

Chicago Public Schools School Funding Forum



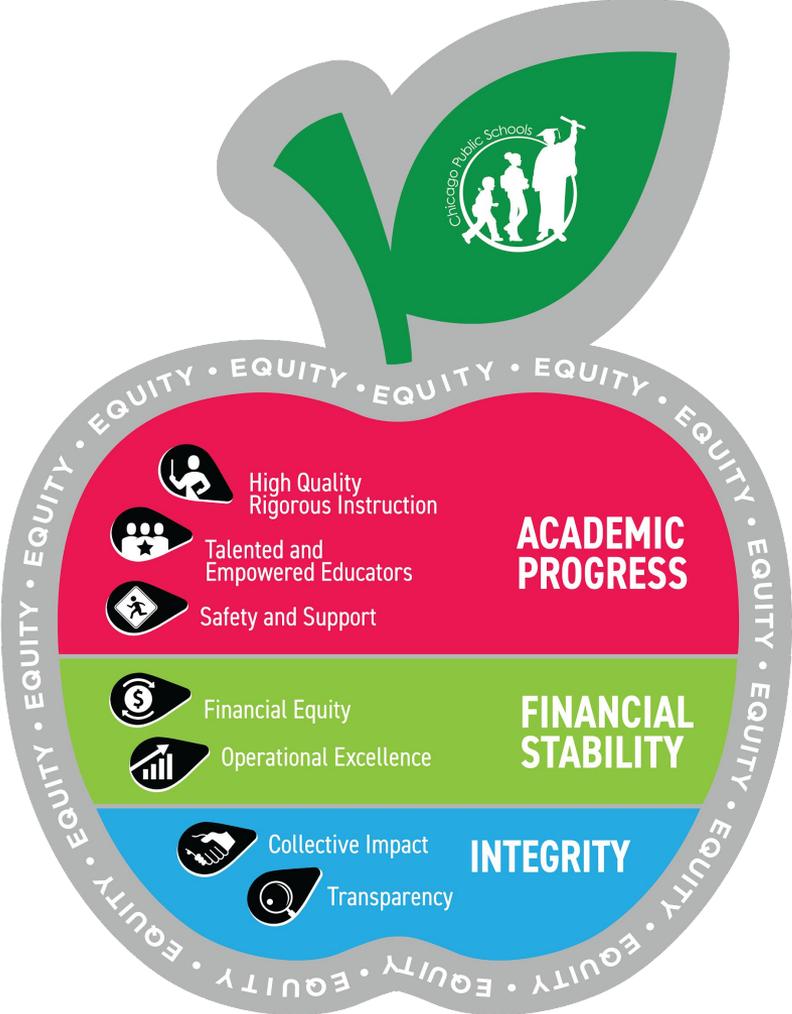
WELCOME

Agenda

- Presentation: 30 minutes
- Small group discussions: 60 minutes
- Report out: 30 minutes



Five-Year Vision



Equality



Equity



Why we are here

This is one in a series of six public workshops to examine the state of school funding in CPS.

As announced by Mayor Lightfoot and CEO Jackson in July 2019:

*“To help ensure schools have resources to meet the changing demographics and needs of their students, CPS has committed to examining its school funding formulas and resource allocations. **Specifically, CPS will work to determine if there is a more equitable way to fund schools across the district. CPS will engage and solicit feedback from its stakeholders throughout the 2019-2020 school year to ensure that voices of educators and community members are taken into consideration.**”*



We are engaging the public in a multi-phase process to examine school funding

Phase one: December 2019 - March 2020

- Establishment of school funding working group
- Inaugural CPS school funding engagement workshops
- Phase one report issued by working group to inform the FY2021 budget

Phase two: Summer 2020 - March 2021

- Continuation of school funding working group
- Continuation of CPS school funding engagement workshops
- Phase two report issued by working group to inform the FY2022 budget



Public feedback is a key input for the School Funding Working Group

The School Funding Working Group is charged with providing recommendations to improve school funding in CPS, and includes:

- Parents
- Students
- Principals
- CTU and charter school representatives
- Advocates and subject matter experts
- Governor's Office
- Leadership from the Mayor's Office, Board of Education, and CPS

The working group will publicly issue a phase one report to help inform options for the FY2021 budget cycle and a phase two report with recommendations for improvements to school funding methodology by February 2021.



Stakeholder engagement is essential to guiding our work

Informed by school leaders and other stakeholders, the district has made significant revisions in approach to school funding in the last two years with a focus on:

- Transparency
- Equity
- Sustainability
- Stability



Six workshops are being held throughout the city



School Funding Engagement Workshops

In order to solicit feedback from stakeholders across Chicago, the district will host six school funding forums that will seek to both inform and engage members of the community. These forums will provide an overview of its current funding methodologies and gather feedback from the community. At these meetings, parents and other school stakeholders will be able to share the needs of their school communities and offer suggestions on how to make the school funding process more equitable, transparent and sustainable.

WEDNESDAY Amundsen High School
JAN 29, 2020 5110 N. Damen Ave., Chicago, IL 60625
6-8 P.M. **Register:** fundingworkshopamundsen.eventbrite.com

THURSDAY Michele Clark High School
JAN 30, 2020 5101 W. Harrison St., Chicago, IL 60644
6-8 P.M. **Register:** fundingworkshopmicheleclark.eventbrite.com

SATURDAY Corliss High School
FEB 1, 2020 821 E. 103rd St., Chicago, IL 60628
11 A.M.-1 P.M. **Register:** fundingworkshopcorliss.eventbrite.com

WEDNESDAY Hammond Elementary School
FEB 5, 2020 2819 W. 21st Pl., Chicago, IL 60623
6-8 P.M. **Register:** fundingworkshophammond.eventbrite.com

THURSDAY Dyett High School
FEB 6, 2020 555 E. 51st St., Chicago, IL 60615
6-8 P.M. **Register:** fundingworkshopdyett.eventbrite.com

SATURDAY Roberto Clemente High School
FEB 8, 2020 1147 N. Western Ave., Chicago, IL 60622
11 A.M.-1 P.M. **Register:** fundingworkshopclemente.eventbrite.com



Format for workshops is designed to support robust dialogue and capture feedback

Exploring three central questions

- Where does CPS get its funding?
- How does CPS allocate its funding?
- **How does CPS fund schools?**



Guiding questions

- How does CPS' current approach to school funding meet/not meet the needs of your school community?
- What could CPS do to improve equity in school funding?
- What could CPS do to improve transparency in school funding?
- What could CPS do to improve sustainability in school funding?
- If CPS had additional revenue, what should we prioritize?



