



RESIDENT'S

GUIDE

TO THE

BUDGET

FY 2019

CPS AT A GLANCE

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

OUR SCHOOLS

644 Schools

165
High Schools

92
District Run

65
Charter

7
Contract

1
SAFE

479
Elementary Schools

421
District Run

56
Charter

2
Contract

0
SAFE

OUR STUDENTS

371,382 Students

19,441
Preschool

24,963
Kindergarten

219,626
Elementary Grades 1-8

107,352
Secondary Grades 9-12

OUR EMPLOYEES

36,856 Employees

31,370
School-Based Employees

4,345
City-Wide Student Support

902
Central Office Support

239
Network Office School Support

We want you, as residents, to understand how CPS is funded and how the success of our public schools is central to the success of Chicago. Between our students and employees, CPS directly impacts 15 percent of the entire population of Chicago every day. We have also provided the primary education foundation that shapes the career path of countless current and former parents and alumni living and working in Chicago. With a reach this large, it's easy to see how public education is such a key factor in shaping the lives and future of our great city. This is why education funding is such an important issue and why we have created this resident's guide to the budget.

2019 CPS BUDGET

TOTAL BUDGET: \$7.58 BILLION

In a school district this large, it may seem like a challenge to understand the budget. Let's take a moment to simplify it by defining its major components. CPS' total budget is comprised of three segments: an operating budget, capital budget and debt budget.

OPERATING BUDGET: \$5.98 BILLION

This is the budget figure that most people are familiar with and represents the amount of funds allocated to operate the day-to-day activities of our schools each year. The CPS operating budget is much like your budget at home. We use it for multiple purposes: to track income and spending, to help manage priorities, to plan for the future and to measure financial performance.

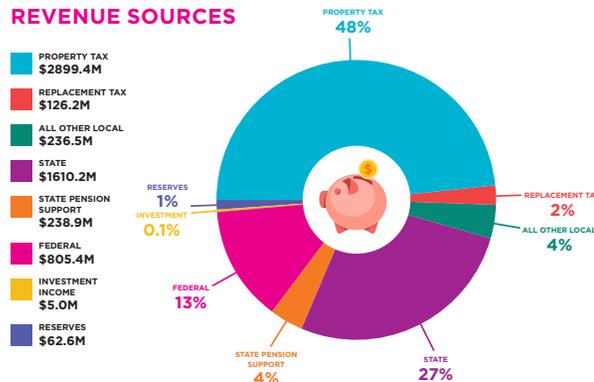
CAPITAL BUDGET: \$989 MILLION

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

DEBT BUDGET: \$607 MILLION

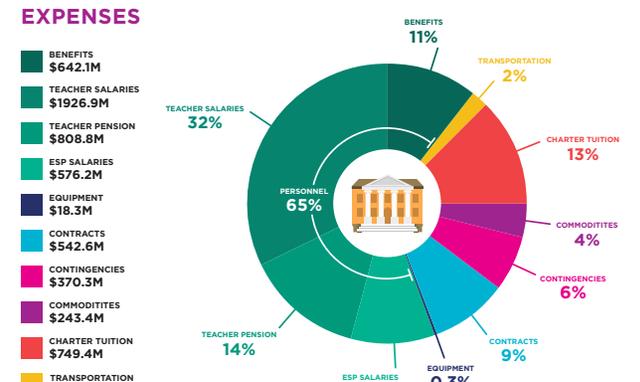
The debt budget represents the amount of funds allocated to make annual payments on our bonds and other debt payments.

REVENUE SOURCES



PERCENTAGES MAY NOT EQUAL EXACTLY 100 BECAUSE OF ROUNDING

EXPENSES



PERCENTAGES MAY NOT EQUAL EXACTLY 100 BECAUSE OF ROUNDING



MONEY FOR OUR SCHOOLS

We are firmly committed to ensuring that every dollar we spend goes the furthest for our students and families. To this end, 62 cents of every dollar in the operating budget is spent by schools on costs like classroom teachers and instructional materials, with an additional 33 cents providing direct support to schools through citywide services, including nurses and custodians.

