Chicago Public Schools
Finance Public Session
August 13, 2024
Overview

Improvements in school resourcing tied to student experience

Challenges we face moving forward

Sustaining and accelerating our progress
The Daily Student Experience

Daily Learning Experiences

Rigorous
Joyful
Equitable
IMPROVEMENTS IN SCHOOL RESOURCING TIED TO STUDENT EXPERIENCE
Setting an equitable standard: Resourcing based on student need

Every school receives equitable resourcing based on the needs of their student population.

Move away from Student Based Budgeting to allocate resources by need using CPS Opportunity Index which measures need based on:

- Community Factors
- Student Demographics
- Historical Funding
Setting an equitable standard: Resourcing based on student need

FY2025 resourcing follows a targeted universalist approach that provides universal foundation resources to every school with targeted additional resources for schools with greater need.

<table>
<thead>
<tr>
<th>Foundational Resources for Every School</th>
<th>Additional Resources Based on Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal</td>
<td>Additional teachers to support smaller class size</td>
</tr>
<tr>
<td>Assistant Principal</td>
<td>Additional discretionary funding for high-needs schools</td>
</tr>
<tr>
<td>Core classroom and holistic teachers</td>
<td>Additional counselors for high-needs schools</td>
</tr>
<tr>
<td>Counselor(s)</td>
<td>Instructional coaches</td>
</tr>
<tr>
<td>Clerk</td>
<td>Tiered intervention supports</td>
</tr>
<tr>
<td>Professional development funding</td>
<td>Tutoring</td>
</tr>
<tr>
<td>Baseline funding for discretionary needs</td>
<td>Advocates for Students in Temporary Living Situations</td>
</tr>
<tr>
<td>Centrally-managed operational positions (custodians, engineers, security, lunchroom)</td>
<td>Special education positions</td>
</tr>
<tr>
<td>Before- and after-school programming to support athletics, enrichment, and other activities</td>
<td>Supplemental English Learner resources</td>
</tr>
<tr>
<td></td>
<td>Social and emotional supports</td>
</tr>
<tr>
<td></td>
<td>Restorative justice coordinators for high-needs schools</td>
</tr>
</tbody>
</table>
Equitable Resourcing

New Foundational Teacher Funding Model

**Elementary School Teachers**

<table>
<thead>
<tr>
<th>Core Classroom Teachers</th>
<th>1 teacher for every:</th>
</tr>
</thead>
<tbody>
<tr>
<td>K-8 Reading, Math, Social Science, Science</td>
<td>- 26 students for schools with an Opportunity Index sum score of 30 or less</td>
</tr>
<tr>
<td></td>
<td>- 24 students for schools with an Opportunity Index sum score between 31-41</td>
</tr>
<tr>
<td></td>
<td>- 22 students for schools with an Opportunity Index sum score between 42-52</td>
</tr>
<tr>
<td>Minimum of 10 teachers</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Holistic Teachers</th>
<th>A ratio of 1 holistic teacher for every 5 core classroom teachers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts, PE, World Language, Computer Science, Librarians</td>
<td>OR Minimum of 3 teachers</td>
</tr>
</tbody>
</table>

F25 Student-Teacher Ratio by District School

**Student-Teacher Ratio Category**
- Lowest need (ES 26:1, HS 21:1)
- Medium need (ES 24:1, HS 19:1)
- Highest need (ES 22:1, HS 18:1)
Equitable Resourcing

New Foundational Teacher Funding Model

**High School Teachers**

1 teacher for every:

- 21 students for schools with an Opportunity Index sum score of 30 or less
- 19 students for schools with an Opportunity Index sum score of between 31-41
- 18 students for schools with an Opportunity Index sum score of between 42-52

OR

A minimum of 10 teachers to ensure a full complement of required courses.
What does this mean for a school?

Elementary School in West Pullman

<table>
<thead>
<tr>
<th>Fall 2023 enrollment: 236 (includes 33 students with disabilities in &quot;cluster&quot; classrooms)</th>
<th>Opportunity Index: 47</th>
</tr>
</thead>
<tbody>
<tr>
<td>English Learners: 0.4%</td>
<td>Students with IEPs: 25.0%</td>
</tr>
</tbody>
</table>

**FOUNDATIONAL ADMINISTRATION**
- Principal
- Assistant Principal
- School Clerk
- School Counselor

**CORE TEACHERS**
- 10 Core Classroom Teachers
- 3 Holistic Teachers
- 1 Interventionist

**SPECIAL EDUCATION**
- 7 Special Education Teachers
- 20 Special Education Classroom Assistants (SECAs)
- 0.5 Case Manager

