CHICAGO PUBLIC SCHOOLS

PUBLIC HEARING

FISCAL YEAR 2016 BUDGET PRESENTATION

held on

Tuesday, August 18, 2015

STENOGRAPHIC REPORT OF PROCEEDINGS had in
the above-entitled matter at Schurz High School,
3601 North Milwaukee Avenue, Chicago, Illinois,
commencing at 6 o'clock p.m.

PRESENT:

MR. TIM CAWLEY, Presenter, Chief Administrator
Officer

MS. JENNIE HUANG BENNETT, Facilitator

MR. FORREST CLAYPOOL, CEO

MS. KATE FOLEY, Diverse Learners

MR. PAUL OSLAND, Facilities

MR. PHIL SALEMI, Deputy Chief, Network 2

MS. ANNA ALVARADO, Network Chief, Network 1

Reported By: Karen Fatigato, CSR

License No.: 084-004072
Good evening, my name is Jennie Huang Bennett, and I'm the treasurer of CPS. Welcome to the Chicago Public Schools Fiscal Year 2016 Budget Hearing, and thank you for coming to provide your input to the district. We are joined today by members of the Board of Education, CPS leadership, including CPS CEO Forrest Claypool, subject matter experts in Transportation, Facilities, Diverse Learners and the budget.

This meeting is an opportunity for Chicago Public Schools to hear your ideas, priorities and concerns about the budget. The Board is scheduled to vote on August 26th on the budget proposal presented here tonight.

We have Spanish language translators available. Can you raise your hands? Great. We'll allow her to do a quick introduction in Spanish.

Thank you very much. We're going to be sitting in that area. So if you hear us please bear with us, we're providing services for the Spanish speakers. Thank you.

Thank you. We also
have sign language interpreters who are here to
my right. I'm going to let them do a quick
introduction as well.

Many of you signed up to ask questions
already, and we want to get to you as quickly as
possible. If the slots are full, please fill
out a card and one of the floor monitors will
get it from you, and we will follow up on all
the questions on our website. Some of you will
also have detailed questions that we might not
be able to answer tonight, but we will post all
the answers to your questions on our website.

I want to go over a few guidelines for
this meeting before we give a very brief
presentation on the budget.

The budget hearing will begin at 6 p.m.
and end promptly at 8:00 p.m.

All who sign up to speak will be given
an opportunity to make a statement of up to 2
minutes until the meeting is adjourned.
Speakers are asked to limit their comments to 2
minutes so that everyone that would like to
speak will have the opportunity to do so.

The sign-up period to speak was from 5
to 6 p.m., and each speaker was given a number. No one will be able to sign up to speak after 6 p.m.

Speakers will be limited to addressing topics related to the budget, as well as the capital plan.

When 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 on site to help you fill out a follow-up card.

The full budget proposed is on the CPS website, where you can also provide feedback or leave questions. CPS will respond to all questions on the website, including any that we are unable to address at this meeting. Please visit http://cps.edu/budget.

Let me introduce the members of our panel.

Forrest Claypool, CEO of CPS. Tim Cawley, Chief Administrator Officer. Kate
And now let me turn it over -- Denise, I'm sorry, Denise Little. Thank you.

Now, let me turn it over to Forrest Claypool to provide a welcome.

CEO CLAYPOOL: Thank you all for coming out tonight, leaving your homes to participate. And I'd like to acknowledge Alderman Arena, thank you for coming out as well. And I'll turn it over to our Chief Administrator Officer who oversees the budget and give you a quick overview. Tim Cawley.

MR. CAWLEY: Thank you, Forrest. And let me reiterate the thanks to all of you for taking time out of your evening to come join us and hear about the budget. I have a very short presentation that provides the overview of the budget, the context of how this budget was developed. As Jennie said, there's a lot of detail on our website, department by department budgets, descriptions of what we do with the funds that we're requesting, and I urge you to
go there for a lot of the detail in what we're
doing. Next slide please.

All of us here and throughout the city
have one overriding goal, and that is the
success of our students in college, career and
life. And we work hard to pursue that goal, and
we're very proud of the progress that we've made
over the last four years of that. As you can
see on these slides, we've made great gains in
graduation rates, college admittance, attendance
rates, test scores throughout the district, and
we're so proud of that progress and what it
means for the students of the district. But
that progress is threatened right now, it's
threatened by a very challenging fiscal
situation with two big anchors, declining State
funding and inequity of how pensions are funded
in the State of Illinois. And this budget
reflects the reality of those anchors. The fact
that we have to put together a budget for our
students and maintain this progress despite two
enormous hurdles.

Now, over the coming weeks we're going
to be working with our partners in Springfield
to overcome those hurdles, to try to get funding back to where it needs to be in the State of Illinois and to address the inequalities of the pension. And this budget relies on the solution to those two hurdles, and I'll talk about that in a moment.

But we're encouraged, we're seeing the fact that the Governor, the Speaker of the House, the Senate president are starting to acknowledge the challenges at CPS and the inequalities of our pension situation. We're starting to have real dialogue about solutions that will help us this year and in the future.

Next slide please.

This slide brings to life the State funding challenge that we have. And let me orient you what you're looking at here. On the left are hundreds of millions of dollars. So here this is $1.7 billion. The orange bars, the dark orange, the amount of funding that CPS has received from the State of Illinois each year going back to Fiscal '08. And the light orange is a gap in our funding from the State, it's called proration. It means that the State has
decided they're not going to fund districts throughout Illinois at the statutory level, the goal that they had set, and so they give every district a little less money. So that's the proration, every district receives less.

So I want to make two big observations on this slide. First of all, as you look at the solid orange line, notice that we are receiving about $250 million less in our Fiscal '16 budget, 250 million less than we did as recently as Fiscal Year 2009. Imagine if we were able to maintain that same level of funding and what we'd be able to do for all of our schools. And then as you see that decline, look at just the last two years alone, over a hundred million dollars dropped just from Fiscal '15 to Fiscal '16.

