



CPS School Funding Working Group April 2020 Report

Overview	2
A History of School Funding in Chicago Public Schools	2
Quota Model, pre-2014	3
Student-Based Budgeting (SBB), 2014-2018	3
Modified SBB, 2019-Present	4
The 2019-20 School Funding Working Group	4
Like Many School Districts, CPS Receives Inadequate Local, State, and Federal Funding.	5
Local Funding	5
State Funding	6
Federal Funding	7
Equity and School Funding is Complex	8
CPS’ Financial Improvements Can Improve Adequacy and Equity.	8
Equity, Inclusivity, and Transparency Need to be at the Center of the Funding Process.	9
Preserve school-level autonomy and empower school communities.	9
Recommendations for FY2021 and Beyond	10
Phase One Recommendations	12
Refine methodologies and processes to improve equity and sustainability.	12
Empower principals and LSCs to maximize their resources.	12
Phase Two Recommendations	13
Commit to meaningful ongoing stakeholder engagement.	13
Provide transparent budget data for LSCs and school communities	13
Phase Three Recommendations	14
Create individual, school-level adequacy targets for all schools.	14
Advocate for more city, state, and federal funding.	14
Advancing the Work	15
Members of the School Funding Working Group	16

Overview

Chicago Public Schools (CPS) is committed to providing a high-quality education for every child, in every neighborhood, that prepares each for success in college, career, and civic life. To fulfill the district's commitments to academic progress, financial stability, and integrity in our Five-Year Vision, we must ensure equitable school funding. Equitable funding means providing the financial resources schools need to implement research-based educational practices that enhance student achievement and are based on the specific demographics of the students being served¹.

We consider our students and families as partners in our work, and in July 2019, Chicago Mayor Lori E. Lightfoot and CPS CEO Dr. Janice K. Jackson made a joint commitment to examine the district's current school funding practices with input from our school communities:

“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. 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.”

This report describes:

- The historical context of school funding in Chicago;
- The context of school funding at the national, state, and city level;
- The process of convening a working group with public engagement to identify opportunities for more equitable funding; and
- Preliminary recommendations intended to fund schools more equitably in Chicago.

A History of School Funding in Chicago Public Schools

School funding depends greatly on CPS' overall revenue. As CPS encountered a series of fiscal challenges in recent years, school budgets were impacted. CPS' total operating budget is funded by local, state, and federal revenue streams. The largest source of these in FY2020 is local revenue (\$3.7 billion, 58 percent of total). However, the majority of this revenue is tied to local property values, which declined in 2010 and have yet to recover to their 2009 peak, and can only increase by the rate of inflation. New construction in Chicago is also at only 61 percent of its 2009 peak. State revenues are the second largest share (\$1.9 billion, 30 percent of total). Following historic state education funding reform in 2017, CPS' state funding has only recently returned to its 2009 peak, adjusted for inflation. While federal revenue (\$700M, 12 percent of total) has continued to decline in recent years, CPS is in a much stronger overall

¹ This definition of Equitable Funding borrows from the state's definition of "Adequacy"

financial position than it has been in many years. However, we would be remiss not to acknowledge the impact the ongoing COVID-19 crisis may have on revenues.

Quota Model, pre-2014

CPS' overall approach to school funding has changed significantly over the past several years. Prior to 2014, a **quota model** was used to fund the majority of schools (and the vast majority of district-operated schools). Under this model, school funding was allocated according to “quota” formulas, meaning each school’s enrollment determined the number of teacher positions it received, based on a target student-to-teacher ratio (the same ratio for all CPS schools). While the quota model simplified some elements of budgeting for principals, since the personnel budget was essentially predetermined, it led to some key challenges. First, the quota system was tied to enrollment but not on a direct, one-to-one basis—additional students would not always result in additional resources. The quota system also created funding cliffs, where a very small change in enrollment could lead to a dramatic change in school funding. In addition, principals had somewhat limited flexibility in aligning resources to needs as school budgets had very limited amounts of non-personnel dollars.

