CHICAGO PUBLIC SCHOOLS
PUBLIC HEARING
FY 23 PROPOSED BUDGET HEARING
(Zoom)
held on
June 13, 2022

STENOGRAPHIC REPORT OF PROCEEDINGS
had in the above-entitled matter held via Zoom, Chicago, Illinois, commencing at 4:04 p.m. and concluding at 5:14 p.m.

BOARD MEMBERS PRESENT:
MR. MIGUEL del VALLE, President
MR. SENDHIL REVULURI, Vice President
MS. LUISIANA MELENDEZ (Virtually at 4:31 p.m.)
MS. ELIZABETH TODD-BRELAND
MR. DWAYNE TRUSS

Reported By: Karen Fatigato, CSR
APPEARANCES:

MR. JOSEPH MORIARTY, General Counsel

MS. ESTELA BELTRAN, Secretary to the Board
(Whereupon, the following proceedings commenced at 4:04 p.m.)

PRESIDENT del VALLE: Good afternoon, ladies and gentlemen, I am Miguel del Valle, on behalf of my fellow Board Members, welcome to the first FY 23 Budget Hearing. Today is June 13th, 2022. We are holding the first FY 23 Budget Hearing in the Board Room at 42 West Madison Street. I would like to note that the Board Members and senior leadership are physically present in the Board Room. Registered speakers may join us in person or virtually if they opted to do so.

The purpose of this hearing is to comply with the School Code provisions regarding the FY 23 Budget.

Madam Secretary, please state for the record the notice procedure for this hearing.

SECRETARY BELTRAN: Thank you, Mr. President.

Notice of this public hearing was published in the Chicago Sun-Times, a newspaper of general circulation in the City of Chicago.
and posted at Board Room, Principal Office and 
42 West Madison Street Lobby on June 7th, 2022. 
Notice was also posted on the CPSBOE.ORG and 
CPS.EDU websites on June 7th. I will now read 
into the record the public notice as published.

Notice: Public Hearings FY 23 Budget 
for the 2022-2023 Fiscal Year. Chicago Board of 
Education, commonly known as Chicago Public 
Schools.

To Whom It May Concern: Public notice 
is hereby given by the Chicago Board of 
Education that it has prepared an FY 23 Budget 
for the 2022-203 Fiscal Year in tentative form, 
and that five copies thereof available for 
public inspection have been filed and are now on 
file in the Office of the Board of Education of 
the City of Chicago, commonly known as Chicago 
Public Schools, One North Dearborn Street, Suite 
950, Chicago, Illinois, 60602 and available at 
WWW.CPS.EDU/BUDGET and that said Board of 
Education will hold two public hearings upon 
said budget on Monday, June 13th, 2022 and 
Wednesday, June 15th, 2022. The June 13th 
hearing is from 4:00 p.m. to 5:30 p.m. The June
15th hearing is from 6:00 p.m. to 7:30 p.m.

These public hearings will adhere to the current COVID-19 safety guidelines and protocols and will be mask optional. Registered speakers who wish to present during public participation may have the option to participate in person at the location of the public hearing or virtually via an electronic platform. The public will have access to the meeting via the livestream at WWW.CPSBOE.ORG.

For these two public hearings advance registration to speak will begin on Wednesday, June 8th, 2022 at 10:30 a.m. and will close on Friday, June 10th at 12:00 p.m. or until all slots have been filled for each hearing, whichever occurs first. Advance registration during this period is available by the following methods: Online at WWW.CPSBOE.ORG or by phone at (773) 553-1600.

The public participation segment of the public hearings will conclude after the last person who has registered to speak has spoken or at 5:30 p.m. on June 13th and 7:30 p.m. on June 15th, whichever occurs first.
Members of the public may submit written comments related to the FY 23 tentative budget via the Written Comments Form on the Board's website at WWW.CPSBOE.ORG or mailed to One North Dearborn, Suite 950, by 5:00 p.m. on June 16th, 2022.

Dated at Chicago, Illinois, 606 -- I'm sorry, dated at Chicago, Illinois, June 7th, 2022. Chicago Board of Education. By: Miguel del Valle, President, and attest by the Secretary, Estela G. Beltran.

Thank you, Mr. President.

I would also like to note for the record the members that are present for the first budget hearing.

We have Vice President Revuluri. We have Member Todd-Breland. We have Member Truss and President del Valle. We have four members present. There is a quorum.

And I would also like to recognize Joseph Moriarty, our General Counsel.

Thank you, Mr. President.

PRESIDENT del VALLE: Thank you, Madam Secretary.
Let's now proceed with the presentation on the FY 23 Budget. The presentation will be done by Mike Sitkowski, who is Deputy Chief of Budget and Grants Management. Please proceed, Mike.

MR. SITKOWSKI: Thank you, President del Valle.

Good afternoon, Board Members. My name is Mike Sitkowski, I'm the Deputy Chief in the Office of Budget and Grants Management. My presentation today is going to be an overview of the FY 23 Budget for Chicago Public Schools.

We can go to the first slide, please.

All right. So the FY 2023 proposed budget for Chicago Public Schools this year totals $9.5 billion. Our budget has three components to it.

The first is our Operating Budget, which totals $8 billion and covers day-to-day expenses for the District.

The second component is the District's Capital Budget. This year's Capital Budget totals $765 million, and this includes investments in school buildings and
infrastructure and is funded primarily through bonds issued by the District.

The third component of our budget is our Debt Service Budget. This pays for principal and interest payments on the bonds that are used to fund the capital investments.

Some highlights of the FY 23 CPS Budget.

This budget includes $4.6 billion in school funding. This is an increase of over $240 million from FY 22, and this supports our core instructional priorities and advances resource equity, a bit we'll talk about later when we talk about school funding specifically.

This budget also continues investments in nurses, social workers and case managers, which will bring FY 23 staffing levels to an all-time high in those categories.

This budget also includes $730 million from the Elementary and Secondary School Emergency Relief Fund, also known as ESSER. And this funds investments in academic recovery, social and emotional supports, expanded summer and before and after school programming and
other student services.

And this budget also includes $765 million, as I mentioned previously, in capital investments focusing on priority facility needs at neighborhood schools, including major renovations to ensure our schools stay warm and dry, air quality improvements, security cameras, restroom renovations and accessibility improvements.