The second big observation is all of that light orange that's how much the State has underfunded education and how it affects CPS each and every day over the past five years. And the cumulative shortfall of each of those underfundings is over $500 million, over a thousand dollars for every student in the
So it's clear from looking at this that the State of Illinois has not gotten the job done funding education for our students, for your students, and this is the first big challenge that we face in this budget. Next slight please.

The next challenge is even bigger. This slide -- again, let me show you, this is hundreds of millions of dollars in the years across the bottom. This slide shows our pension expenditures every year. And as you can see back in 2005 when the pension was over 90 percent funded the State contributed in the dark purple down here about $65 million into the Teacher's Pension Fund. And the district didn't have to contribute anything, again because the funding was -- the pension was fully funded. But now as you go forward you could see that the district was required to make a contribution and that's the light purple on this graph. In the beginning it started off $37 million and it gradually went up, meanwhile the State continued to make a contribution of around $75 million.
After the crash of 2008 the pension fund lost over a third of its value, and so that's when our costs started going up very, very quickly. And what we see in the middle there from 2011 to 2013, that was when Springfield said, time out, we're not going to make CPS make these enormous payments, we're going to figure this out because the district can't possibly maintain its progress and do the right thing for students if it's making such big pension payments. So they gave us three years to find a solution. Unfortunately, no solution came, and as you can see in Fiscal '14 we made a payment of over $600 million. And again in Fiscal '15 the payment we just made on June 30th over $600 million. So in the last two years CPS paid $1.2 billion in the Teacher Pension Fund. That's $3,000 per pupil.

So we are seeing an enormous amount of money come out of the system to go to pension. And that's not because we believe the teachers don't deserve their pension, we know we have to fund that. We have an obligation and we want our teachers to receive their pension. This obligation makes it very challenging for us to
put the budget together. And look at the dark
purple down at the bottom, it dropped from $75
million, again, that's the State's contribution,
to 11 million, popped up a little bit this past
year to 62 and it's right back down to $12
million in Fiscal '16. And so what does that
mean for us? Let's go to the next slide.

In the State of Illinois the State pays
for teacher's pensions in every single district
in the state except Chicago. So throughout the
State of Illinois in every district except
Chicago the State is contributing over $2,000
per pupil to support the Teacher Retirement
System as it's called outside of Chicago. And
that $12 million you saw in the previous slide
translates to just $31 per pupil for the City of
Chicago. Make no mistake, your income taxes as
residents of Illinois are going to pay teacher
pensions throughout the state. And your
property taxes in Chicago are going to pay that
contribution that CPS is contributing every
year. So residents of Chicago are being hit
twice, and this is the pension inequity, this
huge gap that we talk about so often. And
hopefully you understand how we are challenged
to put together a budget that we believe in when
we have these hurdles. Next slide please.

Let me show you how we put this budget
together. Our revenues as you can see come from
a variety of sources with the biggest one being
on the right, property taxes, about $2.3 million
that we receive in two big chunks every year.
And then there's State revenue, 1.6 million that
we'll receive from the State this year. Some
Federal revenue on the top left, 852 million.
And then some relatively minor things
contributing to the budget, some TIF surpluses,
some reserves that we have. But we don't have
enough money to run the district the way we want
to run it. This big gap, this $480 million, is
the solution that we require from Springfield
for this budget to be balanced.

An alternative to doing the budget this
way would be to cut expenses out of our schools
by $480 million, devastating cuts that would
undermine all of the progress we've made over
the last four years. So rather than make those
cuts, we said that we're going to bet on our
partners in Springfield that they will come
together to fill that gap for us because if they
don't we have no alternative but make additional
cuts and do more unsustainable borrowing to
close that gap, and that is not the path to
success for CPS. So that's why we are working
so hard in Springfield to come up with a
solution there. Next slide please.

Now, today we focus a lot on our
operating budget, a lot of this talk about how
we're creating the funds to operate our schools
and to run the programs that have gotten those
student outcomes we talked about earlier. But
the budget that we're proposing actually is the
capital budget, our debt budget and the
operating budget, so let me briefly address what
we're doing in capital. And it reflects the
same grim realities of the district.

As you can see in the past few years
we've spent anywhere from 400 to $500 million a
year to shore up our buildings. I actually
smiled when I walked in here, this new paint on
the wall here, we had the LSC budget briefing in
here a month ago and there was water damage on
the wall of the auditorium. So I took a picture of it and I was happy to see that it's been fixed. But we have buildings throughout the district that have water damage that have needs like this auditorium, this beautiful auditorium at Schurz High School, and we have invested in those every year and that's what we've been doing the last few years, but we don't have the funds to keep spending at that level anymore. So the capital budget that we submitted is only $177 million, and of that almost a third of it comes from other money from TIF funds and other sources that allow us to do additional projects so that we don't have to issue bonds.

Now, this isn't the capital budget any of us want. Your schools almost certainly need a new play lot, repairs to the auditorium, new computer labs, but we simply don't have the funds to invest in our capital plans the way we want to in the buildings, the beautiful structures, the programs that help our district grow. So we have a very austere capital budget in Fiscal '16. And, in fact, we have to project what we're doing over the next four years, and
as you can see it doesn't get any better because we don't have a mind of sight to additional resources that will allow us to invest in our abilities any better than this.

So in closing, we've got some enormous challenges here. The district has worked hard to put together a budget that we believe in, that we know that our partners will help us deliver on and it will do the right thing for your students throughout the City of Chicago. This is our reality. This is what we deal with every day, lower State funding and pension inequity. And we've made a tough decision here, we've said we're going to bet on Springfield to keep dollars in the classroom, to keep teachers and teachers aides and phys ed and all of the programs that make our schools great, continuing to move forward.

As I said, we're encouraged that there's dialogue now in Springfield, and we're right at the table with our leaders to try and come up with a solution and we want you to support us as we go forward in this. We know that this is a partnership between the
leadership of the district, the legislative
leaders in Springfield, the mayor, the parents,
the community leaders, and we're confident with
all of us pulling together we can continue that
progress that we're so proud of. Thank you very
much. And now we welcome your comments and
questions about the Fiscal '16 budget that's
been presented.