Student-Based Budgeting (SBB), 2014-2018

In an effort to increase school-level autonomy and better respond to year-to-year enrollment changes, in 2014, CPS began funding all public schools, both district and charter, using a version of weighted per-pupil funding known as **Student-Based Budgeting (SBB)**. Under SBB, each student receives a “weight” based on grade level and diverse learner status. Then, schools receive revenue for each student based on these weights and the district’s calculated SBB base rate. Under SBB, funding for schools is delivered primarily through per-pupil dollar allocations that principals could use at their discretion. As a result, for any given level of funding, principals had more flexibility. While SBB was a major shift for CPS, it did not introduce a new link between funding and enrollment—this link had also existed previously. The per-pupil allocations under SBB simply replaced the older, enrollment-based funding under the quota model.

Between 2014 and 2018, district finances stretched to the breaking point due to an outdated, inequitable state funding formula and the expiration of the district’s pension holiday. Political uncertainty and delayed state payments forced CPS to make mid-year cuts to SBB twice during this period. The district exhausted one-time solutions to avoid even larger cuts to school budgets and fought for a more equitable and certain approach to state education funding.

SBB also maintained one of the fundamental issues with quota funding: a lack of equity. While the quota and SBB funding models treated all schools equally, neither accounted for equity as it relates to the different needs of each school. While schools in economically disadvantaged communities and/or English learner student populations received supplemental federal and state funding, the district’s local funding via SBB did not take into account varying levels of need across the district.

Modified SBB, 2019-Present

In 2019, CPS introduced additional significant changes to SBB, creating a **Modified SBB** funding system. Modified SBB reflected changes made possible by improved fiscal health after 2017 state education funding reform. Under the current Modified SBB system:

- CPS shifted the basis for enrollment-based allocations for a given year to the prior year's 20th day enrollment, instead of using enrollment projections. This change keeps funding in schools that are experiencing enrollment declines for at least one year, allowing additional support and planning time.
- CPS introduced a poverty metric into its formula for distributing supplemental local funding, choosing to adopt the distribution methodology from the state's now-eliminated Supplemental General State Aid (SGSA). Under SGSA, the state allocated funds directly to schools based on the number of low-income students at each school. State funding reform directed these newly unrestricted dollars to CPS' general fund, rather than directly to schools. Given the option of how to allocate these funds, CPS chose to maintain the poverty-based formula, recognizing the importance of providing funding equitably, not simply equally.
- Building on a commitment to equity and the need to support schools with small and declining enrollments, CPS allocated additional funds through two new funding streams: a small school supplement in FY19 (\$10M) and equity grants in FY20 (\$31M).
- Following extensive feedback (including an explicit recommendation of the 2017 Chicago Principal Fellows cohort and the Principal Advisory Committee), CPS returned to the practice of allocating special education teacher and paraprofessional resources through positions rather than dollar allocations, better supporting schools to meet the specific needs of their diverse learners.

The 2019-20 School Funding Working Group

In December 2019, CPS convened a working group of city and district leaders, parents, principals, teachers, and other stakeholders. The working group was charged with providing recommendations to make school funding in CPS more equitable. The group met five times between December 2019 and February 2020. During these meetings, working group members deeply explored the history of funding in CPS, current funding streams and distribution methodologies, and the concepts of equity and adequacy in the context of CPS schools. The working group cultivated a shared understanding of the issues and topics central to this discussion, along with acknowledging the tensions and complexity in these areas.

From the beginning, both CPS and working group members recognized the need for all voices to be heard and engaged in this work. As such, between the working group's third and fourth meetings, CPS also held a series of six public engagement workshops across the city on the topic of school funding. During those public workshops, CPS presented a brief history and overview of school funding as well as

the methods used to distribute funding². Attendees participated in facilitated round-table discussions and shared their questions, ideas, and concerns about school funding. In total, nearly 500 parents, advocates, students, principals, teachers, and other community members attended the sessions.

Following these workshops, the working group reconvened to discuss the themes and findings from community forums. They identified intersections and convergence points between their work and the public feedback, as well as areas of difference. Through this process, the working group members identified the following central themes:

- Like many school districts across the nation, CPS receives inadequate local, state, and federal funding;
- Equity and school funding is complex;
- Equity, inclusivity, and transparency need to be at the center of the funding process; and
- Preserve school-level autonomy and empower school communities.

Like Many School Districts, CPS Receives Inadequate Local, State, and Federal Funding.