When we look at what we spend our money on in the FY 23 Budget, I want to note that 76 percent of our Operating Budget expenses go towards salaries and benefits. This, when you include charter funding, which primarily supports salaries and benefits for charter school staff, is over three-quarters of what we spend our Operating Budget on.

The remaining 24 percent of our budget is used to pay for non-personnel expenses, including commodities, such as, food and utilities, instructional supplies, equipment and software, student transportation and building repair and contractual services, such as, facilities management and Safe Passage.
In our FY 23 Budget we have 43,378 full-time employees. This chart shows how they breakdown across function. I want to note that over 97 percent of full-time employees directly support schools. This includes over 21,000 teachers, over 12,600 school support personnel and over 6600 city-wide employees that are in our buildings on a daily basis. Just over 3 percent of positions are Central Office administrative positions.

And I also want to highlight, in aggregate, this budget includes over 1600 additional personnel above FY 22 positions.

When we look at how these expenses are funded, it’s worth noting that over half of CPS’s operating revenue comes from local sources. So Chicago taxpayers are the ones funding 54 percent of our day-to-day expenses. This is over $4 billion and comes primarily from property taxes, personal property replacement tax and TIF surplus funds from the city.

Twenty-four percent of our operating revenues, $1.9 billion, come from the State. The biggest source of the State funding is
evidence-based funding or EBF. And also from the State we receive funding for teacher pensions and different categorical grants.

The third component of our Operating Budget is our Federal revenue, which comprises 22 percent of our overall budget, $1.8 billion in funding. This includes recurring Federal sources of revenue, Title funding, funding for lunchroom that primarily supports low-income students. And then it also includes the Federal relief funding that I mentioned earlier, which adds significant onetime revenues to the FY 23 Budget.

Now, we're going to talk a little bit about school funding. And I want to note before we dive into the FY 23 component here, three years ago we began a new forum of public engagement around school funding. And each year we've gone out to the community to get input and feedback on what our schools need and to help us advance equity, to help us advance resourcing at the school level.

We've also convened a working group of stakeholders and other experts, including Vice
President Revuluri and Board Member Todd-Breland. Thank you for your work there. And the feedback both from the public and from the working group has really helped us advance resource equity and lives in the FY 23 Budget.

So before we talk about school funding, it's important to cue back to our vision which grounds everything that we're doing in school-level investments. So our vision 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.

Before we discuss strategy or methodology here, it's important to take a look at the big picture and keep three facts in mind. The first is around resource adequacy and equity. And based on the State's own assessments in FY 22, CPS has only 68 percent of the resources it needs to be adequately funded. What this means for the District is that we are short $1.8 billion based on the State's own assessment of what they think we need to adequately fund our schools.
We've also lost over 25,000 students in the prior two years, this is 7 percent of our overall student body. So also dealing with enrollment changes throughout -- in schools throughout the city.

Finally, regarding COVID-19 funds, we've spent over $1 billion, we'll have a little bit more detail later on, but we've spent over $1.2 billion on COVID-19 operational needs and other academic and non-academic supports. And so when we think about this relief funding, it's allocated through September of 2024, by that time which we'll have spent all those funds.

So this year's budget recommits to the instructional core and includes the following investment priorities.

The first is standards aligned, rigorous and culturally-responsive curriculum for all students.

High-quality instruction for all students.

Comprehensive academic and SEL interventions. Those are social and emotional interventions.
And then strengthening student engagement and wraparound supports.

So in terms of what this means for a school, one of the things that's important in our FY 23 Budget, for the first time we're really able to make some commitments that we have not been able to make in the past. And when we think about, you know, what's going on at a school level. This year's budget commits to reasonable class sizes, limited split classrooms, and really no split classrooms due to funding reasons, access to arts at every school, intervention supports at every school and then funding for other local level priorities that principals and LSCs choose to invest in.

So the next few slides we'll talk about how the FY 23 Budget supports these priorities and makes good on these commitments.

I mentioned before that the FY 23 Budget includes an additional $240 million in school-level funding. And highlights of this include:

$72 million in teaching positions for
every school based on enrollment and opportunity index score.

$68 million more for special education teachers, classroom assistants and case managers.

50 million in equity grants to support small schools with declining enrollment, an increase of $14 million from FY 22 small school funding.

A new investment of $45 million for teacher professional development, including 184 instructional coaches at our highest-need schools.

$10 million to expand pre-K programming.

$6 million for additional school counselors allocated based on the District's Opportunity Index and Community Violence Index.

$3 million to increase bilingual programming supports.

And $2 million to increase personnel supporting students in temporary living situations.

The next few slides talk a bit about
some of these investments.

First, the $72 million in new instructional positions. In this year's budget every school has received additional teacher positions on top of their core funding allocations totaling $72 million across the District. These allocations were based on the school's Opportunity Index Score, which scores schools based on overall assessment of need, school, student and community factors, and then enrollment. So the table here outlines how those positions were distributed on top of school's regular funding allocations. This approach leverages the District's Opportunity Index to allocate positions to every school for classroom teachers, interventionists, specials or electives teachers or coaching positions.

The second investment I want to highlight is the $45 million for professional development and instructional coaches in schools. This again is a new investment in the FY 23 Budget and breaks down across centrally three different categories.

The first are resources that all
Schools will be receiving. And that's in addition to two additional professional development days in the SY 22-23 academic calendar, every school will receive funds to cover 40 hours of instructional leadership team programming for nine instructional leadership team members and also substitute coverage or extended day payments for teacher participation in central -- centralized professional learning. This investment for all schools totals $15 million.

On top of that this budget includes tiered supports for our higher need schools. Schools indicated as Level 2 in this formula will receive up to $80,000 in additional funding for teacher release time or after school teacher time to do additional professional learning at the school level.

And then Level 3 supports are instructional coaches. And so all schools that are Level 3 in this scenario will receive the investments that all schools are receiving plus a dedicated instructional coach.

This slide here details where -- it has
a map detailing where the schools are that will be receiving instructional coaches. So $24 million of the 45 is being provided to 184 schools for a full-time instructional coach based on the Equity Office's Opportunity Index Score and composite data points around instruction, early literacy and/or post-secondary needs. So really targeting these resources to schools that need them most.

As you can see on the map, schools all over the city received coaching positions with allocations most heavily concentrated on the west and south sides.