Your feedback will inform current and future work

Today:

- Authentic and diverse dialogue
- Your voice matters: Please speak up
- Minor concerns may inform major improvements

Near Term Next Steps:

- Compile feedback, elicit themes from forums
 - Opportunity to do now vs future considerations
 - Phase one vs Phase two
- Follow-up survey
- Incorporate into working group + annual FY2021 planning

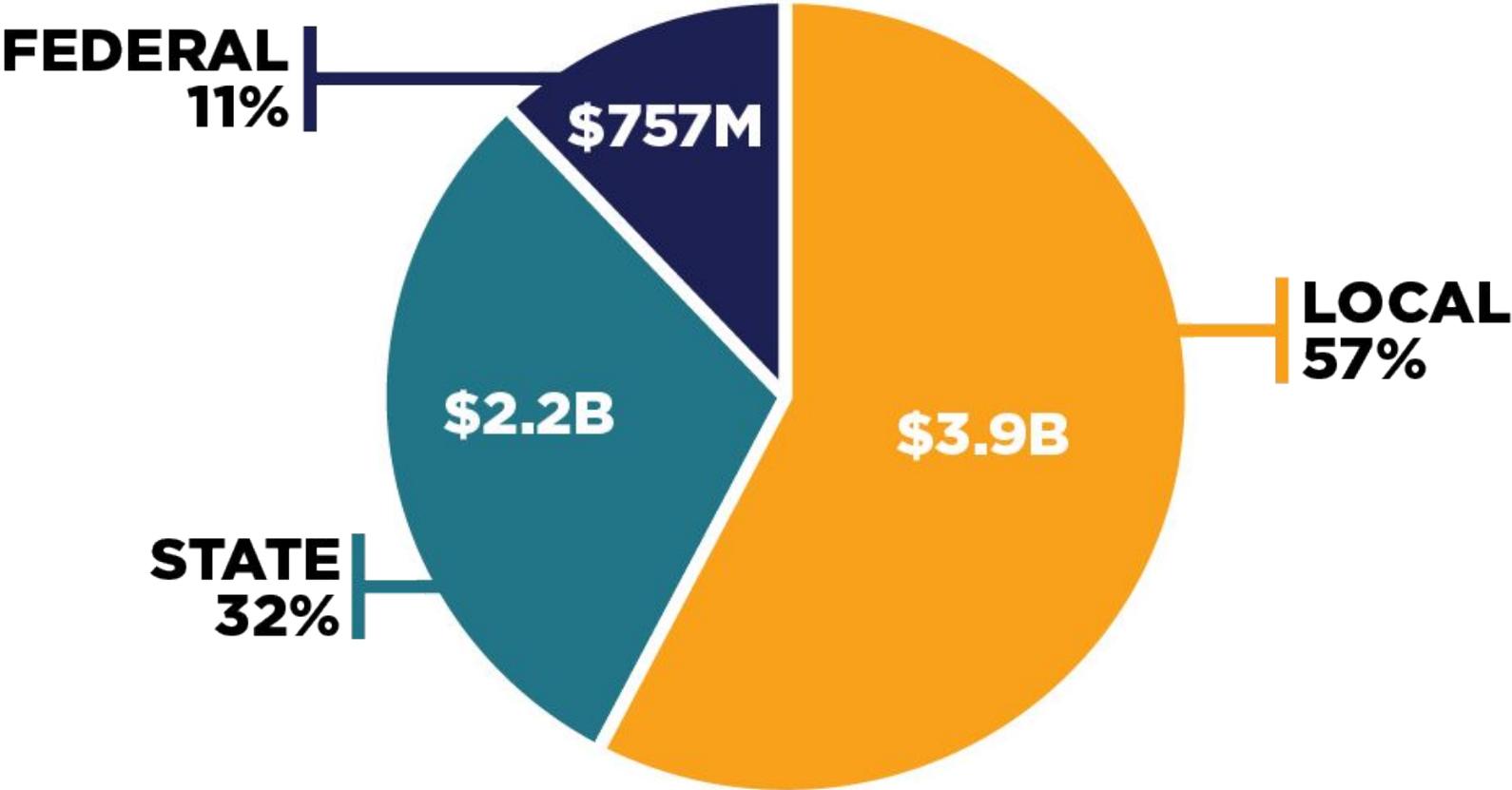
Longer Term:

- Phase two of stakeholder engagement
- Exploration of areas and opportunities for future consideration
- Incorporate into annual budget and planning process



WHERE DOES CPS GET ITS FUNDING?

Where does CPS get its funding?

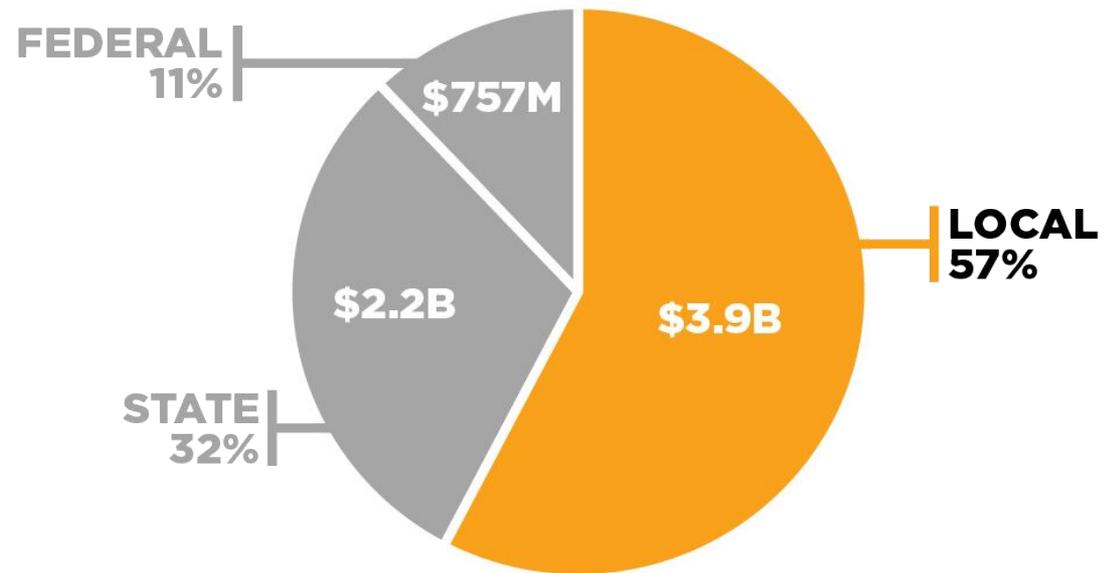


Totals include all operating and debt service revenues.