MS. HUANG BENNETT: So now we're going
to begin the public comment portion of the
meeting. I understand that John Arena, Alderman
of the 45th Ward, is here to make comments.

ALDERMAN ARENA: Good evening.
Mr. Claypool, thank you for being here, it means
a lot and it sends a very heartening message
that you're hearing from us directly. I know
you have a great challenge, you've done a lot of
hard work in this city and the county, so I want
to say thank you for taking the time to be here,
it means a lot.

Welcome to the 45th Ward. Schurz High
School came into the 45th Ward under the remap,
and it's my district school. I think that as
was talked about, this beautiful building that's
a landmark has, for me, a lot of great potential that I see within CPS, and I think it could be a model for CPS's success in the future. And I say that because it's a school that's been through an awful lot. It's been through ups and downs like many neighborhood schools have, and it offers, and should offer, classroom space and education opportunities for kids as far east as Western Avenue, far south from here, far north. It covers an awful lot of ground, an awful lot of economic range in terms of households and types of students and where they come from and what their backgrounds are. This could be the melting pot school that really brings CPS to be a network school that can have a lot of success.

But the challenge is getting people in the neighborhood that's right here just across Waveland Avenue to see this school as their neighborhood school. And I hear that from them in Old Irving Park when I was campaigning. And I see new families moving into the neighborhood, and you have the older class of kids who have gone through -- either gone through CPS or public schools and have moved on or have watched
their neighbors move out of the city because
they didn't have trust in their high school.
They didn't have trust in CPS. But what those
families, those young families are asking me is,
what do we need to do to make Schurz High School
our school?

And what's heartening to me is they've
come together and started The Friends of Schurz
High School. Those meetings are happening in
the coming weeks, there's going to be kind of a
kick-off meeting for that. And I think that is
the first and foremost thing we need to do is to
build on that kind of attitude that exists in
our population that says we want you here, we
can build together a school and a network that
you can trust that's going to be there for you.
But we can start that but we won't be able to
sustain it if we don't gain that trust and hold
that trust.

And I want to make a particular example
on top of a couple of other things I want to ask
you. But right here at Schurz we partnered
with, my office and some local residents in the
Old Irving Park community and business owners,
partnered to start a hydroponics program here, an aquaponics/hydroponics program. This was brought to us by a resident. We introduced them to the principal, Dan Kramer, who was incredibly receptive. He's done an awful lot of outreach to the community to make this happen. And what I heard the other day, we've been working on this for a better part of the year, and the budget cuts that this school is faced with threatened the ability for the school to have staff that can help support that program. And so I look at this as we are developing a partnership with the community to bring an opportunity, a learning opportunity, that would make the entirety of the school in doing well. They have robotics. They have automotive. They have finance. I see this being an opportunity for kids to come together from all different levels, all different age ranges within the school, from different economic background, and the budget comes out and we don't know if we can afford continuing or even get it off the ground.

So that's why -- you know, that's the example of the trust. If we bring them to the
table, set them up, say we can do this and then
we pull the rug out because of our financial
situation, I can't -- it's very hard for me to
ask them to come back. So I wanted to talk
about that because we're in the room, we're here
at Schurz, and that's a real repercussion of
what's going on with our budget situation.

I have another school in my ward, Beard
School, just on the other side of Nagle Avenue
west of here, it's a special needs school up
till 3rd grade. And I've been there and I've
been through the classroom and seen the kids and
see what the teachers do for these kids, and
these are severe profound students. And when
their budget was cut severely this time around,
what I'm hearing from them is that the per pupil
funding model seems to have to have some
strategy or nuance put to it. It feels like
that every classroom and every student is being
painted with the same brush. So when they tell
me they have two teachers in a classroom because
of the support network that these students need
and CPS is saying you're only getting one
teacher in that classroom, we cannot expect that
classroom to function the same way a classroom in a traditional school, neighborhood school, functions because those students need those support services.

And I've testified in front of the Board of Education and asked for nurses to be brought to that school, and they responded. But not every school has that opportunity to be petitioned for a particular thing they need on a one off basis. So I ask you to look at the model of per pupil funding and create more nuances, and if it exists then explain it to me and show me how it's working because I'm not seeing it.

The other example of a school not in the 45th Ward but my kids' school for my household is Portage Elementary. About half of the students come from the 45th Ward, 38th Ward, 36th Ward, and again, a school that was very hard hit by this per pupil funding model. And every year that that model has been in place they have seen $800,000, $900,000 as being in cuts. And then the whole policy was really kind of kicking back in, getting the money back in.
So they survived for the last couple of years but now this policy is gone and they're facing $900,000 in cuts this year. And the population of that school, a high percentage talking to the principal and this has been the case as far back as when we were looking at it for my family, is that there's a high percentage of English as a second language students in that school. And so they have to divert resources that might be used differently in other schools to helping those students that have to catch up on the language side in order to be competitive in the math classroom, to be competitive in reading, to be competitive in writing.

So again, I think that the per pupil model works as a blanket policy but has the nuance to a particular school's situation, a particular school's special circumstances. And I know that's difficult in a system of 400-plus schools, but I think that you're -- without looking at that you are hurting some schools exponentially versus some schools that have the ability to weather these cuts like Bell Elementary or Cooley that are in neighborhoods
that their friends routinely generate a quarter
of a million dollars to help support their
program. This school has trouble raising money
because of the economics of the population that
goes here. Their friends are not -- they're
raising tens of thousands of dollars, if that,
versus hundreds of thousands of dollars.

So again, we have an inequity in these
schools, and some schools are able to take the
hit and some are not. And I think per pupil
funding because of the very hard cuts hurts some
schools disproportionately than others. And I
can't speak to what happens in other lower
income neighborhoods. I'm solid middle class,
we have a good employment rate. I know by
talking to my colleagues on the City Council,
you have this problem that is exponentially
harder hit in other neighborhoods.