So I mentioned before this year's budget also includes $14 million more for a total of $50 million in small school equity grants. These are grants for small under-enrolled schools intended to ensure sufficient resources to support each school's instructional priorities. This year 238 schools will be receiving equity grants. This breaks down across elementary schools below 450 students that will receive $1,000 per student below the 450 student threshold. This is an
increase from 800 per student in FY 22.

High schools will receive -- high
schools below 600 students will receive $1500
per student below the 600 student threshold.
And this is an increase from $1200 per student
in FY 22.

As you can see on the map here, we have
under-enrolled schools all across the city.
This reflects, you know, the fact that the
enrollment declines are really impacting us in
all communities.

Lastly, I want to mention the $6
million in additional District-funded
counselors. So in the FY 23 Budget, for the
first time over 20 percent of our schools will
have a second centrally-funded counselor from
the District. Fifty-three schools were added to
this investment which began in the FY 22 Budget
with 64 schools receiving a position last year.
Schools for this were selected using the CPS
Equity Office Opportunity Index once again, as
well as the Community Violence Index to ensure
that positions were allocated to schools
according to need for social and emotional
learning support.

Once again, the map indicates where the schools are that have received those positions in the FY 23 Budget, and I want to note that schools across the city are receiving these allocations.

The last slide we have on school budgets notes that we are increasing investments in funding for all schools. So the investments in this year's budget include 3.5 percent increases to student-based budgeting or SBB rates to match teacher cost-of-living adjustments.

3.5 percent increases to supplemental aid and Title I funding rates. These are allocations to schools based on poverty and concentrations of poverty at the school level.

And lastly I want to note that resources allocated to schools are based on fall 2021 enrollment levels. As we have done in prior budgets, schools will not lose funding in the fall if they see a drop in students from fall of '21 to fall of '22. The resources that we've allocated to this point are guaranteed.
Any school that sees an increase in enrollment in the fall will receive additional funds to support the additional students that that school will be serving.

And now we'll transition to Federal relief funding. So I mentioned before that the FY 23 Budget includes $730 million of Elementary and Secondary School Emergency Relief Funding known as ESSER. And by the end of FY 22, CPS will have spent $1.2 billion of the 2.8 billion that has been allocated to CPS across ESSERs 1, 2 and 3. So we've received three installments of relief funding since the start of the pandemic, and we're roughly 45 percent of the way through the 2.8 billion that has been allocated across those three installments.

This funding has funded and will continue to fund important investments in academic recovery, social and emotional supports, pandemic-related operational expenses and additional school-level funding for teachers and school programming.

We'll go into some of the details on what this includes in the FY 23 Budget, but if
we look at the table here, what we see is going back to FY 20, the pandemic funding began coming in spring of 2020 when the shutdown happened, we've spent $96 million in FY 20. $536 million in FY 21. We project to spend $623 million in 20 -- FY 22. The FY 23 Budget includes $730 million. And then the funding extends through FY 24 and into FY 25. So the last installment of ESSER will be eligible until September 2024, and we intend to use those funds throughout the period of the grants. And we'll talk a little bit about what that's supporting on subsequent slides. So in the FY 23 Budget $230 million of ESSER funding is providing resources for academic recovery and social and emotional learning. These are investments on top of our regular investments and intended to really combat some of the effects of the pandemic. So we mentioned the $45 million in instructional coaching and school-based professional learning. We've allocated $30 million for summer school programming to ensure that any school that wants to run summer
programming is able to do so with funds from the District.

We've allocated $27 million for Skyline curriculum materials and supports to ensure that schools have a rigorous curriculum.

There's $25 million for out of school time. This is before and after programming -- after school programming for all schools to ensure that anything that schools want to do to engage their students outside of school hours they're able to do with funds from the District. $25 million continues our investment in the Tutor Corps programming that began in FY 22.

We have $50 million for instructional support leaders and content leads to support the teacher professional development, really building out the internal capacity of the District to focus on the core instructional priorities.

$13 million for mental health supports and trauma-informed interventions.

$13 million for the additional centrally-funded second counselor for our high needs schools.
$12 million for reengagement, home visits and truancy prevention programs.

$8 million to support Chicago Roadmap funding.

$7 million for high school athletic directors. This ensures that over half of our high schools will have a full-time centrally-funded athletic director.

$5 million for universal social and emotional learning curriculum.

And then another $5 million for early literacy supports.

So again, investments in academic recovery and social and emotional learning that we would not be able to do but for the availability of ESSER Federal resources.

This next slide includes $404 million of ESSER funding that supports school resourcing and continues investments in District priorities. Highlighted on this slide are investments that we've made over the years that we are able to continue funding and even bolster because we have ESSER resources. If we did not have ESSER funding, we would not be able to do
some of these things included on this slide.  
The first is a hundred million dollars in funding for Early Childhood programs above what is funded by State grant funding.

The second is the $72 million investment that I mentioned earlier for centrally-funded teacher positions on every school. This is on top of their core funding allocations.

$70 million for funding above fall FY -- fall '22 enrollment. So again, keeping our policy of not adjusting enrollment if schools don't see the same enrollment levels.

$50 million for the equity grant to support small and under-enrolled schools.

$20 million in funding for lost caps which prevented schools from losing over 10 percent of their core funding dollars.

And program support for schools in outlier situations to make sure they can meet the instructional commitments that we've laid out on prior slides.

An additional $16 million for school operational support via school assistants and
part-time staff.

    $4 million for the CPS Virtual Academy.
    And then $72 million to reflect the
    charter proportionate share of those above
    investments that live in charter school budgets.

SECRETARY BELTRAN:  Excuse me, Mike, if
I may dispel for the record that Member Luisiana
has joined the meeting virtually.

    Thank you.

MR. SITKOWSKI:  Thank you.

Okay.  The last portion of this
presentation will touch on the FY 23 Capital
Budget.

    This year's capital plan includes $765
million of projects, 551 million of which are
funneled by bond offerings and other CPS capital
funds.  The remaining $214 million are funded by
external local, State and Federal dollars.  This
budget includes $152 million of TIF or Tax
Increment Financing funding from the City.

    $50 million in State funding and other
small local, State and Federal allocations.

    $368 million of this plan will go
towards facility needs and interior improvements
in our buildings.

55 million will support educational programming.

28 million will support IT, security and building system investments, including $8 million for security cameras.