Vast majority of funding comes from Chicagoans

Local Revenue Source	FY20 Budget	% of Total Budget
Property taxes	\$3.1B	45%
Personal Property Replacement Tax	\$215M	3%
TIF Surplus	\$163M	2%
Other	\$413M	6%
Total	\$3.9B	57%

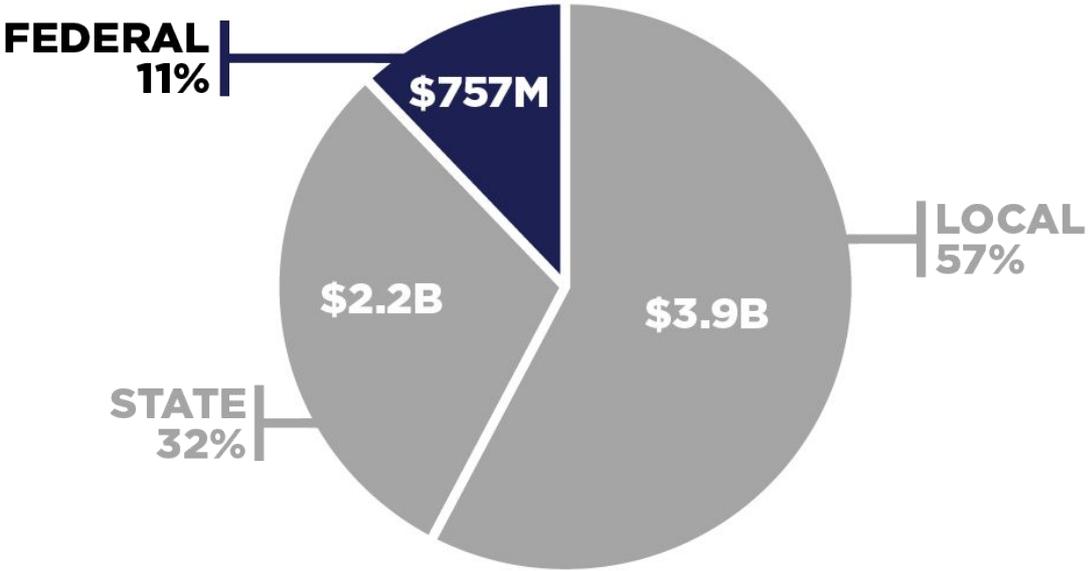


Totals include all operating and debt service revenues.



Federal funding primarily supports students from limited-income backgrounds

Federal Revenue Source	FY20 Budget	% of Total Budget
Every Student Succeeds Act	\$348M	5%
Nutrition	\$202M	3%
Other	\$207M	3%
Total	\$757M	11%

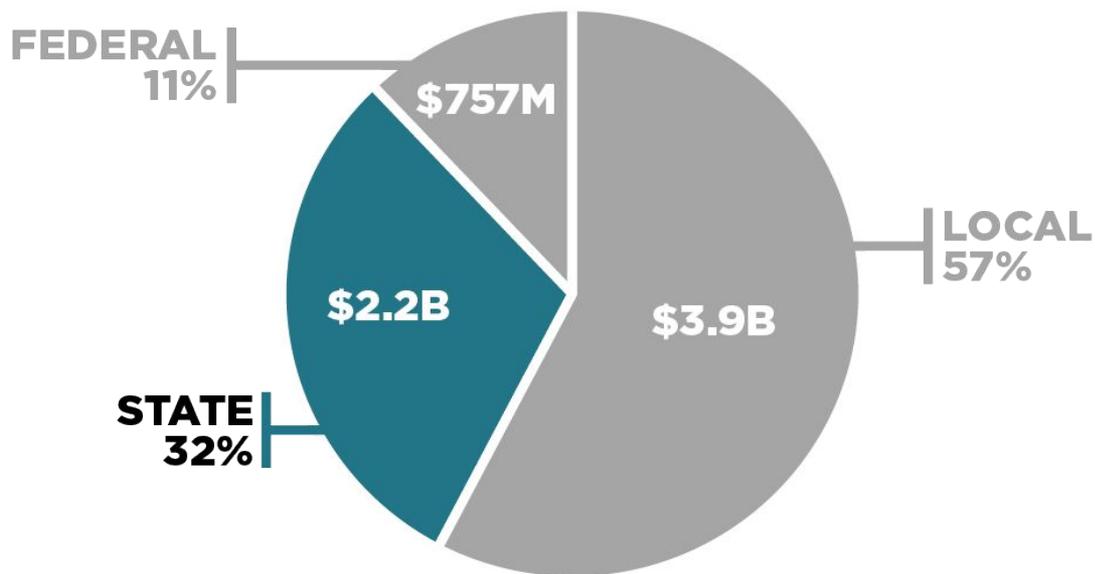


Totals include all operating and debt service revenues.



State funding has improved since 2017 under Evidence-Based Funding model

State Revenue Source	FY20 Budget	% of Total Budget
Evidence Based Funding	\$1.7B	24%
State Pension Support	\$257M	4%
Early Childhood Block Grant	\$201M	3%
Other	\$117M	2%
Total	\$2.2B	32%



Totals include all operating and debt service revenues.



Despite recent improvements, CPS is still nearly \$2 billion short of adequate funding

	Total	Per-pupil equivalent*
Current CPS revenues (local and state)	\$6.2 billion	\$17.4K
Funding shortfall	\$1.9 billion	\$5.4K
CPS revenues if adequately funded	\$8.1 billion	\$22.8K

For a school of 400 students:

400 students x \$5.4K per student
= \$2.1 million

*Represents per-pupil equivalent of all operating and debt service expenditures.



HOW DOES CPS ALLOCATE ITS RESOURCES?

How does CPS allocate its resources?

TOTAL CPS BUDGET (OPERATING AND DEBT SERVICE)—\$7.0 Billion

**PENSION AND
DEBT SERVICE
OBLIGATIONS**

\$1.6 Billion

**CENTRAL/
NETWORK
OFFICES**

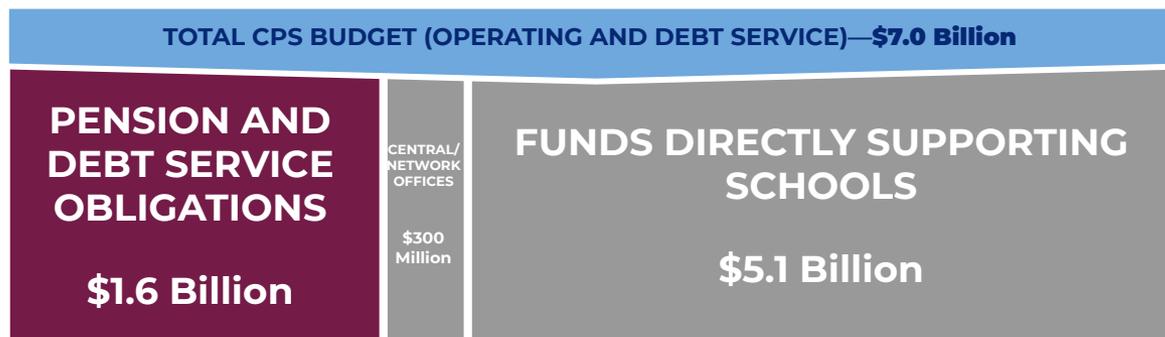
**\$300
Million**

**FUNDS DIRECTLY SUPPORTING
SCHOOLS**

\$5.1 Billion



\$1.6 billion goes directly to pay for pensions and service debt



PENSIONS

CPS pays nearly \$900 million to fund teacher pensions

Current year cost is only \$245 million; the remaining amount funds liabilities incurred in prior years