Local Funding

CPS is constrained by law in how much local funding it receives. 84 percent of its local revenue comes from property taxes levied each year on the \$86 billion worth of property in Chicago. While we cannot forecast future changes to local funding due to the COVID-19 public health crisis, local funding has been a historically reliable revenue source—with total revenues not varying greatly with wider economic volatility, unlike more sensitive revenues such as corporate and sales taxes. Local funding is also progressive, with greater proportions of taxes paid by wealthier individuals and corporations.

However, this stability means that it cannot meaningfully make up for shortfalls in other revenue sources. Beginning in 1994, CPS property taxes are constrained by the Property Tax Extension Limitation Law (PTELL), which effectively holds the increase in CPS property tax revenues to the rate of inflation each year. Recovery in the housing and commercial markets do not increase total property tax revenues; they instead only drive down tax rates. For example, when property assessments increased by 11 percent in 2019 with the County Assessor’s latest triennial assessment, CPS property tax rates decreased from 3.89 percent to 3.55 percent. CPS has no legal authority to unilaterally increase property tax rates beyond the rate of inflation, meaning that it cannot solve fiscal problems with changes to the property tax system.

One potential reform to improve local revenues involves reimagining the role of Tax Increment Financing (TIF) within the City of Chicago. TIF is an economic development mechanism that freezes property values at its prevailing level upon the creation of a new district, and any further property value

² School Funding Workshop Presentation [English](#) [Spanish](#)

increases becomes revenues that go towards funding economic development projects within the confines of that district. This represents over \$450 million in property tax revenue that CPS therefore forgoes. CPS would find much more fiscal flexibility if the city were to more aggressively close TIF Districts that no longer require TIF funds to attract investment, or if the City were to redirect a greater proportion of TIF “surplus” funds towards CPS.

State Funding

In 2017, the state of Illinois adopted Evidence-Based Funding (EBF), succeeding the old General State Aid (GSA) mechanism for distributing state funds to Local Education Agencies like CPS. In doing so, it created a methodology for establishing yearly adequacy targets for each district in Illinois.

105 ILCS 5/18-8.15 (excerpt)³

by June 30, 2027 and beyond, this State has a kindergarten through grade 12 public education system with the capacity to ensure the educational development of all persons to the limits of their capacities in accordance with Section 1 of Article X of the Constitution of the State of Illinois.

To accomplish that objective, this Section creates a method of funding public education that is evidence-based; is sufficient to ensure every student receives a meaningful opportunity to learn irrespective of race, ethnicity, sexual orientation, gender, or community-income level; and is sustainable and predictable.

When fully funded under this Section, every school shall have the resources, based on what the evidence indicates is needed, to:

- A. provide all students with a high quality education that offers the academic, enrichment, social and emotional support, technical, and career-focused programs that will allow them to become competitive workers, responsible parents, productive citizens of this State, and active members of our national democracy;*
- B. ensure all students receive the education they need to graduate from high school with the skills required to pursue post-secondary education and training for a rewarding career;*
- C. reduce, with a goal of eliminating, the achievement gap between at-risk and non-at-risk students by raising the performance of at-risk students and not by reducing standards; and*
- D. ensure this State satisfies its obligation to assume the primary responsibility to fund public education and simultaneously relieve the disproportionate burden placed on local property taxes to fund schools.*

According to this definition of adequate funding, CPS has only 66% of the local and state resources it needs to be adequately funded in 2020. In 2018, the first year of the new EBF mechanism, CPS received over \$460 million more in state funding than what it would have received under the old GSA formula. In

³ <http://www.ilga.gov/legislation/publicacts/100/PDF/100-0465.pdf>

the two years since, it has received an average increase of \$59 million over the previous year's baseline. EBF has undeniably been an important part of CPS' journey towards greater fiscal stability.

However, the new formula does not provide CPS with full funding for its students. Under EBF, CPS would need roughly \$2 billion more each year to fund the level of investment the state acknowledges as needed to educate all students at the level they are expected to achieve academically, based on evidence-based research. CPS has one of the largest funding gaps in the state, currently in excess of \$5,300 per student compared to a state average of \$3,321. In Cook County alone, there are 41 school districts serving over a total of 100,000 students that currently have more than 100 percent of their EBF-determined adequacy targets.

