And I know Karen's with the Rock Island Network. And this is the network. So just say something, give us an example of how to use the funding.

MR. SIMON: Absolutely. First of all, the schools that you have listed, there are no -- We tend to work mostly with the principals, not often with the teachers directly. But certainly asking questions of teacher leaders about how resources are being used.

I'd like to refer back to, you know, one of the slides where we talked about, well, not literally, but just in the sense of when we talk about empowering the principals, that's one of our goals.

And I think we have done a great job of keeping those, and I would encourage you to ask those sorts of questions not only in a place like this, but to Steve's point, exactly what's happening in those schools to those dollars.

So I have given you a couple of
examples. And one that we were talking about, Libby Elementary School in the inner-city, slash, Englewood sort of is the area they were located.

They've taken the dollars, they do not struggle this time around with the funding. The principal and I looked very closely at what's happening and teacher learning and all of the other things that were happening in that building.

And there was a real strategic investment back into that from an average program. There was something in that particular school.

Chavez Elementary School at the Back of the Yards, that was another school, I can't wait until the data is completely out.

AN AUDIENCE MEMBER: Yeah. They fired all of those teachers.

MR. SIMON: Chavez didn't. No, in fact, this year Chavez is expanding its bilingual program. That's another example of what's happening in the school last year.

I happened to serve, but Steve's point
about devolving the dollars, and that's the work
that I've been involved with every day,
investing back into the programs.

so directly to the question about 35 in
the classroom, I don't know what decisions were
made. It may be tradeoffs about if they split
a class, and have a four-fifth split or not.

Maybe they put more kids in a home
class. That's a decision. I can't speculate.

But I do know, for instance, getting
the dollars this time around have not really
pushed back to OURA. We have been having
trouble with OURA funding things.

MR. ZRIKE: Dr. Saffold, do you want to say
from your perspective how about how schools go
about the staffing.

MS. SAFFOLD: Most of those
(incomprehensible) are they send those out to
the parents and asked them to come and
participate in the planning process with the
CFWT. And so I'll speak with you offline.

But you certainly have been and have an
opportunity to engage in the planning process so
that all students will have an opportunity to go
and learn.

As you know, first, they have real discretionary money, Title I money that's been given to Keller and Sutherland has to be used in a way that parents saw fit based on the survey and parent input.

So, again, I'll talk to you offline. But they're a wonderful local school community, and parents have quite an opportunity to participate in the final process, not only at Keller and Sutherland, but all of the schools within my network. And we do monitor that as well.

MS. SHAKER: Okay. We need to move on here. I'm going to read three names in a row. So we Maria Moreno and Jesus Capabono.

And we need to go to --

MS. MORENO: My name is Maria Moreno. I was teaching kindergarten last year at (incomprehensible) school.

I just want to give you my experience as a class size, because I remember the Mayor said it wasn't a big issue. That shouldn't be something that we need to be concerned about.
We started off the school year -- or I did with kindergarten second-language learners. The teacher I team-teach with had 34, a mix, monolingual and bilingual.

On full-day kindergarten had approximately 31, 32. I found that outrageous. And these numbers aren't the highest that we have in CPS for I kindergarten. There are higher ones, including other grades, the core, which are higher than what the contract mentions.

We're being held accountable now for scores and evaluations. Our job security, you're blaming us. It is unfair to the students.

And you say that it's not important, and you don't want to discuss that in negotiations.

Here are some facts. If you are really concerned, 95 percent of Illinois school districts have lower average class size than CPS.

In the past ten years, average class size outside of CPS has gone down. What's happened in CPS? It's gone up. All right.
The evidence shows that research that lower class size 13 to 17 students shows an improvement through learning.

Can CPS afford it? I think so. It would take $170 million to lower the average class size from 28 to 20 at CPS. All right.

You want to improve schools? Start with the public neighborhood schools. What is CPS doing in 2012? They're going to allocate over $350 million more for charters only.

That to me is not doing your job. Your first responsibility is to the public neighborhood schools.

MS. RODRIGUEZ: Your time is up.

(Applause.)

MS. SHAKER: You know, we did get early childhood cuts earlier, but the data shows that we need to maintain these programs, because we recognize early childhood is so important.

The next speaker, Jesus Capabono.

AN AUDIENCE MEMBER: What does that have to do with class size in the District? Tell me.

She just told you class size was --

MS. SHAKER: I'm sorry. We need to talk to
the next speaker.

We've been the class size for the last approximate five to ten minutes.

MR. CAPABONO: And we'll do it another five minutes, because that is my question, too.