WHO PROVIDES OUR FUNDING?

CPS receives funding from a variety of sources, with tax income from local, state and federal sources accounting for nearly all of our budgeted revenue.



LOCAL REVENUE: \$3.26 BILLION

Our largest source of income, 55 percent, is generated by local sources. The majority of this comes from local property taxes and replacement tax. CPS also generates revenue from other local sources such as philanthropic donations, interest income, lunchroom fees, and school rental fees.



STATE REVENUE: \$1.85 BILLION

State income accounts for 31 percent of our budget. The bulk of funding we receive from the state is evidence-based funding (EBF). The amount of EBF that each school district receives is based on a complex formula that considers the number of students, the special needs of the district, household income levels, and many other factors. Our 2019 budget includes significant increases in state funding thanks to a historic legislative overhaul of how these EBF funds are distributed, most notably resulting in \$238.9 million in new funding for pension support. This legislative overhaul is the result of the tireless efforts of families, educators, parents and lawmakers who advocated for education funding reform; and these new financial resources are allowing us to stabilize our finances in significant and durable ways. Although progress has been made in closing the funding equity gap, there is still work to be done. For more information, please see [The Education Trust's analysis of school funding equity across the U.S.](#)



FEDERAL REVENUE: \$805 MILLION

Federal income accounts for 14 percent of our budget. The largest portion of federal funding is distributed through Title I of the Elementary and Secondary Education Act to provide extra support for low-income children. We have limited flexibility in how we spend federal revenue and the money can be used only for certain types of expenses; such as reading and math instruction, and teacher professional development. The federal government also pays for free or reduced-price meals for children from low-income families.