The district also faces state funding inequities when it comes to funding its pensions. CPS is the only school district in Illinois with its own teachers' pension fund, the Chicago Teachers' Pension Fund (CTPF). All other districts in the state utilize the Teachers' Retirement System (TRS). This led to a fundamental inequality until 2018. Like all other working Illinoisans, their income, corporate, and sales taxes paid for TRS costs, but Chicagoans alone supported the CTPF through property taxes and other local revenue streams.

Since the 2017 education funding reform that included EBF, the state has newly contributed an average of \$230 million annually to the CTPF, an amount which represents about 29 percent of the district's total annual employer contribution. Chicago taxpayers still solely shoulder the burden of the remaining 71 percent. In contrast, all other school districts in Illinois only contributed 2 percent of total contributions to the TRS in 2019.⁴

The state of Illinois also faces fiscal constraints, lessening the likelihood of further pension funding reform or significantly larger contributions to EBF that would ease some of the inequalities CPS currently faces. One potential policy change is the final adoption of a constitutional amendment that would allow for a Graduated Income Tax structure. If the relevant referendum passes in November 2020, the state's fiscal position would improve, and there would be a greater probability that the state would enact additional education funding reform that would remedy the inequalities CPS faces.

As things stand now, CPS has insufficient revenue to fund schools adequately. All discussions around the current state of school funding or potential changes reflect this context.

Federal Funding

Categorical funds authorized under the Every Student Succeeds Act (ESSA) continue to see declines in overall allocations. These include federal Title I for low income students, as well as Title III for English learners. Federal dollars are an important component of school funding, providing additional supplemental resources outside of the SBB formula, based on qualifying student need. In response to the COVID-19 crisis, additional federal funding is being provided to all school districts via the CARES Act. Currently, CPS is expected to receive \$205M as part of the CARES Act. However, it is unclear at this time

⁴ https://www.trsil.org/sites/default/files/documents/fy19_2.pdf, *Fiscal Year Highlights*, Page 8

if this increase in federal dollars will prompt a reduction in state revenues due to the economic impact of COVID-19.

Equity and School Funding is Complex

It is always challenging to determine how to most effectively and equitably distribute funds to schools, especially in a district as large and diverse as CPS. CPS has 642 schools, each with varying needs, that are funded through a variety of methods, including SBB, foundation positions⁵, programmatic funding, and several needs-based methodologies.

To illustrate this complexity, SBB—the most prominent method of school funding—accounted for only 51 percent of the overall funding for CPS’ 500 traditional district-operated schools in FY2020. Another 7 percent is distributed to schools through foundation positions, 3 percent for programmatic positions, 22 percent for special education, and 15 percent through needs-based formulas including Title I funding, Supplemental Aid, and equity grants. The percentage of overall funding that schools receive through each of these funding streams varies based on school and student needs.

The way these different funding streams intersect and contribute to a school’s budget is complex and difficult to follow, even for informed stakeholders like principals and Local School Council (LSC) members. It can also be especially difficult to determine solutions to make funding more equitable, as it is not clear how a school’s current resources map onto what the school needs in order to meet their goals.

While the state has a framework for equitable funding, current state funding levels bring CPS to just 66 percent of the funding it needs to fully fund schools and reach its own definition of equity.

CPS’ Financial Improvements Can Improve Adequacy and Equity.

CPS continues to improve financially, and thus there are opportunities to keep advancing funding adequacy and equity.

The district has seen recent, dramatic improvement in overall funding conditions, including overall budget increases in FY19 and FY20. These improvements are in large part due to the state’s shift to EBF in 2017. While these improvements have allowed the district to add resources to schools the last two years, CPS still borrows over \$800 million annually to meet short-term obligations and carries long-term debt rated as “junk” by the major rating agencies.

This means that schools serving students and families across the city still lack adequate resources. In this environment, CPS needs to consider how to keep advancing and making improvements that positively impact schools through an equity lens.

⁵ Principal, Counselor, and Clerk

Some of CPS' existing funding methods promote equity by allocating additional dollars to schools that serve low-income or English learners and whose enrollment has declined in recent years. However, schools face particular challenges in a variety of contexts. For example, schools with high levels of low-income students or English learners—even with additional funding provided by the district—may find it difficult to budget for staff to fully support the whole child and provide a healthy, safe, engaging, and academically challenging education. Additionally, schools with relatively low levels of need may receive a budget that funds little beyond core instructional positions. Given the overall adequacy level citywide, every school can point to needs unmet by its budget. As such, there is a need to examine all of the funding streams schools receive within CPS and document any inequities that may exist.