Okay? So. I am a former CPS student, pre-school grammar school, high school, all through CPS.

And I am ashamed to say that you guys are not doing your job.

You guys are not doing your job.

36 kids in one classroom? You think that's -- you think that's doing your job? Hell no.

You think these individuals teachers don't deserve a raise for what they have to put up with every fricking day, eight hours and now you are putting in one more hour to their day?

Oh, hell. Yeah. They deserve -- who's teachers?

(Applause.)

MR. CAPABONO: Exactly. I mean, you know, I am a CPS student. And let me tell you that I have been through special ed grammar school, high school. I was in special ed. I'm not
afraid to say it. I'm not ashamed to say it.

(Applause.)

MR. CAPABONO: I am just amazed you can sit there saying that, well, it's something the next speaker, but you did not address the class size.

I shared a class with 36 other students. Almost my time is almost. I see your sign. My time is almost up.

But that's -- I mean that I just want to know what are you trying to do with that? And please don't tell me build more schools. What you need to do is hire these teachers, hire more teachers, or give these teachers a raise.

Because that's what they deserve

(Applause.)

MS. SHAKER: We hear your questions about on class size. We've tried to address them. We'll clearly need to follow up and put more information on-line.

Lamont. And then after Lamont, we're going to have Therese Boyle and Sara Lean.

So, Lamont

And then please line up, so we can get through everybody. I really want to make sure
we get to everybody. So. Okay. Last call for Lamont Christmas. Last call.

Okay. Therese Boyle. And then Rufus Dairling. And then after that would be Ifram Montalco.

So Therese Boyle?

MS. BOYLE: Hi. I'm Therese. I'm Miss Boyle. I am a clinician, namely, a school psychologist. And I have been off for the summer. And I've been listening to the media about all of the violence and murders. And it's overwhelming. And as a clinician, I see that every day firsthand in the classroom in the schools.

And it begs of the violence on the children of the city of Chicago. It is staggering. Right now I serve five schools. One is in the Englewood community. On is in Grand Crossing. One is in Garfield Park, and one is far south of Altgeld Gardens, and one is in Morgan Park. I'm at one of Dr. Saffold's schools.

I only did get to go there every other week. It is like an Band-aid, and it's not
enough.

I looked at the budget, and I see that we have 225 psychologists in the budget for next year, at least that's what it looked like to me. This year we had 217. And with that number, I was at five schools.

I just think that we need more than even 225 to do our job I mean that I've been trained in some really good programs like anger-coping, but I can't do it if I'm an every-other-week type of situation.

I see kids that are in such significant issues. They have been abused. They are self-injuring. They are very aggressive.

And the teachers, when I come in the building, they -- I don't want to say that they attack me, but they come in here, come here, see, we haven't seen you. Where have you been. I say, well, I only come every other week.

And then I try to quickly test the child. I have to test and then write the report, and then do emergency situations. It is not enough. Thank you.

MS. SHAKER: Yes. I don't think anybody
questions here that your job is crucial.

And the fact of the matter is that in every area of the budget has been cut. So seeing you -- I would have to check your number on the school psychologists. But the fact that that's been maintained indicates our understanding of it's importance.

but I don't doubt that it's not enough.

MR. ZRIKE: It's not enough. And I totally agree that it's not enough. Again, we push the dollars we have to the schools.

And I know that there are schools, and some of their plans are to have invested in social and emotional support for students. Not any -- and some of those are actual staff members. I don't know the specifics.

But I do know that is that has been a high priority for at least some of the schools. As they have taken those discretionary dollars and decided how to spend them them.

Again, we believe since we don't have a truck of dollars that is just sitting there waiting to get passed out, we need to push the dollars we have to the schools to make the kinds
of tough choices.

Because you're right, if we had more funding, it would be great to fund more of the kinds of support that you provide our students. We don't. But we do know we want to get those dollars to the schools, let them make the choices that make sense for their schools.

MS. SHAKER: Thank you.

Rufus Dairling. And then Ifram Montalco. And then after that will be Eddie Bocanegra.

MR. DAIRLING: Earlier on you said increasing it, and I would just like to point out that that's not set in stone. That is a decision that's been made by Mayor 1-percent, Rahm Emanuel, that that's something that happens when you start giving away tax cuts to the Chicago Mercantile Exchange and pushes it to the State. So you guys need to go back to the Mayor, and tell him that it's not acceptable. And he needs to find more money. (Applause.)

MR. DAIRLING: I do have a couple simpler
questions, too, actually.

    How is that money allocated? Is that per student?

    MS. SHAKER: Can we take all of your questions at once, so that we can address them? Because you are going to run out of time if you do it like that.