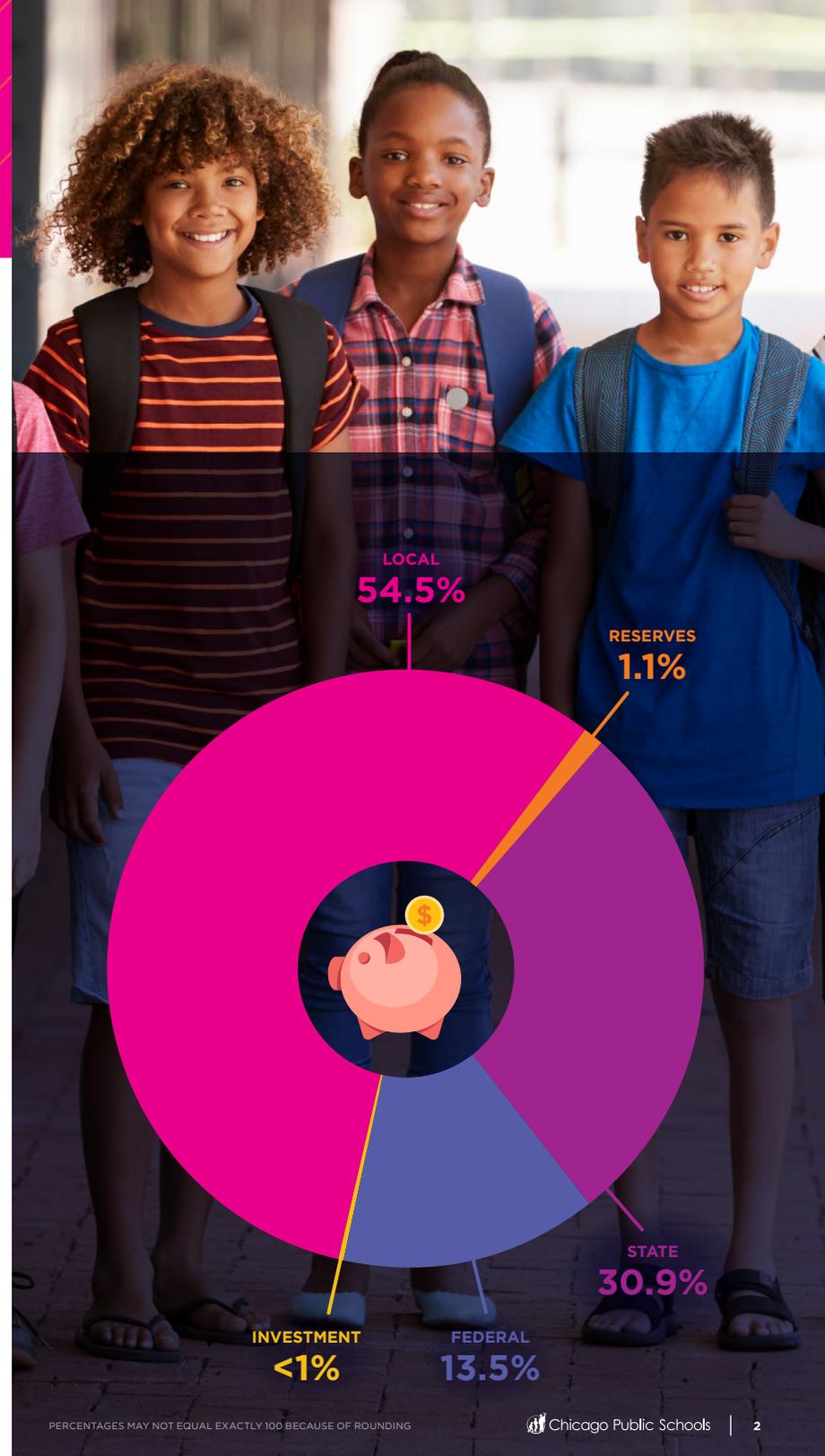
INVESTMENT REVENUE: \$5 MILLION

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



FUND BALANCE/RESERVES: \$62 MILLION

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



INVESTMENT
<1%

FEDERAL
13.5%

STATE
30.9%

RESERVES
1.1%

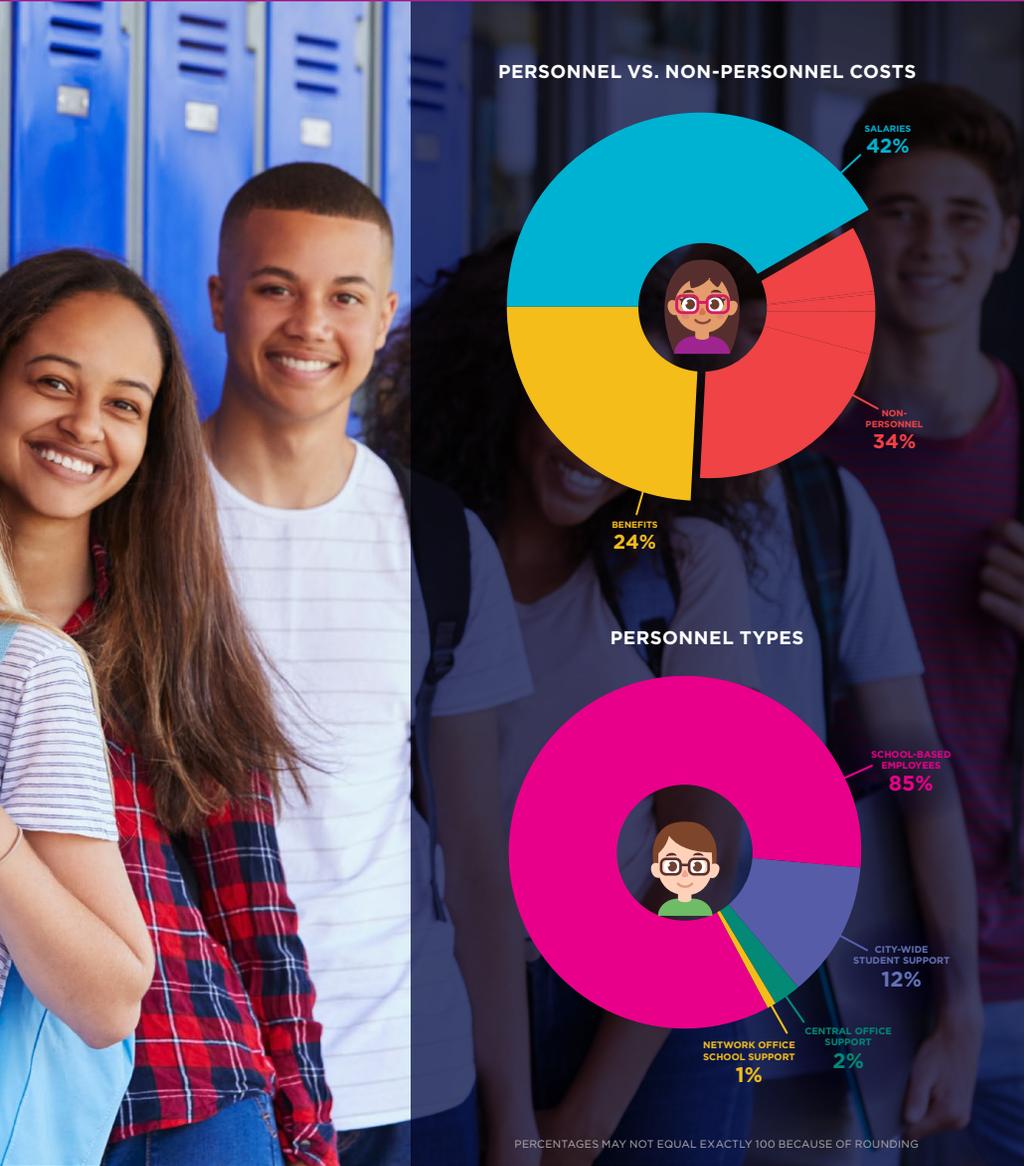
LOCAL