$77.7 million will go towards facility site improvements, including playgrounds and turf fields.

$30 million will support ADA accessibility at our building -- buildings continuing the District's five-year $100 million investment in ADA accessibility.

We have $58.8 million for mechanical upgrades and repairs.

And $120 million for new school construction.

And $26 million for capital project support services.

A list of these projects is available on our website at CPS.EDU/CAPITALPLAN.

And with that, that concludes my presentation.

PRESIDENT del VALLE: Thank you, Mike.
Questions from Board Members?

VICE PRESIDENT REVULURI: Yes.

PRESIDENT del VALLE: Vice President Revuluri.

VICE PRESIDENT REVULURI: Thanks, President del Valle.

Thank you, Mike and Heather and Miroslava and your entire team. I first just want to thank you for all your work, what you have said in great detail, but I just want to reiterate, we have a lot of students who need a lot of support, especially through this pandemic, for them to reach their full potential, and so our budget, like our District, is large and complex. And you all have done amazing work, not just making a budget that tries to balance many competing goals and constrained resources, that's for the most part efficient, sustainable, effective and equitable, but also in engaging with us on the working group and the broader community to explain the budget to non-experts like us and also to listen to input and feedback. So again, I just wanted to say thank you. I know your work doesn't...
stop, and as soon as this budget happens you will be hard at work on the next phase. So I just wanted to get that in there while I could.

I have two questions. You've described in detail, Mike, how we've already ramped up a lot of our spending to meet the needs of our students from COVID and otherwise, whether that's basic safety, that's additional staffing and other things that you went through in detail. We know this pandemic is not over, if it will ever be over, but even in the future our students will need ongoing support to accelerate and recover their learning and also social and emotionally. So my two questions are: You mentioned, Mike, that we're, by the State's own calculation, we're not as a District adequately funded, so can you sort of put a clearer point on how are we able to do this given that reality since that reality hasn't changed?

And second, will we be able to continue providing the support in future years? And if so, how will we do that?

MR. SITKOWSKI: Yeah. Thank you for that question. And I thank you for your
feedback and also for highlighting the fact that we are $1.8 billion underfunded by the State. I want to compare that to the amount of federal relief funding we received, $2.8 billion.

The $1.8 billion is the funding that we're short every year. So that, you know -- calculate that each year that grows and compounds, whereas the $2.8 billion is onetime funding. 2.8 billion in ESSER funding, however, is allowing us to make the investments that we know are important right now and are serving the students that we have today that are dealing with the effects of the pandemic.

So when we, you know, look at the investments that we're making, the ones that I laid out on those slides towards the end of the presentation, the only way we're able to make those investments is because of the availability of Federal resources. Without those, you know, we would not -- we would not be able to make the investments in academic recovery, in tutoring, in mentoring, in social and emotional learning, in mental health supports. And also we would not be able to continue those, you know, the
investments that we've made in prior years that we know have been successful in our schools.

As far as looking forward, the Federal funding does run through September of 2024, as I mentioned, and so we have some runway to continue the investments that we're making and to assess what the future looks like beyond ESSER. I think we'll be having some additional conversations about that over the coming months, but right now we know it's important to invest in the students that are showing up in our buildings today and really dealing with the effects of the pandemic.

VICE PRESIDENT REVULURI: Thank you.

PRESIDENT del VALLE: Any other questions or comments?

Member Todd-Breland.

MEMBER TODD-BRELAND: Sure. Thank you. I also want to, you know, express my appreciation to the work of the Budget Team, particularly the many, many conversations that you all had with principals over and over again about as this sort of shift in budgeting has taken place this year to do things differently.
I think, as Sendhil mentioned, as being part of that working group and also participating in those many, many public engagement sessions around questions of the budgeting, there are things here that we heard lifted up, right. Like every year there’s this question about how much should SBB be a part of these things, if at all, and how much should we be focusing on foundational resources. And there are key foundational resources that just haven’t existed in previous budgets, and so I’m happy to see that.

Also, the use of the Equity and Opportunity Index to really drive and direct in this constrained resource environment that you described those things to the places that they’re needed most. I think part of what that has caused this year that may feel different than in other years is that we are actually requiring some moving around of positions, right. And so that part of, you know, the Equity Index that says there is a greater need here, we have this many, you know, positions, we’re going to move some to another place, means
that there is some staffing change happening. And I think a lot of what we've been hearing feedback on, you know, from community are concerns about that, right. So moving a staff member from one school to another can feel like lost because of what that person meant to one's community, one's school community. Can you talk some about staffing? I know you mentioned 1600 plus new positions for teachers, how many staff are now being asked to move to a different place and how, you know, at a couple Board Meetings ago CEO Martinez was talking about there will be a space for everyone teaching-wise next year in CPS. Can you talk about the progress towards that or where we are in that process?

MR. SITKOWSKI: Yes. Thank you for the question.

I know we have our folks from the Talent Office, I believe they're on the line to address some of the staffing specifics. Before we go there though, I want to highlight a few things.

You mentioned the 1600 positions that are being added to this year's budget. Of that,
over 524 of those positions are teachers. So we're seeing over 500 more teachers in this year's budget than last year. So folks are moving from one place to another, there's going to be more teachers in our buildings next year than there were this year.

We also -- when you include the teachers, over 1400 -- we're seeing over 1400 of the 1621 new positions are staff that's directly supporting schools. So we're seeing increases in both the teachers that we are -- that are included in this year's budget and other school support staff.

The other thing I want to highlight as well, I mentioned this earlier, but I think it's important, is that this year is the first time we've been able to make guarantees around reasonable class sizes, no splits due to school funding, access to arts, access to intervention supports for students that are struggling. So, you know, every student that's showing up to school in the fall will have a school that has those things -- will have a classroom experience that includes those things that I mentioned.
And so, you know, we were deliberate about how, you know, how we were able to invest this year to make sure that we could make good on those guarantees within this year's budget.

With regard to the specifics on staffing --

SECRETARY BELTRAN: Ben Felton is here, Mike.

MR. SITKOWSKI: There we go. I'll turn it over to Ben.

MEMBER TODD-BRELAND: Thank you.