The other thing I want to bring up and
really what was presented here, Mr. Claypool,
this might be to you, and I don't know if
there's an answer here, but I've read that
there's no plan B if the State doesn't go along
with this idea of the pension subsidies and
creating that end. I think you're absolutely right, this has been something that's been talked about for years, if not longer, about how the school funds pensions in Chicago versus the rest of the State. So the question is not so much what's plan B, is how do we make plan A work? What can I do as a legislator? What can I do as a representative? How can I bring this to my constituents to help carry the message down to Springfield and say we need to ride this part of the ship? So my offer to you is tell us what we need to do, tell us how we can help you fix this big problem, it seems like it's half a billion dollars, if I'm reading the numbers right, in our budget this year and ongoing. So that's my offer to you.

The other thing on the credibility side is we are expanding our charter school network at the same time we're closing schools, at the same time our neighborhood schools are struggling, and if we can't sustain the system we have now, then why are we adding schools to the system? (Cheering and Applause) I'm going to wrap up in 2 seconds here.
In this document that you've handed out the charter schools are locked -- a pie slice that says charter schools, telecom and other services. You want to have credibility at this point, folks, break it out, show us what we're spending on the charter schools, don't label it -- (Cheering and Applause). And then let's have a real conversation about what we're putting in charters versus our neighborhood schools. I ask you that as somebody who routinely is asked that from my constituents and be credible. And when I do that I feel I am more credible by showing them exactly what we are talking about. If we hide from these things we lose credibility on all of the good things we're doing. One hidden item in a budget can really hurt you on the ten other things you were doing right. And I know when I started out by saying we are doing things right, we are doing things right in this building, we are doing things right in schools across this network. So don't shoot yourselves in the foot by being tricky with the budget numbers to what you show on paper.
The last I want to say, and this is something I fought for on the City Council, is we are codifying that there be surplus 25 percent of TIF moneys going forward. The mayor for hearing the progressive caucus and many other aldermen to do that, to increase that number. I will partner with you, Mr. Claypool, to lobby the mayor to increase that number. Every percentage point that we surplus from the TIF network gets half a percent back to the schools. Right now that surplus it goes out just like it would be a straight dollar paid on a tax bill, so that's 50 percent goes to CPS. There is money in that system to be had to go help with this crisis, 25 percent is a good start, let's finish it by getting it to 50 percent, and I will help you and work with you to make that a reality. Thank you. (Cheering and Applause.)

MS. HUANG BENNETT: As a reminder each speaker will have 2 minutes. There is a timekeeper here in the front who will indicate the time as it proceeds and notify you when you have 30 seconds left, and then when you have 15
seconds left he'll ask you to conclude. When I
call your name and speaker number please line up
at the microphone. The first five speakers are:
Rod Estvan from Access Living. Jerry Skinner.
Jennifer Velazquez. Doris Salgado. Maria
Teresa Turibio.

MR. ESTVAN: We're ready?

MS. HUANG BENNETT: Yes.

MR. ESTVAN: Rod Estvan from Access
Living on the education policy. I've been
looking at Chicago Public Schools budgets for
nine consecutive years, and for seven years I
was a Federal monitor over the special education
program over at CPS.

I want to start with Tim's $480 million
gap. I would strongly suggest he pursues also a
lobbyist for Access Living in Springfield that
you begin to implement some of those cuts in
October because it's not real down there. And I
hate to say it, until they see blood on the
floor, there isn't anything real in that
capital. So I would suggest if you begin to
implement cuts in October and extend it into
January, to the extent you should have to cut
and can't borrow your way out of it.

The next point I'd like to make is that the budget misrepresents the Pekal (phonetic) law. It doesn't explain that there is a referendum process to go above the cap. And at this point, given the crisis, it has to be considered through the city. We have to look at a referendum.

On the special ed cuts. Our count is 625 positions lost. We are having real problems understanding how you're going to do that through the Federal law. I suspect you're going to raise positions over the course of the year in costs. This is what has normally happened. This district is what I would call aide dependent in special ed. It has many aides. And the reason it has many aides is we've made it very difficult to hire full special education positions. We've made that process very difficult for principals, and the easiest thing for them to do in this process --

MS. HUANG BENNETT: Please wrap up your comments.

MR. ESTVAN: I'm sorry. We will be
submitting a full report on the 25th, and I will
be attending the Board meeting. And I would
like to continue this dialogue with you, but
there are real problems and I believe you need
this referendum to get the attention of the
State as a whole that does not believe that the
citizens of Chicago support this district.

MS. HUANG BENNETT: Thank you for your
comments.

MR. SKINNER: Hello, I'm Jerry Skinner
from Kelvyn Park High School, Kelvyn Park High
School, a neighborhood high school, the kind of
school that represents public education best.
We do not reject any students. We accept any
student that walks through our doors. We do not
push students out. This should be a value
that's practiced by every public school in
Chicago, all of Chicago Public Schools, that is
not a value that's reflected in this budget,
Mr. Claypool.

If you take a look at just some of the
high schools in this area. Schurz High School
suffers a budget cut of $1 million. My high
school, Kelvyn Park High School, suffers a cut
of $1.7 million. What does this mean in the
budget for our school? It means that many of
the young, new teachers, the staff members who
are enthusiastic, energetic have lost their
jobs. It means that veteran teachers, some of
whom are here, been over 20 years at our school
have lost their jobs. Almost 20 people in total
at our school. This is not promoting our
school, this is not keeping our morale up, but
this value -- this budget does not value these
people.

But who does it promote, this budget.
Well, take a look like Intrinsic Charter School,
$2.6 million budget increase. This budget
promotes charter school entrepreneurs (Cheering
and Applause) who see our students as
opportunities for profit.

Mr. Claypool, please get this budget
back to the value represented by the
neighborhood schools who welcome our students,
who want to keep our students, who see our
students as people striving to achieve their
full potential. Thank you.

MS. VELAZQUEZ: My name is Jennifer
Velazquez, I'm a graduate from Kelvyn Park High School. I now attend Northeastern Illinois University majoring in secondary education. And I'm currently the community representative for Kelvyn Park High School Local School Council.