Equity, Inclusivity, and Transparency Need to be at the Center of the Funding Process.

Equity, inclusivity and transparency need to be at the center of everything in the funding process.

A school's resources play a critical role in determining the quality of education that their students receive. Thus, a focus on equitable opportunity for students implies that CPS needs to prioritize equity in school funding. Consistent with [CPS' Equity Framework](#)⁶, a commitment to equity begins with inclusivity. It is critical to center the conversation around the people who the funding formulas will impact, including LSC members, parents, students, and other community members. It is especially critical to ensure that the schools and communities that have been historically disinvested in are part of the conversation and prioritized to get the resources they need.

CPS also needs to be more transparent with all stakeholders by providing clear information about how the district's dollars are distributed and spent. A significant amount of data can be found on the district's [budget webpage](#), including the yearly Budget Book and Interactive Budget. However, this information needs to be communicated more clearly to stakeholders.

Preserve school-level autonomy and empower school communities.

CPS needs to preserve the autonomy that school leaders have in the budgeting process while empowering school communities and principals.

Local autonomy is a critical aspect of Chicago's successes in recent years. A principal's ability to make decisions in the budgeting process is an important element of principal autonomy. However, principals and other stakeholders need support. Principals need additional resources to more thoroughly weigh the implications and trade-offs of budget decisions. In general, decisions related to a school are best made at the school level, by principals in collaboration with other stakeholders. CPS should provide more support and resources about how to communicate and empower the full community, including LSC members, parents, and teachers, on these often complicated and difficult topics.

⁶ <https://cps.edu/equity/Documents/equity-framework.pdf>

Recommendations for FY2021 and Beyond

In the Five-Year Vision, we made a commitment to integrity: “We respect our students and families, and the diverse communities in which they live, and honor them as partners in our shared mission. We will earn their trust by communicating openly and consistently acting on community feedback.”

The recommendations are a result of listening to feedback from parents, students, advocates, school leaders, teachers, and community members who attended the school funding engagement sessions. Feedback from these sessions made a positive impact on FY2021 school budgets and we are committed to continue engaging the community in the budgeting process.

In general, CPS should aim to **improve clarity and transparency**, especially around a common definition of equity. The district should consider implementing specific methodologies to acknowledge the differentiated needs of schools and students. While all budgeting decisions involve trade-offs, the state of underfunding at virtually all CPS schools discourages a strategy in which funds are reallocated from one school to another. In future years, CPS should **implement more significant methodology changes** after additional analyses and stakeholder outreach, especially with principals and other key stakeholders.

The state-wide COVID-19 stay-at-home order, and the resulting shift from classroom education to remote learning, focused district resources on how best to serve students during this unprecedented time. Because of this and the fact that the CPS budget process is ongoing, we have segmented our recommendations into three phases:

- Phase 1: Recommendations that include opportunities for both immediate and ongoing implementation
- Phase 2: Recommendations that should be implemented as soon as is practicable based on the prioritization of the city’s and district’s COVID-19 response
- Phase 3: Recommendations that will need to be implemented during or after FY2022 due to their significant structural impact

Recommendations are in response to key takeaways and themes from the public feedback, which are further supported by the working group’s own discussions and analysis. The ability of the district to implement these recommendations and to what degree depend heavily on future funding from local, state, and federal sources, and are not intended to be entirely conclusive. Accepted recommendations must be further developed into plans for implementation.

Phase One Recommendations

Refine methodologies and processes to improve equity and sustainability.

During FY2021, CPS should lay the groundwork for improvements to several different elements of its school funding methodology, with a focus on equity, sustainability, and transparency. CPS should conduct analysis and outreach, and ultimately implement improvements to the current funding model. When practical, these improvements should align with the principles in the state's EBF model. This work should be ongoing and must weigh principal autonomy with modifications to the existing funding model. Potential changes in FY2022 may include modifications to SBB, such as identifying a minimum funding level for each school. To the extent possible, modifications should include provisions to hold schools harmless and not reduce existing funding levels.

The work in this area, though, should not be limited to CPS alone. CPS should explicitly engage and align with other city agencies when considering issues of equity and implications for school funding. There are many possible examples, but one that emerged through the working group discussions and in the public feedback was increased student access to social emotional supports and services provided by agencies other than the district.