MR. FELTON: Good afternoon. Board Member Todd-Breland, thank you for the question. So as part of the District's budgeting process, 256 teachers have -- currently have positions that won't be available to them for next year. And CEO Martinez has been really clear with me, you know, with us in the Talent Office privately but also publicly that we don't want to lose any of them, right. So we are taking the unprecedented step of guaranteeing employment for those 256 teachers for next year as part of a pilot program. So if by August 15th teachers haven't found a position for next year, we will
guarantee them employment for them -- full-time employment for them as a substitute teacher.

But the CPS -- CPS Talent Office is committed to, you know, continuing to support those folks finding a new job. Our team is reaching out, you know, right now to any impacted teachers to make sure that they have our support. And, you know, we'll have in-person hiring fairs, virtual fairs. You know, we do -- we've talked a lot about like the kind of match-making that the Talent Office tries to play with teachers who are looking for jobs within the District. And, you know, so we're taking this unprecedented step to make sure that none of them don't have full-time employment for next year.

MEMBER TODD-BRELAND: Okay. Thank you.

And maybe still for you, Ben, because it's a sort of staffing-related question. Are you able to give any insights on where we are relative to our targets in the Collective Bargaining Agreement for, you know, new nurses, social workers, et cetera, these other positions that -- where we are on that ramp of a net schedule?
MR. FELTON: Yeah, we've made really good progress on hiring for school social workers and for nurses. So as of March 31st, and we can pull the most up-to-date data for you, we typically pull it quarterly, but as of March 31st the District has 546 school social workers, which is up 12 percent from the same time from last year, up about 30 -- 33 percent since 2019.

With nurses we have 504 nurses, up 18 percent over a year ago and up 62 percent since the same time in 2019. So we've made, you know, continue to make really steady progress. We have, you know, a lot of different innovative approaches both in the recruitment but then also the upscaling of these employees, and that's a central part of our talent strategy.

So, you know, we're proud of the progress we've made. And I think, you know, we're on track to hit our contractual obligations.

MEMBER TODD-BRELAND: Okay. And on counselors, that is not -- that is outside of what was in the contract, right? So the
counselors that are being -- that were added
last year, the additional counselors that are
being added this year are above and beyond that
requirement, is that correct?

MR. FELTON: Yes, that's correct.

MEMBER TODD-BRELAND: And again, as
Mike noted, possible only because of the ESSER
funds and so a direct way that we're using them?

MR. FELTON: Yeah, and it's an
investment that we're really excited about. You
know, I've had dozens of principals tell me that
their counselor is just an integral part of
their community, and so we're -- you know, we're
committed to supporting the acquisition and
we've done that through our Early Offer Program
as well.

MEMBER TODD-BRELAND: Okay. Thank you.
And certainly that is a main part of -- and
maybe, again, I'm not sure personnel who is here
today would be appropriate, but to talk about
the sort of more holistic approach to mental
health, right.

So we see in the budget breakdown that
you gave us, there's something like 13 million
that says mental health, but I presume also
counseling support and other resources you would
consider part of the broader mental health. Can
you, I guess, maybe talk about mental health
both in terms of personnel, but I know some of
it's programmatic?

MR. FELTON: Yep. Yep. Yep. So I'm
in a position to talk personnel.

So as far as the school social workers,
as far as nurses, as far as counselors, you
know, to an extent case managers is part of that
equation too, the District continues to make
really good progress in that hiring. And
then -- so, you know, we're well above year over
year our hiring targets as they've been
historically.

I would defer to Mike and Heather more
about the budget implications and, you know, the
programmatic implications. But from a personnel
perspective, we're, you know, at higher staffing
levels than we've been in recent history.

MEMBER TODD-BRELAND: Okay. Thank you.
I think those are my staffing questions.

I have a capital question, but I know
the Capital Team isn't here, so maybe I'll ask it in a budget-related way, if that makes sense.

So we just heard, you know, and you explained --

MR. FELTON: Thanks, Board Member.

MEMBER TODD-BRELAND: Thank you very much.

You explained the -- you know, the state of affairs as far as, you know, the budget is concerned being at 60 percent -- 68 percent of adequacy, that means that doing our best to support schools but knowing that all our schools still have need and that that need is varied across our communities based on factors within and also outside of school disinvestment, historic disinvestment, racism, et cetera. So my question is this, as we look at that and then you switch the capital plan and there is a proposal for a new school, how could one support a new school when we are not, financially, when we are not currently meeting the full needs of our existing schools?

MR. SITKOWSKI: Thank you. I can speak to the budget specifics around that, and I'll
MEMBER TODD-BRELAND: Stop there.

MR. SITKOWSKI: But of the $120 million new investment in the new school, 50 million of that is funding that we've received through the State of Illinois. So $70 million is from CPS funds, 50 from the State. With regard to the investment that's, you know --

MEMBER TODD-BRELAND: Got it. I guess, I mean, looking -- so we have our projections forward, right, of how funds are going to be used year after year, so that's to build a school, but you then have to operate the school, and so the operations budget would then have to accommodate for a new high school that we don't currently have. And currently our existing high schools we're saying because the adequacy formula don't have everything they need. So where would the money come from to operate -- come from to operate a new high school that we don't currently operate?

MR. SITKOWSKI: So your point is correct in that once we have the school on line we'll have to fund operations and those sorts of
things. That's something we would plan for as part of our normal budget process. So the funds that we currently have from local, State and Federal sources would go towards those expenses.

MEMBER TODD-BRELAND: But in that our current system dollars follow students, dollars and students would come from other schools to then be in the new building and that other school that would be left would have less money because of that.

MR. SITKOWSKI: Yeah, and I can't speak to the specifics around that particular -- that particular investment, but I think your point is correct.

MEMBER TODD-BRELAND: Okay. Thank you.

PRESIDENT del VALLE: Any other questions or comments?

MEMBER TRUSS: Mr. President.

PRESIDENT del VALLE: Member Truss.

MEMBER TRUSS: It might be a question to Mr. Felton. When it comes to personnel, the investment, do you anticipate the District being at -- in terms of like the needs, like are we -- will we be -- will all schools have counselors,
will all the schools, in terms of the budget, will we hit those numbers or will there still be vacant positions because maybe we're competing against just other school districts?

MR. FELTON: Good afternoon, Board Member Truss. So from a counselor perspective, all schools have counselor positions. And we have allocated more counselor positions than in recent history. So, you know, historically we have -- we have not had very many school counselor vacancies because there aren't -- there's an adequate supply of school counselors in the market for our demand. So typically we've been at 90 -- close to 99 percent in the time that I've been here, staff for school counselors, and we anticipate being similarly staffed next year.