I have dreams of teaching at Kelvyn Park because I, and everyone else in this audience, understands the important role a neighborhood school plays in the community. (Inaudible) are little by little being cut. This is not the first time that I've talked about Kelvyn Park wanting to be a good neighborhood school. No one on this panel would send their child to Kelvyn Park. Your kids need a college career counselor. The school you send your kids to must have a social worker and stable teachers who do not fear to lose their jobs. Why are you setting Kelvyn Park up for failure?

We know CPS has the resources to properly fund Kelvyn Park, and we see this in the $2.4 million plus given to each of the charter schools. Why do they receive an increase? Because we are trying and the
students at Kelvyn Park are trying. Why is there fundamental components that keep students in school? Tutoring programs, sports, the teachers that keep students in schools. CPS is hanging on by a thread and cannot continue instability. You can't fire teachers and expect students to learn. What is the real message that you're telling us to do? I'm here to ask you for your commitment to Kelvyn Park. Kelvyn Park needs funding and should not get the small end of the stick because of poor positions made by the mayor and CPS. Kelvyn Park is a neighborhood school that has served many generations. Fund us properly --

MS. HUANG BENNETT: Jennifer, please conclude.

MS. VELAZQUEZ: Let us keep our teachers and staff. Our students need a fair opportunity to have a genuine education. Don't call us underperformed, we are under-resourced.

MS. HUANG BENNETT: Thank you for your comments.

MS. SALGADO: Hi, my name is Doris Salgado, I recently graduated from Kelvyn Park
High School in June. Believe it or not I actually dreaded going to Kelvyn Park my freshman year due to the bad reputation it had, but I would have never left Kelvyn Park. Kelvyn Park helped motivate me and to continue on to college. I went to a public neighborhood school and now I'm attending UIC the following Monday. I have Kelvyn Park to thank for this. But you see, Kelvyn Park doesn't have enough resources to give the necessary education needed. (Inaudible) so are they the only social worker we have at Kelvyn Park. By laying off the only AP certified Spanish teacher KP had, you're not giving the students an opportunity to receive college credit. By laying off the only college counselor at Kelvyn Park High, you're not motivating students to be college bound. By laying off counselors (Inaudible) Kelvyn park basically leaving Kelvyn Park to fend on their own.

The more money you take from us the more difficult you make it for Kelvyn Park to function. The more resources our generally caring staff you take away from us the more
difficult you make it for our students who face personal struggles at home. These students are the future and have the potential to succeed just like any other student from charter schools. We just need more financial help. (Inaudible) the majority of the student population not meeting academic standards, but what message are you trying to give these students and the community if you're setting them up to fail? Now, tell me, what are you solutions? (Inaudible)

(Whereupon, Ms. Turibio spoke in Spanish and her comments were interpreted.)

THE INTERPRETER: I am a mother of a boy who is 9 years old who goes to Barry School and another one who is 2 years old. I, as many other fathers -- parents, are very concerned for the academic future of our kids and for the current situation of the CPS schools. I believe that all kids have the right to have equal education because our kids need programs, after school programs, such as, music, among many others. We hope that -- we are afraid many of
these programs will no longer exist in our

schools. Music is very important because it's a

life to our kids and it keeps them out of the

streets. We need education that has high

quality and we are to be using that. Thank you.

MS. HUANG BENNETT: At this time I'd

like to call up speaker 6, Josh Radinsky,
speaker 7, Daniel Phelan, Speaker 8, John Casey,
speaker 9, Elaine Allen and speaker 10, Audrey

James.

MR. RADINSKY: Good evening, my name is

Josh Radinsky, I'm a father of my three sons who

are all CPS students. My middle son, Sammy, is

17, about to turn 18. He's a rising senior at

Jackie Vaughn High School. Jackie Vaughn is one

of the unknown treasures (Cheering and

Applause). Jackie Vaughn is a treasure in the

CPS system. It's a specialty school serving

kids with cognitive disabilities. Sammy has

Down Syndrome. And usually I feel that these

budget and policy initiatives forget about our

kids with special needs, but strangely with this

one it seems like our kids with special needs

have been targeted by this budget.
Jackie Vaughn has 200 kids and lost more positions in our faculty than any other school in the district, that is according to reporting in (Inaudible) magazine. And it seems short-cited to me, unwise and immoral and illegal to try to balance this budget by going after special ed as a way to save money. (Cheering and Applause) These dollars -- our children's IEPs and education plans are Federally mandated contracts to provide services based on what our IEP teams have determined they need. We have fought and fought. Our new principal has stayed up late nights trying to restore this devastating budget. We were lucky to have Dr. Foley out at the school earlier today, we had about 70 parents packed in the auditorium. We need to see the investment in kids with special needs as part of how we survive as a society.

There's a moral obligation to protect the people who are the neediest, but there's also a legal obligation. This is not going to save you money, you're going to waste time and energy fighting a lawsuit when you get the
avalanche of lawsuits coming down on this. And as Ron Estvan said earlier --

MS. HUANG BENNETT: Josh, can you conclude?

MR. RADINSKY: Yes, I will. The paraprofessionals are a key piece to the puzzle for serving our kids. (Cheering and Applause) so many of our positions at Vaughn that there is no way we can do this without them being restored. We understand the district is working with us on this, but we need to see an investment of people with special needs as a top priority in this district.

MS. HUANG BENNETT: Thank you for your comments, Josh.

MR. PHELAN: My name is Danny Phelan. First, I want to thank the Board for coming out here and making all this possible. I also want to thank the staff for arranging everything. I'm not a teacher. I'm not a parent. I'm a tour guide downtown, but I'm a CPS alumni so I feel I have a stake in all of this. And I'm a taxpayer so I want to see what you guys are doing with the money. And I got to say, I don't
like it. I don't like what you guys are doing.

You said we don't have the funds to keep spending, and I agree with you. So why don't you stop? There's this idea that we're out of money, so why do I keep seeing charter schools getting more money? (Cheering and Applause) And they just built a charter school over on Milwaukee and Central Park. I thought that we were out of education money. What are you doing building it? And isn't it the same charter school where they strip searched one of the students and there's a pending lawsuit.