54.5%

PERCENTAGES MAY NOT EQUAL EXACTLY 100 BECAUSE OF ROUNDING

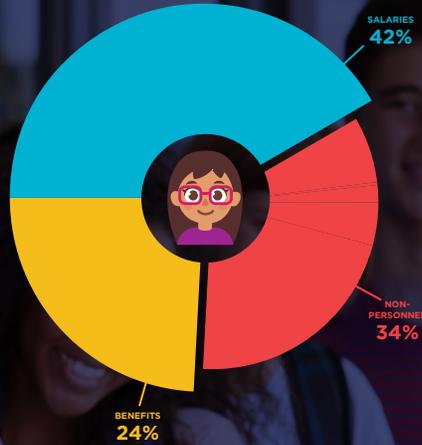
WHAT DO WE SPEND MONEY ON?

OPERATING BUDGET: \$5.98 BILLION

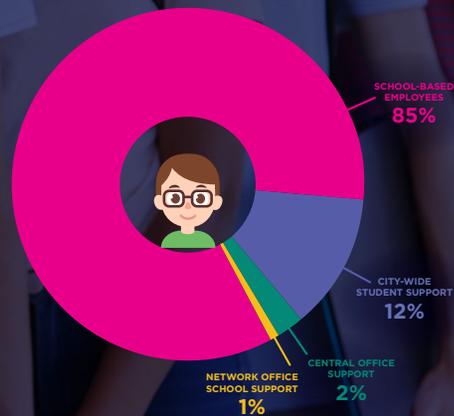
Day-to-Day School Operations: All the money in the CPS' operating budget is used to pay personnel and non-personnel costs.