Now, as far as school counselors go, we have -- you know, we are devoting organizational capacity in the Talent Office to utilize our Early Offer program to hire school counselors into a central pool which, you know, we've talked about and then, you know, do the work of connecting them with school communities where we
think there's a good fit. So we serve principals in that way. We try to, you know, play match-maker between the school counselor and the school community. But I anticipate being nearly fully staffed on the first day of school when it comes to school counselors. And the reason we devoted that organizational capacity is we just have more school counselor positions more than ever. I do think the supply of school counselors is adequate to meet our demand.

MEMBER TRUSS: What about like nurses, for instances? I mean, it's just not school counselors, it's nurses, it's case managers, it's social workers.

MR. FELTON: Sorry, I misunderstood your question.

Yeah, so, I mean, we're continuing to do everything we can to staff those positions. We're, you know, 95 percent or more 94 percent or more staffed in the positions that are allocated right now. And, you know, summer is typically our busiest time for hiring, and we anticipate hiring dozens more nurses, school
social workers, case managers, counselors over
the summer. It's our hiring season.

So, you know, I feel really good about
the progress that we've made. You know, we're
up, like I said, you know, up 30 something
percent from two years ago with school social
workers, up 62 percent from 2019 as far as
nurses go. So, you know, I anticipate
continuing to make that kind of incremental
progress.

MEMBER TRUSS: Okay. Thank you. This
will probably be a question to Mike.

In reference you mentioned the $70
million that was set aside for new construction,
you know, and correct me if I'm wrong, I got to
take -- you know, in previous budgets when we
looked at the budget it wasn't like there was a
line item there for $70 million.

MR. SITKOWSKI: So what I'll say in
reference to that $70 million is this budget
includes a reappropriation of funds that were
previously intended for a Near West high school.
So going back to the 2019 Capital Budget and the
2019 Capital Plan, there was $70 million
included in that plan for a Near West high school, that project did not move forward. This year's budget includes us, you know, proposing to reappropriate those funds instead of a Near West high school for the Near South high school project.

MEMBER TRUSS: So it's just a situation whereas, you know, the $70 million is like spent someplace else and now we're just -- we're going to say, okay, because we did it, planned it for 2019, we're just going to -- well, I don't want to say it like that, make it sound like that, but $70 million is going to be taken from the existing upcoming budget -- well, allocated from the upcoming budget for that. So in a sense it wasn't like we just had $70 million that we say we're going to bank it, put it so the side and hold onto it for, you know, future capital needs, but we just have the ability based on what the District decided as a need that we're going to use this $70 million to put towards this project?

MR. SITKOWSKI: Correct. Essentially, you know, the $70 million from FY 19 was part of
our financing plan that year. The project obviously never got off the ground, but we're bringing that $70 million into this budget proposing to reauthorize it for this particular project. So not -- you know, we were planning to spend that 70 million at some point, we hadn't on that project, but now it's going to be included in this year's proposed budget for this project.

MEMBER TRUSS: Last question. This might be a question for Miroslava. In reference to our bond rating because based on -- you said we're going to be putting bonds out there, so how are we looking?

MS. KRUG: Sorry. Do you mind repeating the question?

MEMBER TRUSS: Well, in terms of the District's rating in terms of bonds, are we -- you know, are we able to go to a real bank or are we still talking about the status we have to go to a payday loan store or what?

MS. KRUG: So our ratings for Fitch, Moody's and S&Ps are all junk bond ratings and only we have investment grade rating with Kroll.
And, you know, our rating has been improving, if you remember all of this happening in 2015 when CPS was in a very -- in a very I will say delicate financial situation, and since then we have received about 18 upgrades until now and we continue to work on that.

MEMBER TRUSS: But long story short, we're training upwards, so far so good?

MS. KRUG: We're training upwards. I would say the rating agency takes like a few minutes to downgrade you and it takes years to get you to where you need to be. So it's a working process, but as you said, the good news is it's been a steady progress and it's been recognized. And this year we'll probably have good financials and we will go back and try to continue that progress. And, you know, the goal is to make sure that we can get CPS on, you know, investment grade sooner rather than later.

MEMBER TRUSS: Just real quick, and thank you all, Mike, Heather, Miroslava, Mike, everyone who works hard to put the budget together, I just want to echo Board Member Todd-Breland's comments earlier, I just want to
say thank you for your dedicated work.

MS. KRUG: Thank you. I'm sure that all our staff, Heather, Mike, but all our staff work really hard, they will be pleased to hear all your comments.

SECRETARY BELTRAN: President del Valle, Member Melendez has some comments.

PRESIDENT del VALLE: Yes, Member Melendez.

MEMBER MELENDEZ: Yes. Thank you. And my apologies for being late, I had another commitment.

I don't know whether this question belongs in a budget hearing, but it is -- it's regarding the -- what was just said about the reappropriation of funds from the -- near the planning of the Near West high school to now the Near South. And I want to recognize with my fellow Board Members all the hard work that has gone into this budget planning, but I wonder if -- you know, any of the present or maybe someone online can tell a little bit more about what kind of engagement with the public has been going on in terms of this reappropriation from
the Near West and the Near South, I mean, what is -- what is the story that we want our, you know, our CPS constituents, parents, families, administrators, everybody to know from this process?

UNKNOWN PERSON: So good afternoon, Board Member Melendez, good to see you.

I cannot speak specifically to the engagement around this particular process. The thing that I can highlight is that as part of the FY 23 Capital Budget there were public hearings around the investments and that helped inform some of the different investments and the overall strategy in this year's plan.

With regard to the specifics around this particular project, I -- I can't speak to them offhand. I'm not sure.

PRESIDENT del VALLE: Well, let me suggest for our second budget hearing that we have someone who will give details on what has transpired so far.

MEMBER MELENDEZ: Thank you, President del Valle. And, you know, I didn't mean to put anybody on the spot, that's why I said I don't
know if this is a question for this budget hearing.

PRESIDENT del VALLE: Well, your question will be responded to.

MEMBER MELENDEZ: Okay. Thank you.

PRESIDENT del VALLE: Thank you.

MEMBER TODD-BRELAND: Could I ask a clarifying question --

PRESIDENT del VALLE: Yes, Member Todd-Breland.

