CHICAGO PUBLIC SCHOOLS

PROPOSED FY 24 CAPITAL PLAN

PUBLIC HEARING

(Zoom)

held on

June 20, 2023

STENOGRAPHIC REPORT OF PROCEEDINGS

had in the above-entitled cause held virtually
via Zoom, commencing at 12:02 p.m.

Reported By:  Karen Fatigato, CSR
License No.:  084-004072
(Whereupon, the following proceedings commenced at 12:02 p.m.)

MS. DAVIS: Good afternoon, ladies and gentlemen. My name is Kyrah Davis from the Office of Family and Community Engagement. On behalf of my fellow panel members, welcome to the first Capital Hearing. Today is June 20th, 2023. We are holding the first Capital Hearing electronically via Zoom and also live on our CPS YouTube channel.

The purpose of this first hearing is to comply with the School Code provisions regarding the FY 24 Capital Budget.

For the record, notice of this public hearing was published in the Chicago Sun-Times, a newspaper of general circulation in the city of Chicago on June 13th, 2023.

I would also like to note for the record the CPS staff members and Board Members present here today.

Charles Mayfield, Interim Chief Operating Officer; Ivan Hansen, Chief Facilities Officer; Venny Dye, Executive Director of
Capital Planning and Construction; Miroslava Krug, Chief Financial Officer; Heather Wendell, Chief Budget Officer; Mike Sitkowski, Deputy Chief of Budget; Anthony Wojtal, Budget Manager; Chuck Swirsky, Senior Advisor to the CEO; and Jamel Chambers, City Council Liaison.

Let's begin with the FY 24 Capital presentation with Ivan Hansen and Venny Dye.

CHIEF HANSEN: Thank you, Kyrah. And thank you all for taking the time to join us today. The objective for today's presentation is to provide an overview of the Proposed FY 24 Capital Budget and obtain feedback from stakeholders.

CPS has continued to build on the capital planning process utilized for the FY 23 Capital Budget. The process for FY 24 Capital Budget was officially kicked off earlier this year. In the spring various departments from CPS, including the Office of Equity, the Office of Family and Community Engagement, the Department of Capital Planning and Construction engaged with internal stakeholders. Based on this input and feedback, CPS then conducted five
virtual community engagement sessions. These sessions provided an overview of the CPS portfolio, the extensive critical facility needs, the Equity Index, the various capital budget categories with clear examples of the scope of work for each category and the project prioritization process. These sessions were live via Zoom and also on YouTube with recorded sessions available for the public. There were over 370 participants for these community engagement sessions with active engagement and Q and A.

The sessions also solicited public feedback through an online survey. There were almost 700 survey responses received. Survey results reconfirmed alignment with the District's commitment to address critical facility needs and site improvements. The current plan is to present the recommendation to the June Board for approval.

We believe that CPS is just getting started on our journey to new heights that our school district can achieve. It is our mission to provide world-class educational programs for
all students across the city. And to fulfill this mission, we make these three commitments towards students, their families and all Chicagoans: Academic progress, financial stability and building trust.

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 and acting on community feedback. In our previous strategic plan, this priority was called integrity, but we changed it to building trust, our CPS blueprint, recognizing that acting with integrity is something you do alone, while building trust is something we do together. To do this we must respect our students and families and the diverse communities in which they live and include them as partners in our shared mission. We want to ensure we're listening to your feedback and taking that into account when we continue to revise our processes in Chicago Public Schools.

The CPS facility portfolio is large and
our average facility is 83 years old. Our oldest facility is 149. We maintain over 62 million square feet, and to put that into perspective that's the equivalent of 14 Sears Towers. Many years of budgetary constraints have led to a large backlog of certain needs. The total District need is over $3 billion and that is just to bring all facilities to a state of good repair. The cost to repair CPS buildings has far exceeded what CPS has historically been able to afford. Because of this prioritization of capital needs is critical, and CPS values your input during this process.