    MR. DAIRLING: That's fine. I am done.

    MS. SHAKER: Okay. Steve?

    MR. ZRIKE: I know, Greg, you have got the actual formula. Greg Volan, he's our budget manager. He can actually give you the specifics, because it was answered many times in a number of cases.

    MR. VOLAN: Right. So our three sources of discretionary funds that go to the schools, there's a College Ready fund that comes from general funds. There is also SGSA that is a State discretionary dollars, and also Title I Federal dollars.

    so for the last two categories, that's based on poverty levels of the schools. But the College Ready fund which is something new this year, that comes from the general fund.
So we did a complicated formula to distribute those dollars to schools. Some of the factors that we were looking at was to insure that every school had enough art and music and PE teachers and librarians to provide coverage for all of the teachers.

So the quarter formulas that you have don't always provide enough for schools. So we try to identify schools that were in that situation, and make sure that they received extra funding in the College Ready fund. So that they would able to use those dollars to hire additional teachers. I'll call them ancillary teachers. The ones that require coverage for classroom teachers.

When we provided -- there is -- one other component was making sure that every school had funding for core instruction, priorities like common core, and the teacher evaluation, we make sure that the additional funding went to every school for that.

And then finally there was the funding that schools traditionally got every year for books and supplies, repairs furniture.
So those moneys, those are dollars that schools have received every year. We just put that into that general College Ready fund. But that -- so in the College Ready fund, there was $70 million of additional funds on top of the amounts that had gone to schools every year.

so hopefully that answers your question.

MS. SHAKER: Okay. Mr. Montalco. And then is Eddie Bocanegra. And then Anthony Lawrence, please.

MR. MONTALCO: My name is Ifram. I'm with the High Hopes Campaign. And one of my colleague comments to the man on the far right end of the table. You seem to know, but you fail to understand the meaning and --

(Applause.)

MR. MONTALCO: And that is something that you need to understand. And if you don't have the resources, like the resources you are spending for security, which are the numbers you crunched I have. How much are you wasting on security cameras and medic technicians in public
schools with at-risk schools?

MS. SHAKER: Right. Let's make sure -- I want you to have your full two minutes. So we'll respond. But, please, if you have anything else.

MR. MONTALCO: I'm waiting for the answer right now.

MS. SHAKER: Okay. Well, you're going to run out of your two minutes, so.

MR. MONTALCO: I have one question. That was it.

MS. SHAKER: Okay. Tony, that answer was?

MR. RUIZ: We made an investment in the security technology and security overall in our public schools.

We based our decision -- we focused on schools based on a criteria of environmental factors, index of crime.

Basically we made -- you talk about cameras, we made a $7 million investment last year in capital.

MR. MONTALCO: $7 million?

MR. RUIZ: Not only an investment of -- it also referencing other technologies for the
police department, combining those efforts to
insure that we're not only focusing on schools
but also focusing on the community.

Bit investment, it's been very
successful, you know, on our focus of schools.

MR. MONTALCO: Okay. My following question
is, and then how much is being spent on
restorative justice measures instead of zero
tolerance in public schools? Because you said
there was no zero tolerance anymore. But money
is still being spent.

And we're mad -- no. We're not mad.

We're pissed.

(Applause.)

MR. MONTALCO: So how much is being spent on
restorative justice?

MS. SHAKER: One of the things we've said if
that we've been reviewing school -- the safety
and disciplinary procedures.

We'll need to get some numbers for you.

That we will need to post on-line.

MR. ZRIKE: Yes. We will need to post that.

I don't know the exact numbers.

But I do want to respond that we need
to make sure it is restorative justice. I think you are exactly right.

And the Board at its last meeting passed a new Student Code of Conduct which actually emphasizes what you just described.

It's got to be about restorative justice and the development of our children, not punishment.

And if you get a chance to look at the Code of Conduct, it's on the website for the District. But it's there. And I understand what you're saying, at least I think I understand what you are saying. And I agree with what you are saying.

That is what we need to be doing. It isn't about just punishment. It is about restoring our youth.

MR. MONTALCO: If I am right, then why are we not seeing that being played up?

MS. SHAKER: We need to move on to the next speaker. But we will follow up on that.

And please look at the Code of Conduct that is on-line, too.

The next speaker is Eddie Bocanegra.
And then and Anthony Lawrence.

And then after that will be Janet Vargas.

MR. BOCANEGRA: I am here with the High Hopes Campaign. I am actually a community organizer for the students. I also work with the Urban Youth Promise Center.