MEMBER TODD-BRELAND: -- related to the discussion of the $70 million? I just want to be clear from these two conversations about it. It's not as if though the money was bonded out for and we have it sitting here. This is a decision being made by the Board about whether and how to go out and bond for new money to pay for a new high school, right? Yes, it is a sun-setting of a previous Board's commitment to something for the Near West Side, but this -- the vote that we are being asked to take on the $70 million is about this Board's decision about whether and how to bond out for new money for a new high school?
MR. SITKOWSKI: That's correct.
MEMBER TODD-BRELAND: Thank you.
PRESIDENT del VALLE: Any other questions or comments?

VICE PRESIDENT REVULURI: Yeah, President del Valle, I think you may have --
PRESIDENT del VALLE: Vice President Revuluri.

VICE PRESIDENT REVULURI: Thank you.
To follow up on what my fellow Board Members have brought up and not to put you on the spot, Mike or Heather or Miroslava, but I do have a question about capital. Unfortunately I won't be here in person for Wednesday's hearing, but maybe we can get an answer then. As Mike reviewed, our enrollment is declining. We've discussed previously that enrollment has been declining for over a decade. And Mike highlighted that we have under-enrolled schools across the entire city. I would just appreciate from District leadership and from the Capital Team in particular a clear and simple explanation for non-facilities experts like me, given the enrollment decline and the trajectory,
why we’re building more buildings. Not just this particular one that other Board Members have brought up, but just in general why are we building more buildings? I’m sure there’s a good reason, but I would like that to be explained a little more clearly.

PRESIDENT del VALLE: And there have been briefings for Board Members as well as reports, analysis conducted, but I think Vice President Revuluri is asking for additional information beyond what’s already been provided. So the question is noted and it will be provided.

All right. Are there any other questions or comments from Board Members?

If not, I also want to join my fellow Board Members here in thanking you, the Budget Team and Talent and all those who have worked on preparing this budget. I said this before, I’ll repeat it, this year we have much more detail than we’ve had in the past. I appreciate the breakdown, particularly the breakdown of the Federal money, the ESSER money, not just for this year but for what’s to come and I think a
very clear explanation on how those dollars are being used and how the balance of that funding has already been obligated, it's committed to, it's already factored into the next couple of budgets as allowed by Federal law and the spending time frame that the Federal government came up with.

And so I appreciate you providing those details so that people have a better understanding of how those dollars are distributed and how they're used in the areas that are being funded. And I think it's important to repeat that if we didn't have those Federal funds or when those Federal funds disappear, we're really going to have a challenge ahead of us at CPS and how do we continue to support the services that are very much needed that we're supporting now because we have these Federal dollars available. I don't see the State picking up 1.8 billion or over $2 billion of onetime funding that we're currently receiving over the last couple of years and couple of years to come, two years to come.

So thank you for laying that out
because our goal as a Board has been increased transparency and also educating the public about our reality here at CPS. I'm talking about our finances. So thank you very much, and I really do appreciate the work that the entire team has put together.

MR. SITKOWSKI: Thank you for your feedback.

PRESIDENT del VALLE: Thank you. So let's now proceed with today's public comment segment. Madam Secretary, please share the rules for public comment.

SECRETARY BELTRAN: Thank you, Mr. President.

Members of the public who registered to speak were given the option to attend in person or via an electronic format. For those who preferred to attend via an electronic format, they were given information to access this hearing by dialing a number and using their phone. We did this so that speakers with limited or no access to the Internet or who may have a weak Internet connection could still participate using their phones. For those
registered speakers who opted to join us in person, we kindly ask that that you -- that after you are done speaking please exit the Board Room so that we can rotate in other registered speakers who are in the overflow room. You can continue to view the public hearing in the overflow room.

Members of the public may submit written comments related to the FY 23 tentative budget via the Written Comments form on the Board's website at WWW.CPSBOE.ORG or mailed to One North Dearborn, Suite 950, by 5:00 p.m. June 16th, 2022.

Individuals who registered to speak will have a -- 2 minutes to comment. I will call your name and number when it is your turn to speak. And as a reminder, to unmute, please press star 6. Once you hear your name, please state your name for the record and then the 2-minute timer will start. When there are 30 seconds remaining, I will inform you so that you can proceed to conclude your remarks to allow for the next speaker to begin. This hearing will conclude after the last person who
registered to speak has spoken or at 5:30 p.m.,
whichever occurs first. When called, please
state your name for the record.

And I will proceed, Mr. President, by
calling the first speaker, we have Jackson
Potter, speaker number 3. Please unmute, star 6
Jackson Potter, speaker number 3, please unmute,
star 6.

MR. POTTER: Yes, I'm unmuted. Can you
hear me?

SECRETARY BELTRAN: Yes. Please
proceed. Thank you.

MR. POTTER: Yeah, so I think that this
has been an interesting discussion, but CPS
saying we can't reserve full-time positions with
part-time money is akin to allowing a house to
burn down because we might not have water to put
out the next fire. So sitting on 1.5 billion in
Federal money to support schools right now in
the midst of a pandemic, putting money into a
rainy day fund when students require all the
services we can provide doesn't seem to make a
whole lot of sense to me or the 175 million
you're putting into pension obligations that
have been built up because of holidays that the City has engaged in and now putting that on the CPS budget doesn't seem right either. And we're losing good people, two librarians, one at Nixon, at Coonley have been fired. There's few guarantees to place them and prioritize them for vacancies that are built into the budget. This leads to loss of key personnel. And I'm guessing there's not a lot of inventory on how particular staff losses can have oversight disruptive consequences on school communities. So that needs to happen.

And then, you know, if you're putting 70 million into a new school while Phillips just next door to Chinatown is losing enrollment and losing budget, you know, to what Elizabeth Breland was saying, it doesn't make sense. So we're informed that we live in a city where like trees aren't being planted on the south and west side --

SECRETARY BELTRAN: You have 30 seconds.

MR. POTTER: -- and instead in white and wealthier communities. So shouldn't CPS be
paying very close attention to that, making sure none of those schools face any cuts because of the racial disparities that have been perpetrated, you know, over a generation?

So I would hope that this Board, this CPS accounting crew really look at that carefully before you approve a budget. Thank you.

SECRETARY BELTRAN: Thank you, speaker number 3, for your comments.