So you say you're not going to be spending. Stop splurging on charters. Tell the mayor to stop offering up my tax dollars. Like it would be one thing if it was somebody I voted for and you guys let me down, but I didn't. In fact, like me and like over 90 percent of the city voted for an elected school board, so this is a 90 percent vote of no confidence.

I was talking to my buddies and I was saying nobody wants the Board here and proven your methods are really expensive and negative for the city so this Board is just like Jay
Cutler, and just like Jay Cutler you guys --

MS. HUANG BENNETT: Please conclude your comments.

MR. PHELAN: What's up?

MS. HUANG BENNETT: Please conclude your comments?

MR. PHELAN: I'm done. Sure thing.

MR. CASEY: Good evening, thank you for the opportunity to speak. My name is John Casey, and I'm a proud parent of two CPS students. I'm also an elementary school counselor and special education case manager at Cameron Elementary on the city's west side.

Currently close to 70 percent of the elementary school counselors in Chicago are sadly with special education (Inaudible). While it is vitally important, this city demands the necessary tasks to share our diverse learners receive the services they need. As such, schools with large special education case loads are less and less likely to receive the services of professional school counselors, things that we are trained to provide, academic guidance, lessons on college and career opportunities, as
well as social/emotional support, group and
individual counseling services to address the
traumas so many of our students struggle with.

I would like to see all of our students
have full access to the services and the
certified school counselor. Other clinicians,
social workers, nurses, upload data on their
time and submit it to Medicaid for reimbursement
to CPS.

My question is has any effort been made
to try to explore the possibility to increase
the revenue by using our certified school
counselors as counselors and then billing
Medicaid for services to allow us to meet the
needs of our kids more directly? Thank you.

MS. ALLEN: My name is Elaine Allen,
I'm a teacher. I have a statement and a
question.

The statement is, to solve the pension
problems, take teachers out from under the
umbrella of Social Security offset rule like
almost every other state in this nation and you
will have teachers that are the education field
is a second job instead of a primary. You will
have lower pensions like almost every other state in this nation.

And my question is, having had the privilege of working in a family company, a large Chicago family company for decades, I know that when you disinvest your money from your company and you take away your valuable employees, your aim is to close down. So what is your agenda? When are you going to entirely take away public education from the children of the City of Chicago, this year, next year or the year after? Thank you.

MS. JAMES: Hello, my name is Audrey James, my daughter attends Jackie Vaughn Special Needs High School. At Vaughn our students are taught to step into independence and life for the future in special education classes which they look forward to every year. First in school they're talking about the Special Olympics.

Our teachers and the teacher's aides assistants play vital roles in supervising in the classroom, helping them with their work. They're learning values, their life skill
values. They're -- almost 10 percent of our students meet one-on-one. And to downsize our staff like you want to downsize is just like crippling our children even more. Thank you.

MS. HUANG BENNETT: At this time I would like to call Maria Patino, Brian Brennan, Nancy Bucha, Pavlyn Jankov and Drew Heiserman.

(Whereupon, Ms. Patino spoke in Spanish and her comments were interpreted.)

THE INTERPRETER: As a mother of two girls, I am completely indignant with the cut, such a cut that was made to our school, 1.7 millions of dollars. And I am concerned with this situation. We lost nine teachers and we lost tutoring programs that were benefitting our kids. I'm asking to help these young kids without the support of the programs and what about the loss of teachers. Are we going to give our kids to the lions and to danger? I'm worried about the lowering of the academic level. And this is not fair to deny them the opportunity to give them high level quality school.
My question is, why more money was taken from our school than from other schools? And what is the purpose of these big cuts? As a matter -- mother it makes me think that these cuts has to do with a very racist act and this is because ours is a school where there is a high percentage number of Latin kids.

MS. HUANG BENNETT: Thank you.

MR. BRENNAN: My name Brian Brennan, I'm from Kelvyn Park High School. From the PowerPoint that was presented, one of the underlying keys seem to be inequity of funding the CPS, and yet when we look at the CPS budget that is simply perpetuated in terms of how the schools are funded themselves. And per pupil funding is a myth based on the budget that you're putting forward.

And just to give you an example of that. Bogan is projected to lose 143 students. Their funding was cut $704,000 or approximately $4,900 per pupil. KP is projected to lose less students, 125 students, but their budget was cut $1.65 million. This amounts to approximately $13,000 per pupil. How do you account for and
more importantly how can you rationalize this gross inequity of funding?

Mr. Jankov: Pavlyn Jankov, Chicago Teachers Union. So there was some talk about plan B, there being no plan B. I'm unclear what plan A was. You started this budget talking about pension from 2011 to 2014, and there was no sustainable revenue that came into the school district or plan set during that time period and now we have -- I'm going to focus just on one specific cost, direct cost of that lack of a plan A, and that's the district's $1 million short-term credit line for your cash flow needs that's costing the school district $24 million right? $24 million that's not to pay back interest on building schools, it's not to pay back your pension debt, it's not to provide services to students, it's just a penalty for the fact that you haven't managed the finances, you haven't set up the revenue stream, progressive revenue stream, right? And that's a cost because what's happening is that's actually more than the entire raising the property tax to the cap, that's about two thirds of the kids of
special education that you're spending on
virtually just giving money to the banks.

And lastly, Approved Reaction
(phonetic) released a report saying there's
really no way that the school district can
manage its finances without raising a
substantial amount of new revenue. So they've
been really berating you all, and it's not out
of goodness of their hearts, they've been
raising interest rates. So you're being
penalized not just in short-term but most
long-term cost dollars. And throughout all of
this it comes to light that this week CPS is
supporting a property tax freeze, a two-year
property tax freeze with the state legislature
that's actually going to penalize you further
because now your main revenue source is going to
be frozen.

Now, we need to move to a sustainable
source of revenue that the people that have the
money for it, but we can't just borrow and
freeze our main revenue source at the same time
there's a huge budget hole. We will call on CPS
(Cheering and Applause) sets another example to
your situation.