PERSONNEL VS. NON-PERSONNEL COSTS



PERSONNEL TYPES

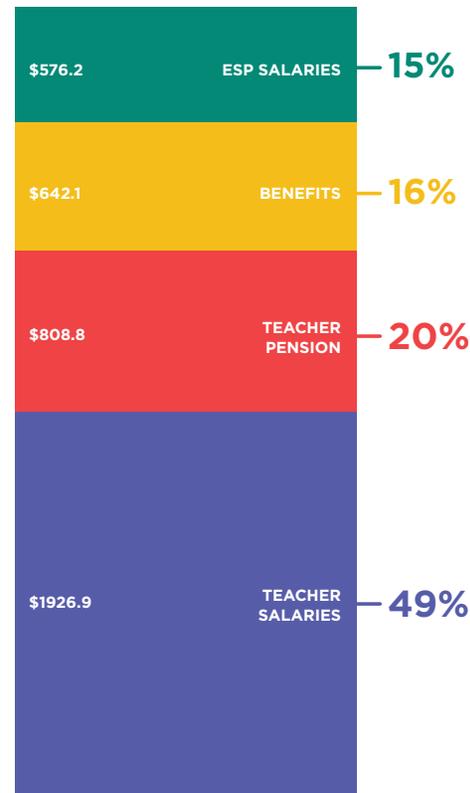


PERCENTAGES MAY NOT EQUAL EXACTLY 100 BECAUSE OF ROUNDING

PERSONNEL COSTS: \$3.95 BILLION

66 percent of the CPS budget is used to pay for the salaries and benefits of our 37,000 employees. This includes school-based staff such as teachers, principals, teacher aides, security offers, school clerks, cooks and janitors. It also includes central office staff that provide administrative and programmatic support to the schools and network office staff that support schools as they are grouped into 17 networks across the city. We also have city-wide support staff that include coaches, clinicians, nurses, social workers and speech pathologists.

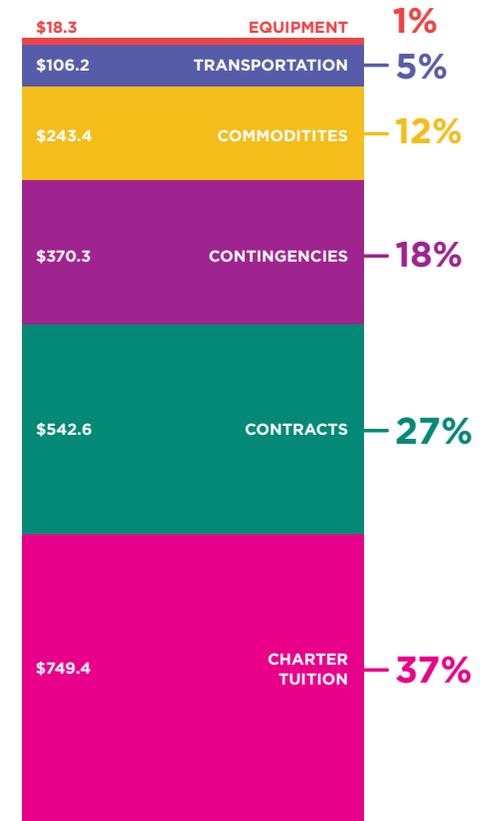
PERSONNEL COSTS (OF \$3.95 BILLION)



NON-PERSONNEL COSTS: \$2.03 BILLION

34 percent of the CPS budget is used to pay for non-personnel expenses, which are the costs required to keep our schools running. This includes commodities such as food and utilities, instructional supplies, building supplies, and software. It also includes equipment like furniture and computers, transportation via our school bus fleet or CTA passes, and contingency funds for unexpected or discretionary purchases. Lastly, non-personnel costs also include the tuition we pay to charter schools, private therapeutic schools and payment to clinicians like physical therapists and nurses.

NON-PERSONNEL COSTS (OF \$2.03 BILLION)



97% OF CPS EMPLOYEES DIRECTLY SUPPORT SCHOOLS

WHAT DO WE SPEND MONEY ON?

CAPITAL BUDGET: \$989 MILLION

Long-Term Asset Investments: The 2019 budget for Chicago Public Schools includes a capital budget totaling \$989 million of investments in long-term district priorities, including improvements to ensure access to state-of-the-art science labs at every high school in the city and district-wide access to digital learning tools. Building significantly onto the \$136 million in investments made in the FY2018 capital budget, this proposed plan is the largest single-year capital plan in decades. To support schools throughout the city, the 2019 capital plan provides funding in five main areas.