So I find that I actually mentor about 20 kids. I mean 20 kids to come out of Little Village, the Pilsen area, the Brighton Park community. And so --

(Applause.)

MR. BOCANEGRA: And so my question -- or I should say my comment really is, you know, I grew up in a pretty impoverished community. At 14, I was involved in gangs. And at 18 I went to prison.

At 13 I was expelled from school, and, in fact, going to high school where at the time, you had to (incomprehensible) so my question really is that what kind of hope and what kind of message are we sending our kids, especially what we consider really at-risk youth? Because youth that come from these neighborhoods like
the Little Village and Brighton Park and Back of the Yards and Englewood, those are at-risk youth.

And so what I'm wondering is I'm seeing all these teachers here and how difficult it must be for them to actually be teaching, especially in the environment they are in.

So. What are we doing? What are the measures we're actually taking, and how much of our budget is actually being appropriated for restorative justice practices so that you can give some of our youth hope.

The other thing, and this is my last question, because I am out of time, too.

But many of you guys on that panel are from the Little Village? Englewood? Brighton Park?

(Applause.)

AN AUDIENCE MEMBER: None. None.

MR. BOCANEGRA: I ask that question, because none of you represent me.

When I'm talking about youth today, there's a lot more youth that come out of the juvenile detention center. So I want to be a
voice to them, because they can't speak or articulate or convey what they feel most of the time.

And so the express that through violence a lot of the times, because the people who are up here in the position with the titles can't relate to them, and they don't understand what they're living in in their environment or the pressures they are under.

(Applause.)

MS. SHAKER: Thank you. The next speaker is Anthony Lawrence, Janet Vargas, and then Dejon Johnson.

MS. RODRIGUEZ: I'm from Humboldt Park. I was born and raised in Humboldt Park.

MR. LAWRENCE: My name's Anthony. I'm here with the Solidarity Consolidated Campaign. Actually you guys are trying to do your best to answer the questions. But Rahm and Brizard, really just Rahm holds all the answers and all the power.

So, you know, you are doing the best you can.

But what I want to say is charter
schools are private schools. Okay. Let's get this clear. $266,000, that is more than Brizard makes. And we're giving more money to charter schools. That's a private industry when the person at the top makes more money.

They're not required by the Freedom of Information Act, but the Attorney General said if they're not a public entity, they do not follow the same rules.

So the Chicago Math and Science Academy did not -- union didn't register its speakers last year because they said they didn't apply to the same public rules that all public institutes adhere to.

It's convenient when you guys want to appease us and say that charter schools are really public schools. But it's ingenious, oh, they're also run by private schools. That's what we mean by private schools.

If you allow it to continue, it is just going to be like the parking meters. The parking meters are terrible. And that's what you're doing to the public schools.

(Applause.)
MR. LAWRENCE: The zero tolerance is giving more money to those. And they have to tell them that if you don't follow the rules, you won't be allowed to go to school. And that is what you are getting over.

AN AUDIENCE MEMBER: All of them do that.

MR. LAWRENCE: It's the same rules. And if you really said that you were doing it, you wouldn't be in the Board room trying to figure out how to come up with this.

You'd be out organizing with us if you really cared about us.

(Applause.)

MS. SHAKER: Thank you.

The -- next, we have Janet Vargas.

MS. VARGAS: Okay. So my name is Janet Vargas. I'm a parent. I've mentored at-risk young ladies.

I wrote this thesis on how often restorative justice is when I was with High Hopes. But I think Rahm is being paid -- after meeting with Rahm, well, not Rahm, but I mean some of his representatives and some Board members, and everybody tells us the same thing.
We do have restorative justice and the school Code of Conduct. And we're talking about lip service and the vocabulary that we use and the value that we claim have been found where we put money.

Because I know I put my money where I find things that are important. Right? Like I spend for my son, because my son is important. And that's my priority.

So how much money is being put towards like changing the climate of the schools and the culture on programs such as restorative which is upcoming by the way.

I actually had to leave the room, because my son was being really loud, so that was my priority. So I missed her wonderful presentation about how much money is being put towards climate change programs this upcoming year.

And this inner school Code of Conduct, and I applaud the Board members. But how much money are we putting towards this? If I heard it was $6 million dollar, and that's not even as much as we puts into cameras.
(Applause.)

MS. VARGAS: So that's my question. How much money is being put towards climate changing programs, and is that posted up on-line, or do you have it right now?

MS. SHAKER: That is not something we have right now.

MR. ZRIKE: I want to go back to whatever number that is that comes up is going to be a small amount of the total amount of restorative justice work that is going.