DEBT SERVICE

CPS pays \$664 million in principal and interest payments on long-term debt

These dollars repay bonds issued by CPS to fund capital investments in schools



Central office and network expenses represent 4 percent of CPS spending



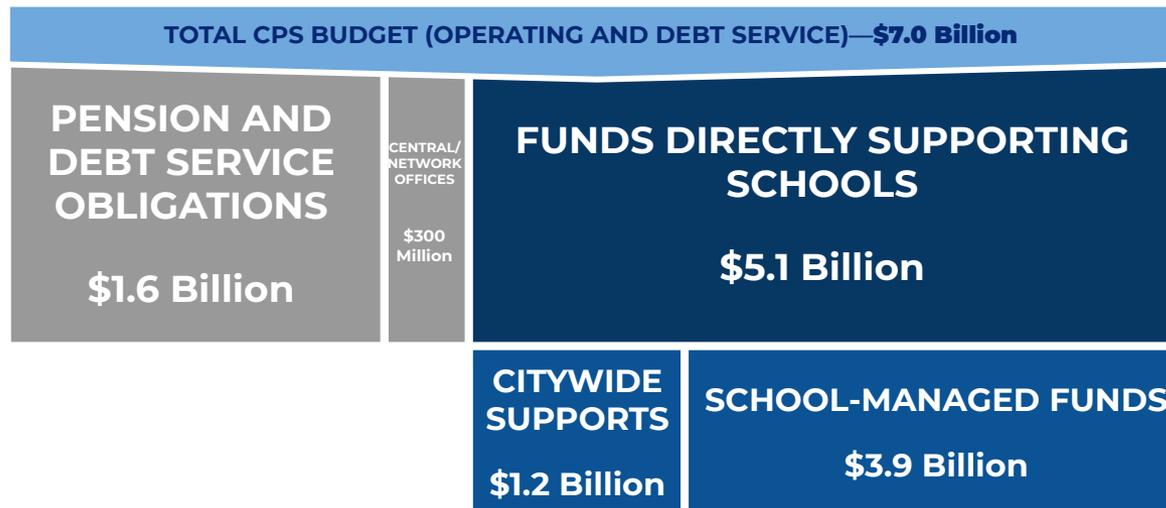
CENTRAL OFFICE AND NETWORKS

Central office expenses include district administrative costs (e.g. HR, law, student support and engagement, finance)

Network expenses primarily represent instructional supports and professional development for schools and principals



Over \$5 billion of CPS budget directly supports schools



CITYWIDE SUPPORTS

\$1.2 billion funds citywide supports (e.g. transportation, security, IT services) that directly benefit schools

SCHOOL MANAGED FUNDS

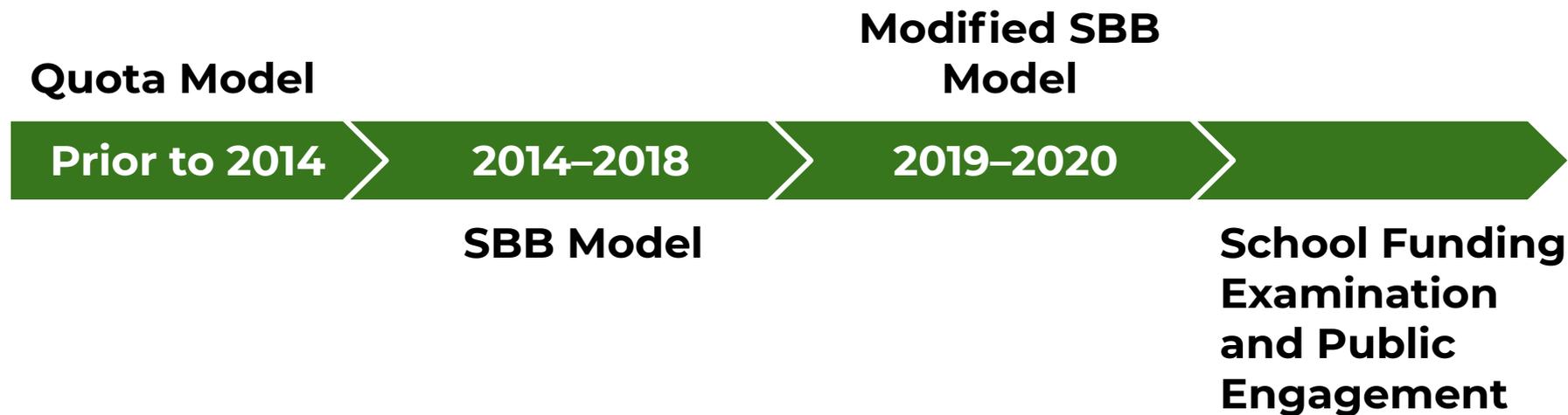
\$3.9 billion goes directly to schools to be managed locally

Principals and LSCs have substantial autonomy over these funds

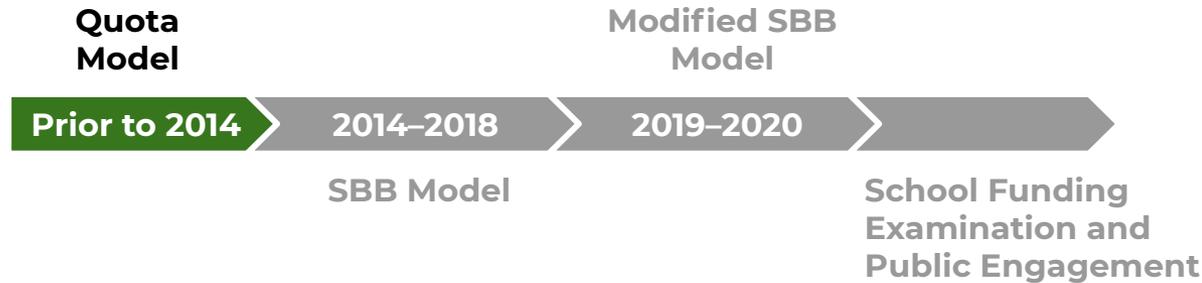


HOW DOES CPS FUND SCHOOLS?

CPS approach to school funding has undergone significant changes in the last decade



Before FY2014: Quota model



The quota model allocated funding to schools primarily through positions determined through “quota” formulas.

Each school’s enrollment determined the number of teacher positions it received. Small amounts of non-personnel dollars were allocated on top of teacher positions.

Classroom Teachers

The following ratios are used to calculate an elementary school’s quota teacher allocation:

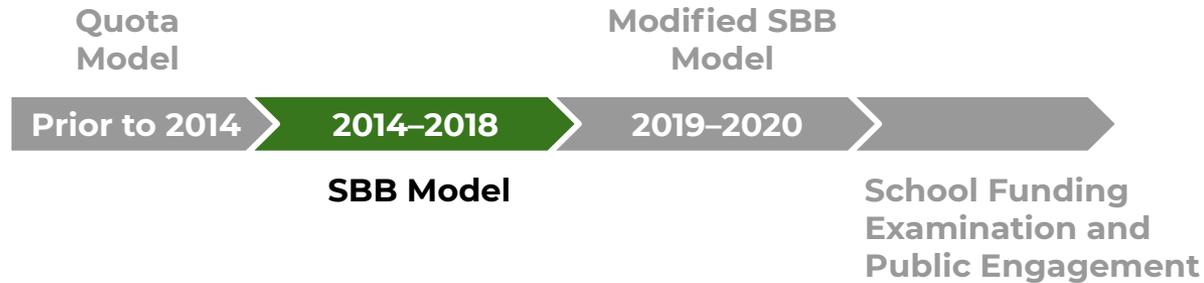
Grade Level	Target Pupil-Teacher Ratio
Intermediate/Upper (4-8)	31:1
Primary (1-3)	28:1
Kindergarten*	56:1

* Note that kindergarten is a half-day program with enrollment based on 56 students (28 x 2), with assigned teachers holding both a morning and afternoon class each day.