Educational Programs and Site Improvements: \$385 Million

The 2019 capital budget includes \$385 million for critical infrastructure investments that support the district's high-quality educational programs. \$117 million has been identified for building renovations to expand programming at nine schools (Decatur, McCutcheon, McDade, and Poe elementary schools, and Hyde Park, Phillips, Prosser, Rickover, and Senn high schools).

This investment includes \$46 million in site improvements to design and build new playgrounds, play lots, and turf fields at schools across the city. \$145 million has been reserved for two new high schools: a new facility for Hancock HS, and a new high school on the near west side. This budget also includes providing \$43 million to expand STEM, IB, and Magnet programming and high school science lab upgrades, and \$18 million for new Pre-K centers. CPS will engage stakeholders on the near west side to hear how best this new school can serve their community.

Critical Facility Needs: \$336 Million

The 2019 capital budget provides \$336 million to address the district's priority renovation projects and most urgent facility needs. This funding will address 27 roof and envelope projects and nine replacements and renovations of boilers and mechanical systems.

Overcrowding Relief: \$138 Million

The 2019 capital budget includes \$138 million to alleviate overcrowding at several schools across the district. Included in this investment are 4 annexes to relieve some of the district's worst overcrowding. These will provide additional classroom and programming space at Dirksen, Palmer, Rogers and Waters elementary schools. Additionally, CPS is working with community leaders on the northwest side to identify a location for a proposed new elementary school to address overcrowding in the area.

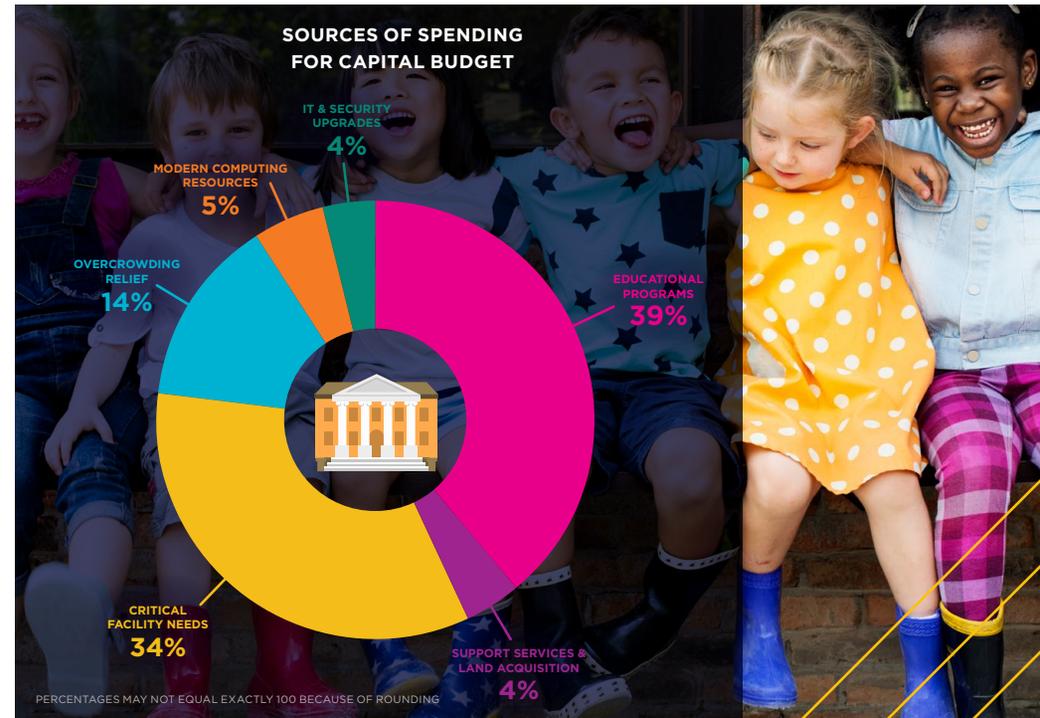
Modern Computing Resources: \$50 Million

To improve access to modern technology in schools throughout Chicago, the district is beginning a four-year, \$125 million investment - with \$50 million for year one - that will ensure all schools have the devices and internet connectivity needed for students to engage with the modern educational resources that teachers are choosing to utilize throughout the city.