Empower principals and LSCs to maximize their resources.

After adopting SBB in 2014, principals in Chicago gained increased autonomy necessary to make budgeting decisions that reflect the needs of their school community. This autonomy has been critical to principals' ability to make decisions that best support their student population. In the quota system used prior to 2014, principals were required to use their school's resources to pay for teachers at a ratio that was pre-determined by CPS. Now, principals are able to more easily hire for positions that make sense in their own school context. Principals value this control, and we are committed to ensuring that principals retain this decision-making power.

That said, the budgeting autonomy that principals have in CPS comes with a responsibility to manage resources in a way that will most effectively meet the needs of their student population. CPS needs to empower principals and LSCs by providing more support and resources to help them maximize their resources to support their school's strategic priorities. CPS should maintain budget releases in the early spring each year and support principals and LSCs through the budgeting process by providing tools, training, and guidance that include:

- Incorporating strategic planning and continuous improvement processes into school budgeting
- Assessing evidence-based practices
- Weighing budgetary decisions against the impact on the whole child, including academics, social emotional learning, and enrichment activities
- Executing the mechanics of the budgeting process (especially for new principals and LSC members)

- Highlighting budgeting best practices, as informed by research and CPS experience
- Providing analysis on the impact of hiring and resource allocation on student outcomes
- Developing resource equity tools to explicitly help guide the use of limited resources
- Facilitating opportunities for on-the-job learning or principal peer-to-peer learning

Principals, LSCs, and principal supervisors must all have access to the same budgetary information and training resources, even if this information is presented in different formats. Additionally, school budget information should be publicly available, and principals should hold annual budget workshops with their LSCs.

Phase Two Recommendations

Commit to meaningful ongoing stakeholder engagement.

While the six community meetings held in January and February were an important first step, CPS should provide additional, consistent, and meaningful opportunities for members of the community to engage in dialogue on school funding. Many ideas surfaced in these initial meetings that can be built upon in future meetings and other forms of engagement. CPS should commit to holding ongoing public engagement sessions to continue listening and learning as well as building public education on this topic. Additionally, while the initial workshops were well-attended, there are members of the community whose voices need to be heard, including more parents, students, non-English speakers, principals, teachers, and families that qualify as homeless or low income. CPS should identify opportunities to improve communication about these events and increase access to these meetings for all members of the community. Moving forward, CPS should incorporate school funding workshops into the budget process, and also engage the public through regular surveys as another opportunity for community members to provide feedback.

The district should also:

1. Develop and publicize an ongoing series of public engagement events based on the school budget cycle
2. Create a communications strategy for marketing and publicizing these events to all Chicago stakeholders

Provide transparent budget data for LSCs and school communities

LSCs play a critical role in school budgeting in Chicago, as they have the responsibility to approve the school budget recommended by the principal. The broader context of school funding in Chicago—including how much funding the district has and how the dollars are allocated to schools—is critical for LSCs to understand. It is also important for LSC members to have a clear picture of how their school’s current resources compare to what that school would need to be fully funded (reach adequacy).

LSCs, along with other important stakeholders, including parents and students, deserve more transparent information to help them better understand their own school’s budget. For every school, CPS should release an easily-interpretable report that includes the school’s current budget, what is

needed to achieve adequate funding, the staffing breakdown, and other important data points. This comprehensive school-specific, interactive report would also include information and visualizations about programmatic, capital, grant, and “friends of” funding to provide a more complete understanding of the overall budget and resources available. The district should also create a public school budget guide so that parents and other community members can better understand each school’s specific budget line items.

Phase Three Recommendations

Create individual, school-level adequacy targets for all schools.

In 2017, after adopting EBF, Illinois created “adequacy targets” for all districts in the state. This helped bring clarity and transparency to the current state of funding and which districts were furthest away from adequate levels of funding. CPS should adopt adequacy targets for individual schools within CPS. While the working group agrees that the state’s definition is not directly applicable to a within-district context, it presents a useful entry point as the district considers what other elements should be factored into “adequate” funding in CPS.

To develop school adequacy targets, CPS should build on the state’s approach to use evidence-based research about the staffing levels and resources that schools need. They should also seek out additional input to better understand what school communities need in order to meet the needs of their students.