Source: FY2013 CPS Budget Book



FY2014 to FY2018: Student Based Budgeting

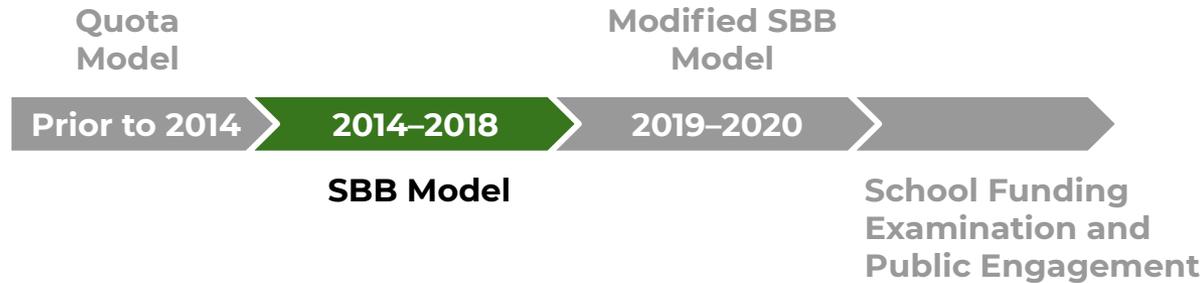


Student Based Budgeting (SBB) model - introduced in FY2014 – allocated funding primarily through per-pupil dollar allocations with which principals could use at their discretion.

These dollars replaced the funding for positions allocated under the quota model.



FY2014 to FY2018: Student Based Budgeting



Enrollment category	Weighting
K-3	1.07
4-8	1.00 (base rate)
9-12	1.24

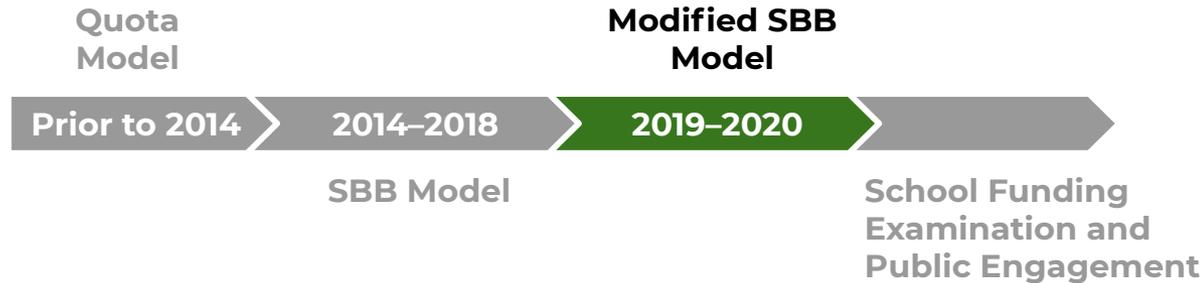
Schools received a base per-pupil rate for students in grades 4 through 8.

Schools received a higher rate for students in grades K through 3 and 9 through 12.



FY2019 & FY2020: Modified SBB approach

In FY2019 and FY2020, schools continued to receive funding under the SBB model, but with significant changes to support equity and student achievement.



- 1. Shift to prior year 20th day enrollment + release of budgets in spring** CPS shifted the basis for enrollment-based allocations to prior year 20th day enrollment instead of enrollment projections. Change to prior year 20th day enrollment as basis for funding kept funding in schools that would have lost under the prior approach to SBB.

This policy change accomplished the following:

Minimized disruption at start of school by eliminating fall budget cuts; schools experiencing enrollment increases received additional dollars to support the higher enrollment

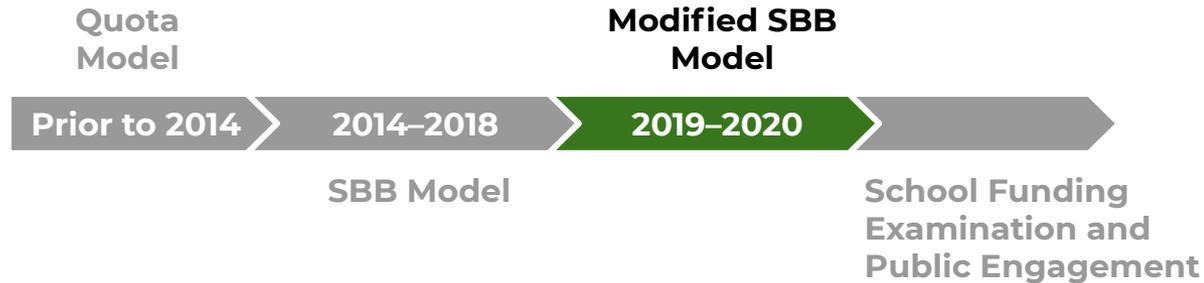
Accelerated time frame for teacher hiring and school staffing changes, supporting schools in sourcing top candidates to fill positions by late spring

Built in greater predictability for principals to support long-term planning



FY2019 & FY2020: Modified SBB approach

In FY2019 and FY2020, schools continued to receive funding under the SBB model, but with significant changes to support equity and student achievement.



2. Supplemental aid

CPS maintained the distribution construct from the state's now-eliminated Supplemental General State Aid methodology, allocating a per-pupil dollar amount for every low-income student at a school.

3. Small school supplement (FY19) and equity grants (FY20)

To support schools with low and declining enrollment, CPS allocated funds through the small school supplement in FY19 and equity grants in FY20.

4. Quota positions for special education

CPS returned to the practice of allocating special education teacher and paraprofessional resources through positions rather than dollar allocations.