Mr. President, we'll proceed with speaker number 4 please, Jeankoff Pavlin, please unmute, star 6.

MR. PAVLIN: Yes. Hello. Can you hear me?

SECRETARY BELTRAN: Yes. Please proceed.

MR. PAVLIN: Yeah. Hi, this is Pavlin Jeankoff with the Chicago Teachers Union. So I want to highlight three reasons why this budget is not yet a recovery budget.

First, I want to talk about the ESSER funding that's going towards the front-line mental health supports. Your budget identifies
about $26 million going towards intervention, additional counselors, but for comparison the amount spent on curriculum development and instructional coaching is over three-and-a-half times greater out of ESSER funds. So I ask you to question that balance given the research planning to the mental health crisis amongst our students. And, you know, not to mention the burnout amongst our staff, which has only been worsened by the under-staffing in our schools. So with a billion and a half dollars left in ESSER authority, the District has to do better when it comes to mental health supports.

Second, this was also just mentioned, the District's $175 million payment to the City for the muni fund, which is legally and historically the City's obligation, and the cost of which is the City's fault for not making payments. But really importantly the City is not passing over a revenue stream, revenue authority to pay for this causeship. And you can look at your other pension fund to see how important that is. This year you're expecting the entire pension payment for CTPF, the
employer pension payment to be made from the
reinstituted tax levy and State support with no
diversions from the operating fund, which is
nearly ten years ahead of the schedule.

SECRETARY BELTRAN: You have 30
seconds.

MR. PAVLIN: Sure.

And so the revenue has got to be part
of the picture and the Board has to press for
that.

Lastly, the billion dollars that the
Board is anticipating having in the fund balance
at the end of this month, which is a 25 percent
increase, $200 million in unanticipated revenue
from closing tax loopholes is being stocked
away. You know, just a fifth of that, just a
fifth of the addition to the fund balance would
eliminate the budget gap facing some of our
schools.

SECRETARY BELTRAN: Thank you. Thank
you, speaker number 4, thank you for your
comments.

Mr. President, we'll proceed then with
the last speaker, we have Alderman Byron Sigcho
from the 25th Ward, who is here in person.

Alderman.

ALDERMAN SIGCHO-LOPEZ: Thank you very much. And thank you to the Board Members for being here today. I will try to be brief in terms of I think we all agree that State formula for funding over schools needs to change and it needs to change urgently, not 32 percent that we need cannot -- cannot wait. I think that we need -- we have a responsibility to make that happen, otherwise its structural changes are just too difficult to implement. I hope that we take that as a mission, all of us, to go to Springfield and demand that.

Quickly in terms of the pandemic, I think that we have a real tragedy in terms of equity in our schools. When we see the devastation, I think it's clear that we cannot afford any layoffs. And I'll tell you as it is right now, it is even hard to stick and keep the current resources that we have. Teachers are leaving the profession, not because they're not committed to education but because we don't have the conditions to have the quality education.
that we need to provide to our kids.

For every legislator in Springfield to talk about violence protection without talking about changing the formula in our budgets is disingenuous. I think that we also need to make sure that we need more proactive approaches rather reactive approaches. I'll tell you that right now in CPS, even though we have wonderful programs, Wittier Elementary the only South Side dual-language program in the City of Chicago, we yet have still transportation issues today.

Orozco Elementary, it was heard today that we're going to see art classes and art programming in every school, we're still waiting to restate one of the best art programs in the city in Orozco Elementary, that school gets 19 percent in cuts today.

When we talk about the needs I think that I can go on and on on the needs for diverse learners at Haynes Elementary, $450,000 cut. We also see Smith Elementary and other schools, a dire need for resources for mental health. We need to repurpose those funds. We cannot afford it. We are failing our children if we don't.
So this is an urgent call to the Board of Education to work hand in hand with our City. We have some tragedy -- tragic, tragic numbers right now. Without the wraparound services, we cannot do this. And I ask the Board of Education today to please work with us in Springfield, here in the City to make sure that we also improve vaccination rates. Right now fully vaccination is at 45 percent, 45 percent of our schools are fully vaccinated, and we still yet to see the effects of long COVID. We have yet to see librarians in most of our schools, nurses in our schools. Right now as we speak we barely can have a nurse we're lucky in our schools if we get a nurse once a week, once a week in the middle of a pandemic, that's just not acceptable. And I'll tell you that we have the solutions in front of us.

In terms of helping those 4,000 kids that need transportation, we need to figure this out. We also got to make sure that we figure out the need for diverse learners to get wraparound services. We cannot depend on fundraising of philanthropic dollars for that.
We're losing children in our system because we're not providing the conditions for our children and our educators on the ground. I ask you and I beg you to work together not to get any budget cuts.

In terms of the Chinatown, I'll end with this, I know I'm past my time, but we supported a Chinatown high school for a long time. I know the funding is there. We have to look carefully about what it does in neighborhood schools, in our neighborhood schools. But I'll tell you, there's resources right now, we need to make sure that we work together to make some of these proposals happen and make it a reality. I'm concerned that we don't have enough dialogue among us to figure this out. We need to change the formulas, TIF funding, whatever it needs. Our kids need it now, tomorrow is too late. And I ask you and urge you to work with us to make sure that the cuts don't happen, we need the prevention right now. Anybody, any elected officials talk about violence prevention, invest in our schools, that's where it is.
Thank you very much.

SECRETARY BELTRAN: Thank you, Alderman.

Mr. President, this concludes the public comment segment.

PRESIDENT del VALLE: Board Members, anymore questions or comments?

MEMBER TRUSS: Mr. President.

PRESIDENT del VALLE: Yes, Member Truss.

MEMBER TRUSS: I'd like to thank the Alderman for coming out, taking out time to come out and personally address us, I just want to say thank you, that means a lot. Thank you very much.

PRESIDENT del VALLE: Any other questions or comments regarding the budget?

Okay. If there are no other questions or comments, this concludes the first of the FY 23 Budget Hearings.

(Whereupon, these were all the proceedings had at this time.)
STATE OF ILLINOIS )

) SS:

COUNTY OF COOK )

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
hearing, and that the foregoing is a true and
correct transcript of her shorthand notes so
taken as aforesaid, and contains the proceedings
given at said hearing.

Karen Fatigato, CSR
LIC. NO. 084-004072