The next two slides will discuss our typical approach to capital planning. As noted before, in recent years the District is focused on prioritizing investments that promote equitable access to high-quality learning environments. And earlier this year the District hosted a series of five community capital meetings to gather feedback on how it should prioritize investments. The CPS Department of Capital Planning and Construction,
the Office of Equity and the Office of Family and Community Engagement collaborated to hold community engagement meetings on the capital budget, which highlighted the capital priorities as outlined in the Educational Facilities Master Plan and focused on explaining the capital prioritization process that utilizes the latest Facilities Condition Assessment and Equity Index.

On average, facility needs, such as, roof, masonry replacement, mechanical system upgrades and site improvements, such as, playgrounds/turfs were the highest recommended budget category for allocating capital investments. And we'll take this feedback for future considerations.

Chicago Public Schools Planning Department recently completed the 2022 Facilities Condition Assessment in all CPS owned and operated facilities. The next run of assessments will begin this summer.

A few points to highlight. This Facilities Condition Assessment is a visual inspection only of the building systems, it is
not destructive. A sample report here includes a rank and quantity for all assessed items at each CPS-operated facility. A separate assessment landing page on CPS.EDU is now live and the latest assessment reports were uploaded at the beginning of May. Prioritization of critical capital needs is a process that systems are dynamic and constantly changing. This can be driven by a number of factors, including weather, accelerated deterioration, deferred maintenance and recent investments.

This year's budget is a little different than in recent years -- than it has been. It's been designed to be a two-phased process. The initial plan, which we are discussing today, is focused on utilizing available outside funding to the fullest potential and have the remainder of the budget in place to address unforeseen critical needs as they arise. This first phase is seeking approval in June so funds are in place in order to allow work to occur to ensure a successful school opening this coming fall.

The second phase will be a supplemental
budget that further expands on the effort in recent years to prioritize an equitable allocation of capital funds across the District. This will include a comprehensive review of the spaces and amenities available at a campus for a 21st century learning environment, the age and ability to modernize the campus and the accessibility of the campus. The second phase is targeting approval at the end of this year.

I will now turn it over to Venny to go into these more details.

MS. DYE: Thank you, Ivan. And good afternoon to all of you, and thank you again for taking time to be present for this session of the FY 24 Capital Plan Hearings. As Ivan stated, I'm going to take a deeper dive into the budget and explain the categories that make up the $155 million proposed budget.

As noted in the presentation previously, the FY 24 plan is designed to be a two-phased approach with this initial budget focusing on leveraging outside funding for which we have almost $55 million. These projects will include facility needs like exterior envelope
renovations, mechanical system renovations, fire
alarm upgrades, system upgrades, modular
refurbishments and building automation upgrades,
as well as some programmatic investments and
site improvements.

The FY 24 Budget includes investments
of 155 million that will focus on priority
facility needs at our neighborhood schools and
including mechanical systems which control our
indoor environment and air quality of our
schools, site improvements and continued
expansion of technology upgrades and other
academic priorities. To support schools through
the city, the FY 24 Capital Plan provides
funding in five major categories: Critical
Facility Needs, Interior Improvements,
Programmatic Investments, ITS Priorities and
Site Improvements.

The FY 24 Capital Budget includes $93.2
million to address Critical Facility Needs.
This category includes things like our exterior
envelope and mechanical projects. Exterior
envelope projects include repairs to or
replacement of roofs, windows, and exterior
masonry. And mechanical projects prioritize the most urgent upgrades to core mechanical systems. These improvements directly affect our ability to provide warm, safe and dry facilities to our students, staff and community.

Other programs in the Facility Needs Category include repairing and/or replacing obsolete critical systems like our fire alarm replacement program or critical temperature controls, our BAS systems, and modular refurbishment.

Also included is the Emergency Unanticipated Facility Repair category, and this is established to address emergency situations that arise from situations like fire, flood or freezing or any other unforeseen facility repair that may arise.

Interior Improvements, this category we are proposing $10 million for interior renovations at select locations for optimizing space utilization and addressing academic initiatives.

Under the Programmatic Investment category we're proposing $2 million -- $2
million which is state funding for programmatic
upgrades at Simeon High School.

And in the FY 24 Budget, the ITS
Priorities, the District wants to allocate
$6.2 million to upgrade school network
infrastructure to address connectivity, replace
aging hardware at the schools and upgrade our
data warehouse and data backups.