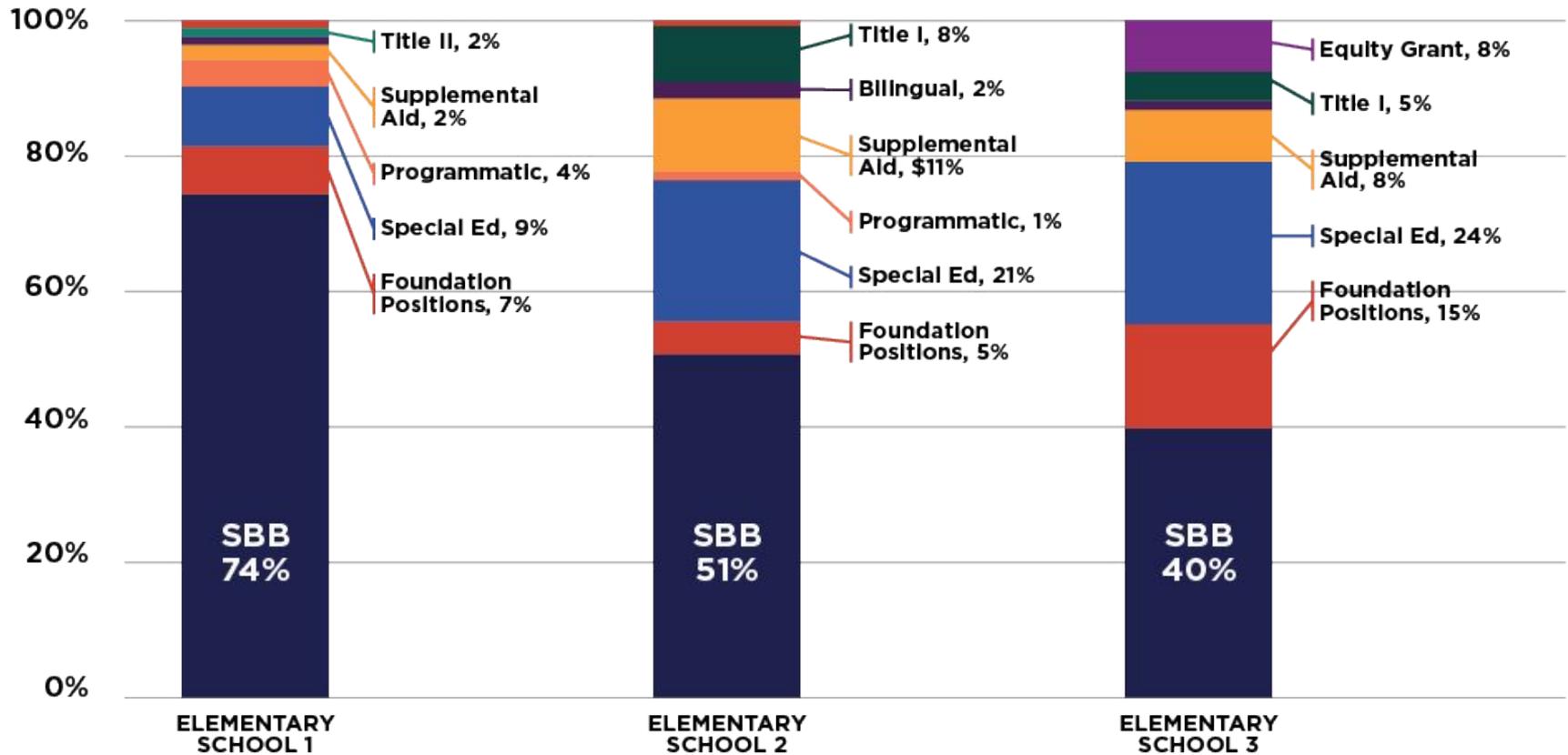
CPS delivers funding to schools through a variety of funding streams

Funding Stream	Total allocated	% of total
FOUNDATION POSITIONS Principal, counselor, and clerk allocated to every school	\$190 million	7%
SBB Per-pupil funds based on total enrollment	\$1.4 billion	51%
SUPPLEMENTAL AID Per-pupil funds based on total low-income enrollment	\$220 million	8%
SPECIAL EDUCATION Positions allocated based on student special ed needs	\$594 million	22%
PROGRAMMATIC RESOURCES Positions allocated to support specific programs or types of schools (STEM, IB, Magnet, etc)	\$88 million	3%
EQUITY GRANTS Supplemental funds for schools with low & declining enrollment	\$31 million	1%

Funding Stream	Total allocated	% of total
TEACHER SALARY ADJUSTMENT Supplemental funds for schools with above average teacher salaries	\$32 million	1%
STATE BILINGUAL Supplemental funds to support bilingual instruction	\$28 million	1%
TITLE I DISCRETIONARY Supplemental based on concentration and total enrollment of low-income students	\$141 million	5%
TITLE II Supplemental funds to support professional development and reduced class size	\$5 million	<1%
TITLE III Supplemental funds to support bilingual instruction	\$3 million	<1%



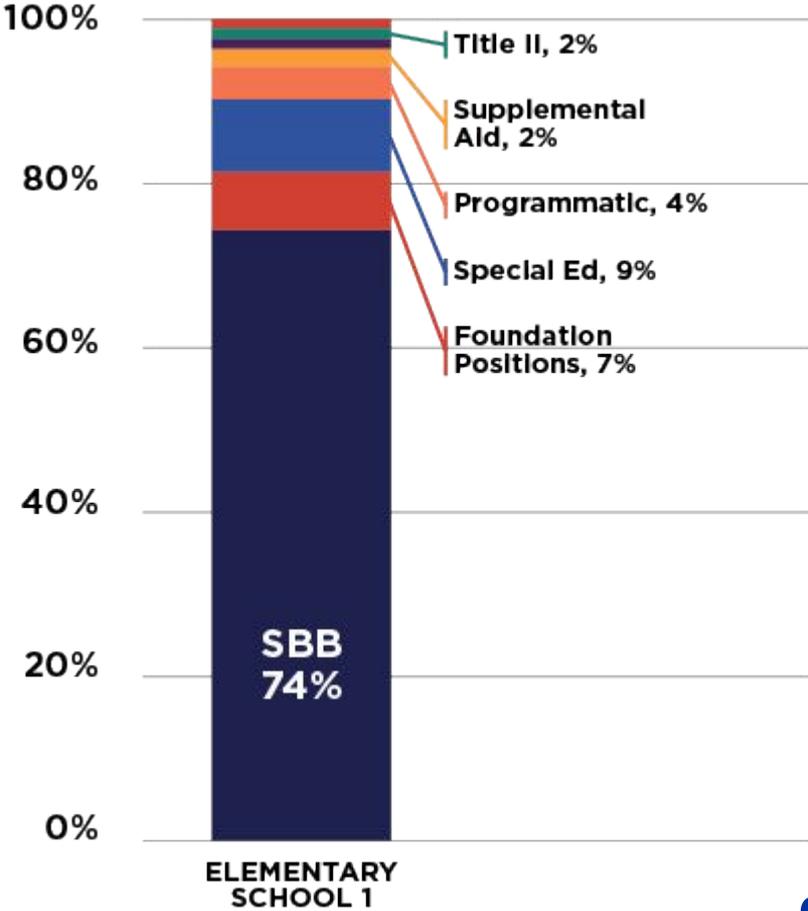
School resource allocations vary based on school type and student demographics



Large schools with low poverty receive most of their funding through SBB

Enrollment	1002
Low Income	13%
Bilingual	5%
Special Education	5%
Total Budget	\$6.0M
Total \$/Student*	\$5,988