MS. HUANG BENNETT: At this time I'd like to call up speaker 16, Cindy Ok, speaker 17, George Schmidt, speaker 18, Wendy Katten, speaker 19, Tina Padilla and speaker 20, Andrea Redfeairn.

MR. HEISERMAN: Hi, my name is Drew Heiserman, I live here in the neighborhood. I have a child who attends Roman Elementary, it's just a little south and east of here, and I also teach down in Englewood. I want to talk today about a question I have about the budget.

The budget is -- it sets priorities, and I'm a little curious about the priorities. I want to know -- it doesn't really state here in this pie chart how much do you allocate to legal services? How many lawyers do you employ at CPS? And here's why I ask. Because special ed services have been cut by hundreds of millions of dollars, and this is going to lead to a bunch of lawsuits that have been mentioned by Mr. Estvan and a couple of other speakers already. Parents have children with IEPs and they're not going to be receiving their legally
mandated services. Wouldn't it be more cost effective to lay off some of these lawyers so that you can provide legal services for our kids that have special needs? It looks to me as a parent of a student that has an IEP that CPS is inviting a class action lawsuit.

MS. OK: Hello, my name is Cindy Ok, it's spelled O-k, but I want to tell you that I'm more than okay, I'm actually feeling greatly concerned. I have two children, both of them with disabilities. They are receiving amazing services, and there are some wonderful things that we have received from ODLSS. Once of those last year was the transition 101 to help parents transition their students from high school into adult world.

Right now I have two students in high school, and my job is to make taxpayers. And because of the help that my students -- my elder student received from her high school, she had one teacher and two assistants who trained them in work study program, and my daughter was able to get a job this summer. She worked in the park district and she was a taxpayer.
Now, her younger sister who is not getting help from aides, their jobs have been cut, the two that were particularly in this program for the work training. I'm concerned because I want my younger daughter to be able to have the same opportunities as her older sister. And I believe that there's a very long end after the age of 21 students who --

MS. HUANG BENNETT: Please conclude.

MS. BUCHA: -- are going to be using the system for a very long time. Taxpayers are going to be -- are going to have to pay for these students or these adults that don't have jobs. So thank you for this time. Thank you.

MR. SCHMIDT: Good evening, my name is George Schmidt, and I've been coming to these budget hearings since most of you -- well, you certainly weren't working for the Chicago Public Schools when I began. The first copy of a CPS budget I have is dated 1979, that's the last time where the city set the school system up for a financial crisis which was going to result in further layoffs.

This budget is about as dishonest as
anything I've read and that's saying something.
And I'll give you just one example from the
PowerPoint that was up there because it's on
you, Mr. Cawley, as you do these things so
often. You had a chart showing the State aid to
CPS, but you didn't show local property taxes at
all. And I want to know, and I think everybody
would ask, why that was left out? Because, and
it's interesting, it's possible for CPS to go
over the cap to raise local property taxes and
that's what we need.

For the past five years the Civic
Federation has pointed out that those of us who
own homes in Chicago as I do are paying the
lowest property taxes in the Chicago region. We
have to raise property taxes to make it
equitable so that we can fund not only our
schools but all public services, and to leave
that out is pure hypocrisy, it's wrong.

As for the stuff that's being addressed
tonight, the fact that you increased the law
department this year again while paying since
last June a million dollars to Lang (phonetic)
Law Firm, an outside firm, more than a million
dollars to Jim Francis Law Firm, an outside lawyer, but you're cutting more than 600 special ed --

MS. HUANG BENNETT: George, please conclude your comments.

MR. SCHMIDT: It says 15 seconds.
Thank you very much for the interruption.

While you are cutting more than 600 people out of the schools for special ed just makes it disgusting to even have to sit here and discuss this with you. You don't deserve to be in front of us, let alone drawing salaries as people in the public sector.

MS. KATTEN: Good evening, my name is Wendy Katten, and I'm with the parent -- the city-wide parent group called Raise Your Hand. I also want to thank CEO Claypool for being here tonight. I've attended almost every Board meeting for the last five-and-a-half years and I've attended all of these budget hearings, I don't think I've ever seen a CEO come out so thank you.

That said, this budget is a tragedy for our most vulnerable students in Chicago. 75
district schools lost 10 percent of their
budgets. The PGA reported district schools are
projected to lose is $146 million, Kelvyn Park
and Vaughn. I just want to mention these other
schools that are losing 15 percent of their
staff. Julian High School, Gage Park, Carlin,
Harper, Fenger, Orr, Robeson Hirsch, Manley,
Austin Business and Entrepreneurship and Dunbar.
Many others lost over 10 percent. Obviously you
should know those are high schools in our
communities set by the most violence. We go to
Board meetings and we watch the patterns
develop. This has to be settled.

We support our revenue, we've been in
Springfield. But when and if you get more
revenue, it has to go into our neighborhood
schools. (Cheering and Applause) you have a
charter -- you have documented it closely --
it's not a conspiracy, we're not detractors as
we've been called, we have watched you expand
while you take away from children who you know
need these supports. And I think to those kids
you are telling them you don't believe in them
and you've given up on them. You have to put
that money back in our schools. (Cheering and Applause)

We also felt really analyzing the special education pilot program budgets 84 percent of those schools, 84 percent cut special ed positions. We have that information from the CPS budget, we can give it to the press. All means less for most of the students now in special ed. Please be accountable to us, make a decision to stop charter expansion. (Cheering and Applause) talk about revenue, talking about all of these solutions that don't mention revenue. We get the politics. We need to come together to find revenue for the children of Chicago. Thank you. (Cheering and Applause)

MS. HUANG BENNETT: At this time speaker 13, Nancy Bucha, and then also Tina Padilla, Andrea Redfeairn, Gregory Redfeairn, Judy Schectman and then Martin Ritter.