IT & Security Upgrades: \$38 Million

In 2019, CPS is also allocating \$38 million to support the district's critical IT systems throughout the city. Of this, \$19 million will be dedicated to improving internet connectivity and network infrastructure across the district and \$3 million will support the ongoing implementation of a new student information system that schools and central office will use daily to track student and school-level data. An additional \$6 million will support investments in the district's data storage, financial reporting, and payroll software and hardware. Other improvements include \$5 million for fire alarm and temperature control replacement and \$2 million for an air conditioning replacement program to maintain the district-wide air conditioning investments of the past four years.

Finally, to ensure student safety at every school, \$4 million will fund new security equipment including state-of-the-art cameras, intercom phones, alarms, and screening equipment.



DEBT BUDGET: \$607 MILLION

Principal & Interest Payments on District Debt: The FY2019 budget includes total appropriations of approximately \$607 million for principal and interest payments on the district's outstanding bonds, which were issued to fund the Capital Budget and related investments. As of June 30, 2018, the Board of Education has approximately \$8.2 billion of outstanding long-term debt and \$600 million of outstanding short-term debt.

HOW IS THE MONEY DISTRIBUTED?



The number of students at the school



The special needs of the students, such as poverty, disabilities, or limited English proficiency

SCHOOL-BY-SCHOOL FUNDING

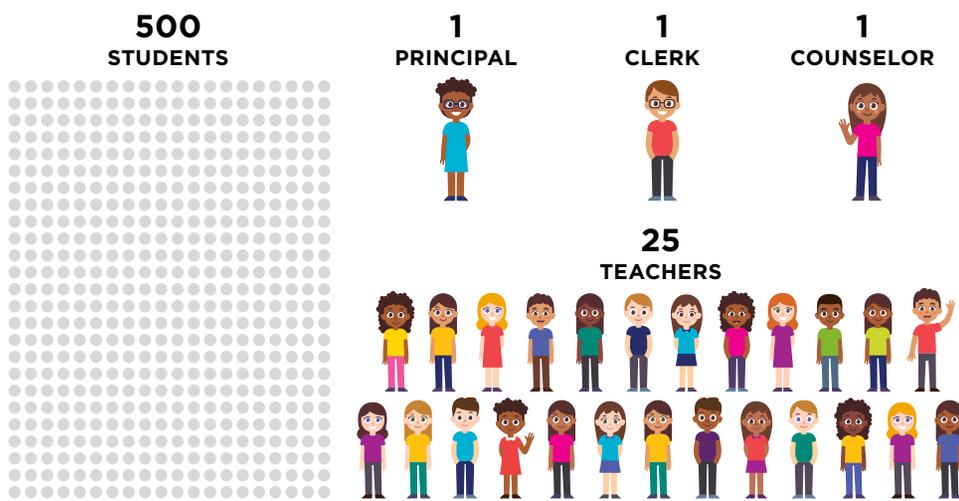
In order to distribute the funds in our operating budget to our 644 schools, two basic factors are used to determine how much money each school receives:

TRADITIONAL SCHOOLS: 513

District Run Schools

Funding for the 2018-19 school year is based on the 20th day enrollment count from the 2017-18 school year and Student Based Budgeting is used to determine the base amount of resources that a school receives for core instruction. SBB is a per-pupil funding allocation, weighted based on grade level and diverse learner category. The FY2019 base per-pupil rate was increased to \$4,397 from the FY2018 rate of \$4,290. Students in grades 4-8 receive the base per-pupil rate. Students in kindergarten through third grade receive a weight of 1.07, which means that their per-pupil rate is seven percent higher than the base rate. High school students receive a weight of 1.24.