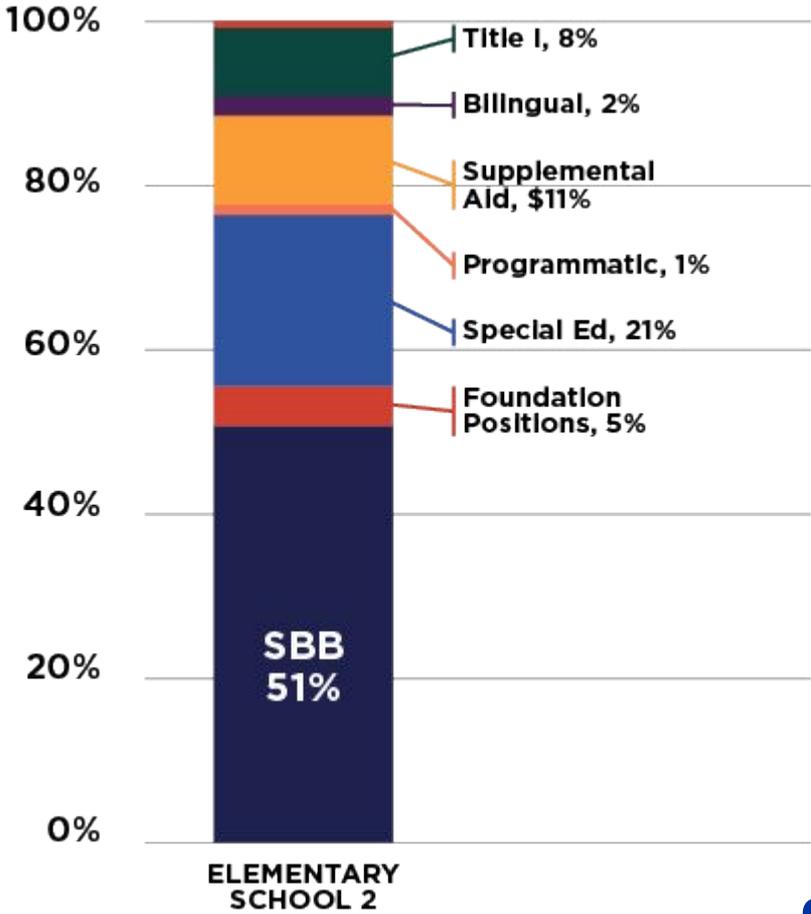
*Total represents only funding allocated to schools and does not include central expenditures including operations, administration, and other costs.



Large schools with high-needs students receive additional need-based funding streams

Enrollment	909
Low Income	99%
Bilingual	46%
Special Education	10%
Total Budget	\$8.7M
Total \$/Student*	\$9,536

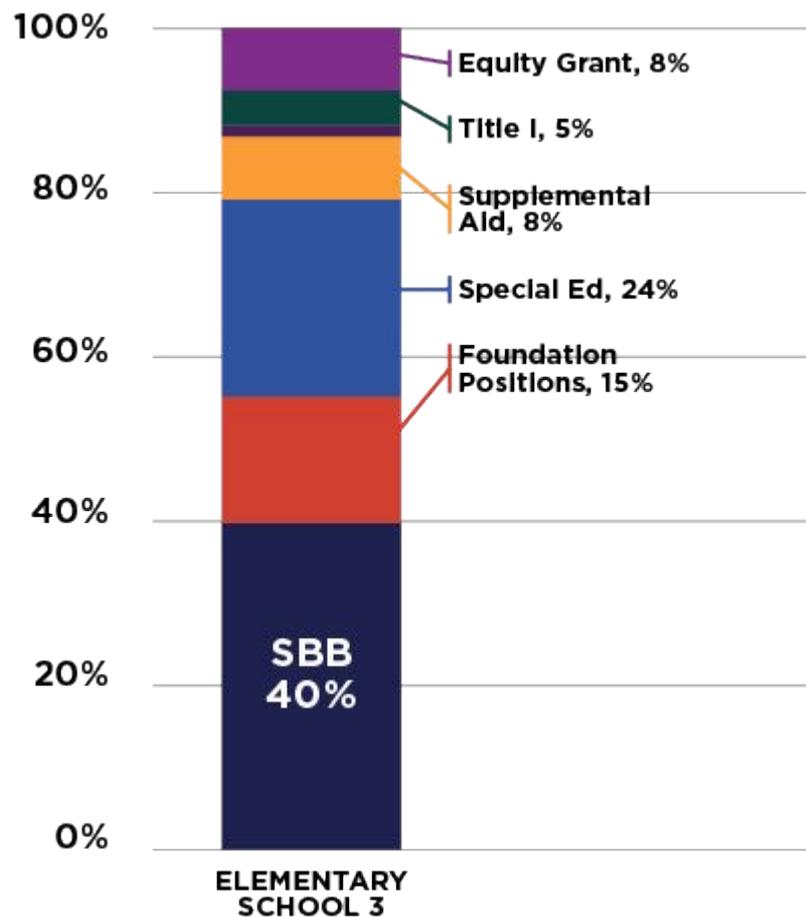
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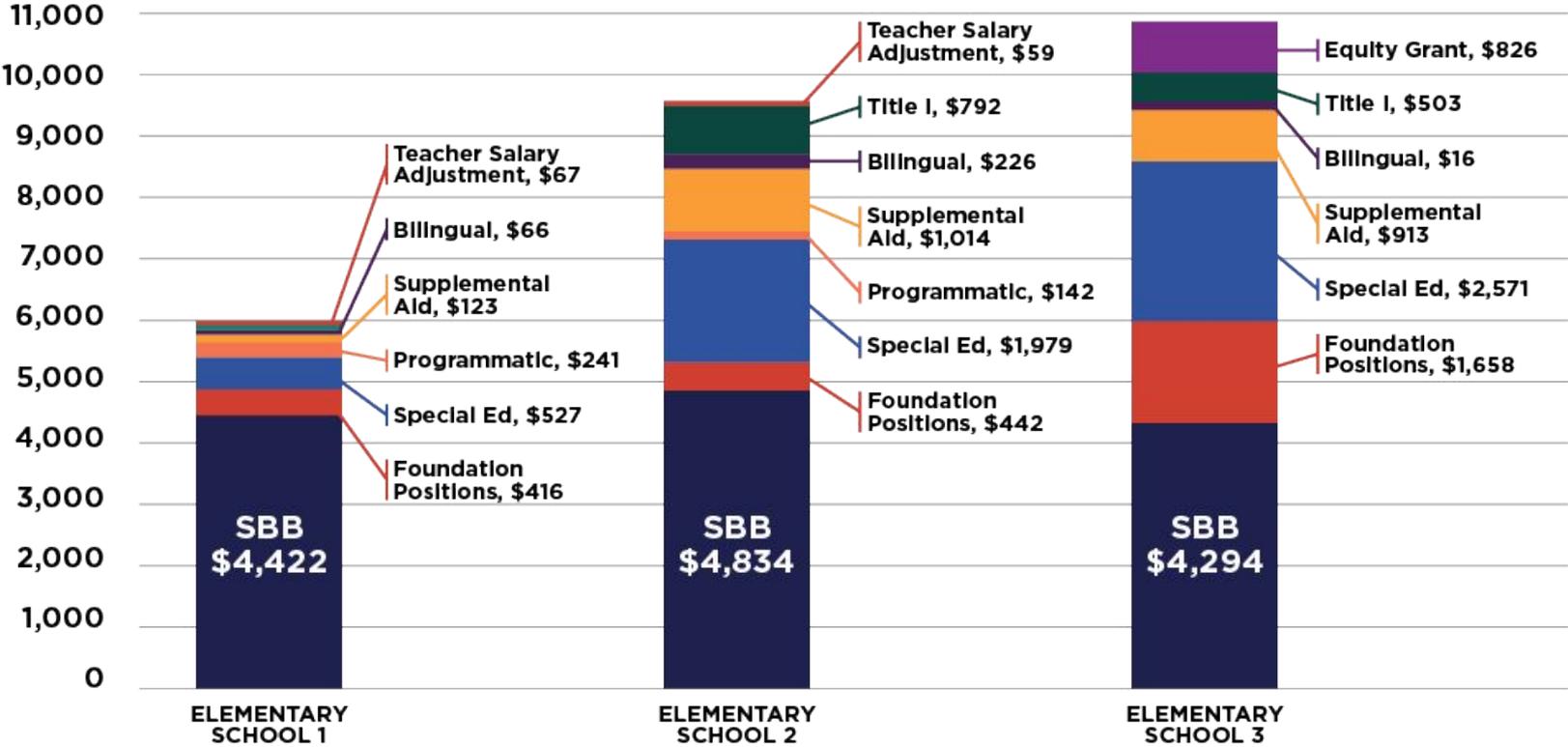
SBB represents a smaller portion of the budget for small, high-need schools