Next category is Site Improvements.
This budget would include $23.6 million for site
improvements, including our continued
partnership with the Department of Water
Management and the Metropolitan Water
Reclamation District. Students can benefit from
a well-rounded education that promotes healthy
and active development, and the city and MWRD
benefit from additional water infrastructure.

The next category is Capital Project
Support. The budget includes $20 million in
capital projects for its services necessary to
implement and continue to implement the existing
capital program as well as this particular
capital program. This includes management,
design, planning, assessment, estimating and
more, all of which are needed to successfully implement this particular capital program and those projects getting underway this summer right now.

Full details of the FY 24 Capital Budget are also available on the Interactive Capital Plan website located at CPS.EDU. This site allows users to quickly select projects by school, geographic area, type and year.

So this next section here is we're going to look at some questions that we have previously received during the public comment forum, which can be found at WWW.CPS.EDU/CAPITALPLAN2024.

So one question was: How are capital plans prioritized?

CPS has historically prioritized projects based on building needs, and these needs are based on the facility assessments that Ivan discussed earlier. The facility needs priorities are defined in the District's Educational Facilities Master Plan and as listed earlier today by Ivan. We used the Conditional Assessment, which is a visual inspection, only
on the building systems, it's not a destructive report, but it includes the rank and quantity of all assessed items at each school. And this is how we prioritize our roofs, windows and mechanical systems. And since these systems are dynamic and change from year to year, it could be accelerated based on deterioration, deferred maintenance or recent investments.

Also, we have been working with the Office of Equity for the last three years and utilizing the Equity Index in order to prioritize projects.

The next question was: What is different about this year's Capital Plan?

As we talked about earlier, this year's Capital Plan will follow a different trajectory than previous years. To ensure that all schools are ready to receive students on day one of the new school year for 2023-2024, CPS is seeking to pass a scale down budget of 155 million in June of 2023 to provide funding in the five major areas that we discussed. The District will then launch a comprehensive review of all facility needs that will include robust stakeholder
engagement to develop the new Educational Facilities Master Plan. And this we hope to be released later in 2023-2024 school year.

The next question that we received was:
Is there a focus on ADA accessibility as part of the Capital Plan?

And so accessibility remains a critical priority for CPS, and we have worked closely with the Mayor's Office for People's with Disabilities to develop a long-term ADA capital investment strategy. And this investment strategy was to spend $100 million over five years of which this would be the fourth year. Also included in our normal major MEP mechanical, our roofs and masonry projects, we include accessibility infrastructure in those as well.

And so those are all of the questions that we have received so far. So I'll turn it back over to Kyrah now to go into the public comment section.

MS. DAVIS: Thank you, Ivan and Venny. We will now proceed with today's public comment segment. And before doing so I would
like to share the directions for public comment.

For the record, I would like to note that registration for the public hearing began on Tuesday, June 13th, 2023 at 5:00 p.m. and closed on Thursday, June 15th, 2023 at 5:00 p.m. or until all 20 slots were filled for each of the hearings, whichever occurred first.

Individuals who registered to speak will have 2 minutes to comment. Participants will be alerted when 30 seconds remain. After 2 minutes the facilitator will end the speaking time and promptly proceed to the next participant. I will be calling speakers in chronological order.

Members of the public may submit written comments related to the FY 24 Proposed Capital Budget via the Capital Budget Hearing Public Comment Form posted on our website at CPS.EDU/CAPITALPLAN2024, Tuesday, June 20th, 2023 at 5:00 p.m.

This hearing will conclude after the last person who has registered to speak has spoken or at 1:30 p.m., whichever occurs first.

When called, please state your name for
the record.

I will proceed by calling the first speaker, please press star 6 in order to unmute. Debra Riddle, please press star 6 in order to unmute.

Okay. Debra Riddle was our only speaker. And since no additional speakers have called in to join this portion of the meeting, this concludes the public comment segment.

If you have additional questions or comments, please submit them at CPS.EDU/CAPITALPLAN2024. Thank you again for your participation. This concludes the first FY 24 Capital Hearing.

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

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