We need to better understand the picture of what adequate funding looks like at different schools across the district. A baseline for academic, social emotional, and enrichment activities for different school types should be established to help define each school’s level of need. Adequate and equitable funding in CPS could include many of the same elements used in the state’s definition, including student teacher ratios, and it could also include other indicators such as historical community disinvestment, student and community trauma, poverty levels, race, student mobility, and other needs of students’ communities.

Advocate for more city, state, and federal funding.

The working group agrees that the adoption of EBF has been a huge improvement to K–12 education funding in Illinois. Of course, while additional revenue has led to an improvement in overall district funding, CPS remains far from adequately funded. As such, it needs to keep pushing for additional state and federal dollars.

In particular, CPS, the Mayor, and the broader community must advocate aggressively at the state and federal level for additional dollars. At the state level, this includes fully funding the EBF formula, as current levels of new funding from the state will not meet the legislative goals of fully funding the formula by 2027. The state’s push for the “fair tax,” a graduated income tax facing a fall 2020 ballot referendum will also boost the state’s coffers and provide an opportunity to further increase its investment in K-12 education. CPS should support and be a leader in these efforts, creating and

promoting opportunities for community members to engage in the advocacy process. The district should also:

- Develop a theory of change that describes how additional money will be used and what improvements the additional funding will have
- Provide tools to support advocacy that help illustrate the potential impact for individual schools if there was additional funding
- Build a local and state-wide coalition to advocate for increased funding

CPS should also advocate for additional federal dollars, and to reverse the cuts to federal education funding in recent years. As an overwhelming majority of these dollars support low-income and special needs students, more federal funding will help improve equity in funding among CPS schools.

In addition to state and federal advocacy, the city should maintain its practice of “surplusing” TIF dollars, returning uncommitted TIF funds to respective taxing bodies in the city and county. As the largest recipient of property taxes in the city and county, CPS receives over half of dollars surplussed from TIFs, and has benefited in recent years from substantial revenues directly attributable to city actions.

Advancing the Work

To gain broader input on what defines adequate and equitable funding within CPS' context, and iterate on solutions, we recommend that CPS re-engage the working group and continue working with principals, parents, students, and other community members through working groups and continued dialog.

Members of the School Funding Working Group

As part of the district's commitment to work with the community to identify potential opportunities to strengthen school budgeting, Chicago Public Schools (CPS) formed a School Funding Working Group. Beginning in January 2020, the district hosted six public forums to engage the community and gather feedback on the school budgeting process. The School Funding Working Group, which included a diverse array of stakeholders — including Board of Education members — convened, analyzed feedback, and submitted preliminary recommendations to strengthen school budgeting in both the FY21 and FY22 budget cycles. The district thank members of the School Funding Working Group for their time, energy, and commitment to the students of Chicago Public Schools.

- Sendhil Revuluri, Vice President, Chicago Board of Education
- Elizabeth Todd-Breland, Member, Chicago Board of Education
- Carlos Azcotia, Former CPS Principal and Board Member, and Professor Emeritus National Louis University
- Krystal Burns, Parent Representative and Member of the Harold Washington Elementary School LSC
- Bogdana Chkoumbova, Chief Schools Officer, Chicago Public Schools
- Maureen Delgado, Principal, Clinton Elementary School
- Vanessa Espinoza, President/Co-Founder of Amigos de Gunsaulus at Frank W. Gunsaulus Scholastic Academy.
- Rachel Garza Resnick, Retired CPS Administrator
- Kurt Hilgendorf, Chicago Teachers Union
- Pavlyn Jankov, Chicago Teachers Union
- Josh Long, Principal, Southside Occupational High School
- Sybil Madison, Deputy Mayor for Education, City of Chicago
- Ralph M. Martire, Executive Director, Center for Tax and Budget Accountability and Arthur Rubloff Endowed Professor of Public Policy at Roosevelt University
- Matt McCabe, Chief of Staff, Noble Network of Charter Schools
- Cameron Mock, Chief of Staff & Senior Fiscal Advisor to the Deputy Governor
- Candace Moore, Chief Equity Officer, City of Chicago
- Robin Steans, President, Advance Illinois
- Maurice Swinney, Chief Equity Officer, Chicago Public Schools
- Ricardo Trujillo, Deputy Chief of Network 5, Chicago Public Schools