Enrollment	267
Low Income	84%
Bilingual	3%
Special Education	17%
Total Budget	\$2.9M
Total \$/Student*	\$10,806

*Total represents only funding allocated to schools and does not include central expenditures including operations, administration, and other costs.



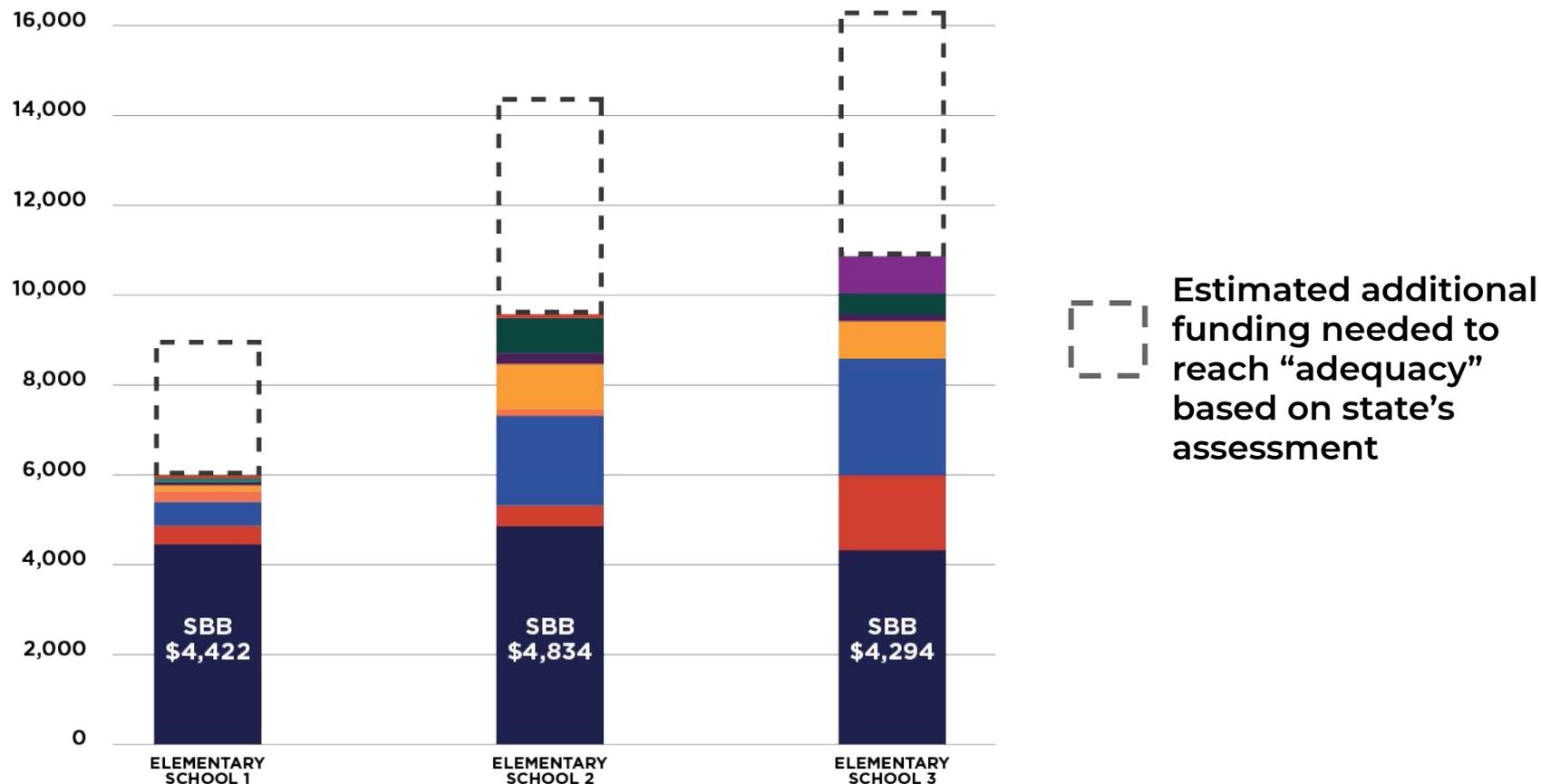
Different funding streams contribute to differences in per-pupil funding across schools



Totals reflect funding totals per student, based on total enrollment



Despite levels of need-based funding, all schools still need additional funding



Totals reflect funding totals per student, based on total enrollment



SMALL GROUP DISCUSSION

Hearing from the room

Using the chart paper and markers, record responses to the following three questions, as informed by the discussion of the group:

- List one big idea
- What's one question the group still has?
- Who is missing from the table?

Identify a representative to read responses

One minute per group



Takeaways, next steps, and other opportunities to support schools

Near Term Next Steps:

- Compile feedback, elicit themes
- Follow-up survey
- Incorporate into working group + annual FY2021 planning

Longer Term:

- Phase two stakeholder engagement
- Incorporated into annual budget and planning process

Proposed FY2021 Capital Process:

- Seek Public input on facility needs prioritization
- Release Draft FY2021 plan to Public
- Hold Capital plan hearings
- Board approval of FY2021 Capital plan
- ***Information and updates on this process and timeline will be posted at cps.edu when they are available.***

Local School Council (LSC) Elections
United States Census 2020



THANK YOU!