And I know of many high schools personally their discretionary dollars into restorative justice.

So it should be centrally supported, but also going back to what I've been saying continuously, these decisions need to be made at the local school level where those resources and supported centrally.

so I don't disagree there should be some sort of central support that. It's a big deal.

MS. VARGAS: Discretionary funds, I know the principal gives out gift cards for some schools.
So that's a great use of discretionary funds. But what is the accountability and for the recordkeeping with it, for instance, at the local level for the things that we're using. So things like restorative justice or other programs, what kind of recording is being done at the local level to make sure that it's working.

AN AUDIENCE MEMBER: Good points.

MR. ZRIKE: That should all be very public through the LSD. And as Mr. Simon said earlier, really encourage you to get engaged ask about how the discretionary dollars are being spent.

MS. VARGAS: We have to be accountable at the LSD meeting. But how are they accountable to the people that are giving them the money? I mean is there any accountability or recordkeeping?

MS. SHAKER: We will actually follow up on that. We just clearly need to get you some information.

MS. VARGAS: Okay. I would appreciate that.

Thank you.

(Appause.)
MS. SHAKER: Okay.

MR. ALFONSO: My name is Don Alfonso. And I am the founder of the Interfaith Action Coalition of America. And I have been working with the public schools and City College for the last 50 years in a security capacity, and also I was one of the original Officer Friendlies.

Now, dealing with the -- what we have on the streets today, and the drop out rate and what the teacher have to put up with in the classroom as far as discipline, we need specialized program to deal with the student inside the school and outside the school.

And the TIF money should go towards a specialized program in conjunction with Chicago Police Department, archdiocese, and some of the other school board to bring about the specialized curriculum.

I have a template here that will give you some of the concepts that is necessary to raise these kids from this low mental concept that they have to bring them into a critical thinking processes where they will appreciate knowledge is power.
And if we don't bring about this new concept, anything outside the box, we're just spinning our wheels, because it is necessary that they understand how we relate to the universal order. And that universal order is where all of us come from. And there is laws that is necessary that we maintain a mental plane that will allow them to process this material world in a positive nature and to correct themselves into a discipline order based on --

MS. RODRIGUEZ: Your time is expired. Thank you.

MS. SHAKER: Kim, would you go ahead and take that? If you would hand it off to Kim, that would be great. Thank you.

Okay. I am going to -- Tanya Jones or James Jones, please. And then after that we have Van Jordan and Mora Harper. Tanya Jones? One more time. Last call. Tanya Jones, please.

Okay. I am going to move on to Van Jordan, please.

And then Mora Harper, please.
AN AUDIENCE MEMBER: I just wanted to add my question was regarding charter schools. But the question has been answered and not answered. But the question has been raised. AN AUDIENCE MEMBER: I'm still disappointed with the answers I received.

(Applause.)

MS. SHAKER: Thank you. I think we have tried to make some of our answers to charter schools. There's a section in the budget on charter school funding. I have heard a couple of numbers thrown around that don't reflect what we have in the budget. So that is where I would refer you to. I mean there the number of charter schools is increasing. I think we have covered that. And about 53,000 of our kids are protected in the charter schools. I think we said before that we believe charters are CPS schools. And we have spoken at length on that. Mora Harper I think is the next speaker. Is Mora here? One more time, Mora
Harper. Okay.

Let me do a time check. Okay. It is 7:53. And that concludes that speakers that have signed up to talk to us about the operating budget. And we have covered the capital budget. If you have additional questions, please, there are staff members. Please raise your hands, everybody, staff members, so they can take your questions.

I am interested in hearing anything that you may still have, so please fill out those cards.

We clearly need to get you some answers. We clearly need to post these things on-line in the coming days.

So thank you very much. I really appreciate you coming, and I really appreciate your comments. Thank you.

We have gone through our speakers. I'd be happy to look at the cards. I think we have spent some serious time answering questions, and I would be happy to answer more if you will fill out the cards.

Thank you very much for coming. And I
do appreciate your comments. Please fill out any cards, and the staff members will take them. (Which were all the proceedings had in the above-entitled cause this date and time, concluding at 7:55 p.m.)
STATE OF ILLINOIS     )
) SS:
COUNTY OF W I L L     )

I, Cheryl Dineen, being first duly sworn,
on oath says that she is a court reporter doing
business in the City of Chicago; and that she
reported in shorthand the proceedings of said
hearing, and that the foregoing is a true and
correct transcript of her shorthand notes so
taken as aforesaid, and contains the proceedings
given at said hearing.

Cheryl Dineen, RPR, CSR
LIC. NO. 084-004405