Every district-run school also receives three foundation positions - one principal, one counselor and one clerk. Then the principal has discretion on how they allocate their resources to staff assistant principals, teachers, and other support personnel. This allows the principal to alter the staffing mix of the school in a manner that best meets the needs of the students and communities they serve. For instance, an elementary school with 500 students could be staffed in the following manner:



Schools also receive additional positions and resources to serve special education students and students with limited English language proficiency. These students may receive different SBB rates depending on the amount of time spent outside of the general education classroom, which helps to increase their equity in education access.

NONTRADITIONAL SCHOOLS: 131

Charters, Contract, Specialty, Options

Nontraditional schools also receive funds based on their enrollment, but they get a specified dollar amount per student which covers all of their operating expenses including salaries and benefits. Funding is not tied to positions and they could also receive additional discretionary state and federal funds in the same manner as traditional schools.

Charter Schools and Contract Schools are managed independently and receive funding on a per-pupil basis, similar to district schools. Charter schools' per-pupil funding levels are governed by state law, while contract schools' funding is based on a modified approach to SBB.

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

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



OUR VISION

CPS continues to invest in areas that drive student achievement and reflect the values and priorities of the administration as outlined in our 3-Year Vision, which focuses on:

ACADEMIC PROGRESS

FINANCIAL STABILITY

DISTRICT-WIDE COMMITMENT TO INTEGRITY



TO BUILD ON THE OUR RECORD-SETTING ACADEMIC PROGRESS, CPS IS:

INVESTING \$3.1 BILLION

 in school budgets for 2019, an increase of more than \$60 million compared to the prior school year

Increasing the Student Based Budgeting (SBB) rate by

2.5% TO SUPPORT ACADEMIC PROGRAMMING

and higher teacher salaries

FY2019 SBB rate now \$4,397.00



INCREASING FUNDING FOR LOW-INCOME STUDENTS BY 6%

 and creating a special fund to support schools that are experiencing sharp enrollment drops

WE ARE INVESTING SIGNIFICANT RESOURCES INTO THE FOLLOWING DISTRICT INITIATIVES:

\$28 MILLION IN 2019

for the first phase of a three-year \$75 million investment in high school science labs



Expanded full day pre-K including

180 ADDITIONAL FULL-DAY PRE-K CLASSROOMS

to provide an additional 3,700 children with access to high quality early childhood education

\$19.8 MILLION INVESTMENT



\$14 million in additional funding for low income students by raising the rate for Supplemental Aid (formerly Supplemental General State Aid) from \$857 per student to

\$910 PER STUDENT



\$10 MILLION

in the Small Schools Fund to support schools with low or declining enrollment

\$5 MILLION

in supplemental funding to protect schools that would otherwise lose more than 3 percent of SBB funding this year



WE ARE ADDING NEW STAFF AND CREATING TWO NEW DEPARTMENTS TO IMPROVE STUDENT PROTECTIONS AND EQUITY ACROSS THE DISTRICT:

\$26 MILLION to hire 160 Social Workers and 94 Special Education case managers.

OFFICE OF STUDENT PROTECTIONS AND TITLE IX

This 20-member team will have a mandate to advocate for students and coordinate the district's response to any allegation of abuse, sexual violence, harassment or discrimination.



OFFICE OF EQUITY

This team will develop, implement and report on the district efforts to address the strategic priorities for diversity, equity and inclusion.



TOGETHER, THESE INVESTMENTS WILL PROVIDE ENHANCED RESOURCES AND SUPPORTS TO CONTINUE THE ADVANCEMENT OF OUR DISTRICT AND OUR SCHOOLS.



FOR MORE INFORMATION

cps.edu/budget

GET INVOLVED

**Family And Community Engagement
in Education (FACE)**

cpsparentu.org

773-553-FACE

Local School Council (LSC) Relations

773-553-1400

**CHICAGO PUBLIC SCHOOLS
DISTRICT OFFICE**

42 W. Madison St.

Chicago, IL 60602

cps.edu

773-553-1000



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