MS. PADILLA: Hello, my name is Tina Padilla, I'm a teacher at Lane Tech High School. For the record I want to make sure that everybody knows that the teachers are not responsible for the current pension liability.
Teachers have paid their portion for their pension contribution out of each and every paycheck. We also know that CPS is legally obligated to pay what is called the normal cost. This is also known as a service cost.

I want to make sure that everybody understands that a pension is nothing more than deferred compensation and not paying this obligation is nothing more than wage debt.

Thank you.

MS. REDFEAIRN: Hi, my name is Andrea Redfeairn, and as a parent and as a special ed teacher I know of all the challenges that budget cuts can do for all of us, teachers, parents and students. My question to you is why are the cuts so disproportional? Why don't all teachers and all students who are under CPS, including charters, get the same resources? I find that appalling. And all I have to say is shame on the State of Illinois and the Board of Ed for thinking that education is anything less than the most important topic in this state.

MR. REDFEAIRN: My name Gregory Redfeairn. I won't get into the fact that my
grandmother has been in Illinois for 150 years, my family has been in Chicago for 70 years. I'm a CPS graduate. And in spite of the horrible trials I faced as a child, I stand here with a Master's Degree thanks to the wonderful teaching of CPS public schools. So what I want to focus on in particular is where I work at Foreman High School as a math teacher for 15 years. Foreman was a dumping ground for the northwest side and we are now a success story. We are now a success story. By every metric you look at Foreman has improved, dramatically in some cases.

These cuts we're looking at 9 percent of our budget, close to a million dollars to be lost, I don't know how many staff exactly, maybe about eight or nine staff we're losing, some of them through just we are not rehiring people. It's going to destroy our school slowly but surely, and yet I look at Intrinsic, which has increases, only a walking distance from my school. Charter school money is going up, my school money is going down. We won't even talk about the fact that my son's school who goes to
CPS school also, his school is going down. I'm very disappointed in this budget. Thank you.

MS. SCHECTMAN: My name is Judy Schectman, I've been a social worker at CPS for 25 years. Under this budget social workers and psychologists will be cut. We have a crisis with our students with mental health. A number of agencies have been closed. Not only are special ed students, IEPs and mental health services going to be cut, but students throughout the system. We have crisis at the school who have the all time abuse, neglect, et cetera, they will not get services. I urge you to increase mental health services for our students. Thank you.

MR. RITTER: My name is Martin Ritter, I'm a local school council member at Whitney Young High School and community rep. I was also a former Chicago public school teacher.

In this current budget CPS is paying $300 million in swap termination fees, I know you know what that means, as part of this budget. And have you asked the banks that are currently so close to in repaying for refunding
this termination fees. These bankers are getting fat while people at Dyett High School, I know you know about this too, are starving themselves to have a new high school in Bronzeville. They know they have to do a hunger strike to get your attention.

Meanwhile at Union League Club or the Standard Club or whatever clubs you guys go to to have lunch at, you're meeting with the bankers and talking about -- and we want to know, the 300 million that we're paying fees because you did bad borrowing, when do we get that money back? Because our schools are starving. Hang on, Les. Our special ed kids are starving. Our neighborhood schools are starving. And this is a big problem because you are stewards of a public school system for 400,000 kids and thousands of staff members across many different disciplines. We want a better leadership from our school district.

The people that have been in charge of the finances of CPS for the last four years, they should be let go. Forrest, you're really good at letting go of people who have made bad
choices in public distributions. (Cheering and Applause) They've bankrupted our school system. I mean it makes no sense that they get to keep their positions while you say --

    MS. HUANG BENNETT: Martin, please conclude.

    MR. RITTER: You need to find revenue. You need to partner with whoever you have to partner with and put money into our schools and you cannot be credible unless you've stopped charter school expansion now while your neighborhood schools are starving. (Cheering and Applause) there's words I can say. Don't do that anymore. Thank you.

    MS. HUANG BENNETT: That concludes the list of speakers that signed up at the beginning of this meeting. I just wanted to say thank you so much to everybody for taking the time and coming to share your comments and thoughts, we appreciate the passion that you have for the school district and we will look forward to hearing more from you.

    If you have any comments we have cards that you can submit comments to on the website
and we'll also post answers to those comments
and questions on the website as well.

At this point this concludes our public
hearing and we thank you for coming.

MR. SHARKEY: The person who signed me
up said that I can have a brief comment if
there's time.

CEO CLAYPOOL: Go ahead.

MR. SHARKEY: My name is Jesse Sharkey,
I'm the Vice President of the CTU. I was going
to ask a question which was, if this is not a
balanced budget, which it isn't, how is it that
we can propose a budget which relies on Governor
Rauner, on Governor Rauner, to provide new
revenue and a pension holiday in order to avoid
laying off perhaps five or 7,000 teachers?

I was going to ask what are those
teachers who will likely be laid off in December
or January going to do for the rest of the
school year? If you lay us off now we have to
find work elsewhere, but if you lay us off
halfway through the school year we're without
livelihoods.

I was going to ask if a lack of revenue
is the problem, what new revenue is the
leadership to the Board of Education or the
political leadership of this city advocating
for? Because I haven't heard one new source of
revenue that's been called for by the appointed
leadership of the Board.

I was going to ask why the one-year
contract was pulled from the table? I still
don't understand.

But really I think I just want to say
this one thing, maybe this isn't a question. I
need you to understand the depth of anger among
teachers and parents and staff in this city.
And that we will not see the schools be bled
dry, special education students be cut,
elementary school sports eliminated behind the
city's administration which consistently chose
that its priorities are defending the wealthiest
in the city. We will not stand by while our
schools are closed, our communities are bled
dry. We will fight that and not just -- that's
my promise, that this is not the CTA, this is
not the park district, these are the public
schools. We have well-organized parents and
community leaders and educators. And that's a promise for us. I hope that we can resolve this amicably, but if we can't there's going to be a real show of conflict in this city. Thank you.

MS. HUANG BENNETT: Thank you, everyone, for coming and that concludes our hearing.

(Whereupon, these were all the proceedings had at this time.)
Karen Fatigato, 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
public 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 public hearing.

Karen Fatigato, CSR
LIC. NO. 084-004072