**EARLY CHILDHOOD**
- 1 Pre-K Teacher
- 1 Pre-K Teacher Assistant

**OTHER SUPPORTS**
- Nursing and Social Work
- $67K for Prof. Dev.
- Before- & After-School Funds

**OPERATIONS**
- 1 Senior Security Officer
- 2 Lunchroom Staff
- 1 School Operations Bucket

**SCHOOL FLEXIBLE FUNDING ALLOCATIONS**
- School Counseling Office Assistant
- Technology Coordinator
- $79K of Non-Personnel Expenses
- $10K of Extended Day/Part-Time Supports

**PROJECTED AVERAGE CLASS SIZE:** 21 students per classroom
What does this mean for a school?

Elementary School in Gage Park

Fall 2023 enrollment: **887**

English Learners: **51.6%**

Opportunity Index: **41**

Students with IEPs: **11.4%**

Economically Disadvantaged: **86.7%**

**FOUNDATIONAL ADMINISTRATION**
- Principal
- Assistant Principal
- School Clerk
- 2 School Counselors
- Restorative Justice Coordinator

**CORE TEACHERS**
- 38 Core Classroom Teachers (including 18 Bilingual Teachers)
- 8 Holistic Teachers
- 2 Interventionists

**SPECIAL EDUCATION**
- 8 Special Education Teachers
- 7 Special Education Classroom Assistants (SECAs)
- 1.0 Case Manager

**EARLY CHILDHOOD**
- 2 Pre-K Teachers
- 1 Special Ed Teacher
- 1 Pre-K Teacher Assistant
- 1 SECA

**OTHER SUPPORTS**
- Nursing and Social Work
- 1 Bilingual Coordinator
- 1 Lead Coach
- $17K for Prof. Dev.
- Before- & After-School Funds

**OPERATIONS**
- 3 Security Officers
- 9 Lunchroom Staff
- School Assistant

**SCHOOL FLEXIBLE FUNDING ALLOCATIONS**
- Parent Advocate
- Two additional School Clerks
- School Library Assistant
- Bilingual Teacher Assistant
- Technology Coordinator
- $102K of Non-Personnel Expenses
- $209K of Extended Day/Part-Time Supports

**PROJECTED AVERAGE CLASS SIZE:** 22 students per classroom
Setting an equitable standard: Resourcing based on student need

FY2025 school budget allocations improve resourcing for all schools while ensuring resources are targeted to highest need schools.

### Teachers

<table>
<thead>
<tr>
<th>Opportunity Index Range</th>
<th>Avg Change in Core Teacher Positions</th>
<th>FY25 Student : Teacher Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opp Index 14-30</td>
<td>0.1</td>
<td>19.5</td>
</tr>
<tr>
<td>Opp Index 31-41</td>
<td>0.6</td>
<td>17.3</td>
</tr>
<tr>
<td>Opp Index 42-52</td>
<td>1.0</td>
<td>15.5</td>
</tr>
</tbody>
</table>

### Counselors

<table>
<thead>
<tr>
<th>Opportunity Index Range</th>
<th>FY24 Counselor : Student Ratio</th>
<th>FY25 Counselor : Student Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opp Index 14-30</td>
<td>1:452</td>
<td>1:382</td>
</tr>
<tr>
<td>Opp Index 31-41</td>
<td>1:307</td>
<td>1:296</td>
</tr>
<tr>
<td>Opp Index 42-52</td>
<td>1:237</td>
<td>1:228</td>
</tr>
</tbody>
</table>
## Progress since 2019: Growth in staffing

<table>
<thead>
<tr>
<th>Job Title</th>
<th>FY20 FTE</th>
<th>FY25 FTE</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Teachers</td>
<td>19,369</td>
<td>21,483</td>
<td>+2,114</td>
</tr>
<tr>
<td>Special Education Classroom Assistants</td>
<td>3,793</td>
<td>7,208</td>
<td>+3,415</td>
</tr>
<tr>
<td>Counselors</td>
<td>712</td>
<td>874</td>
<td>+162</td>
</tr>
<tr>
<td>Social Workers</td>
<td>467</td>
<td>685</td>
<td>+218</td>
</tr>
<tr>
<td>Nurses</td>
<td>342</td>
<td>658</td>
<td>+316</td>
</tr>
<tr>
<td>Restorative Justice Coordinators</td>
<td>1</td>
<td>132</td>
<td>+131</td>
</tr>
<tr>
<td>Centrally-Funded Athletic Directors</td>
<td>-</td>
<td>47</td>
<td>+47</td>
</tr>
<tr>
<td>Dedicated Case Managers</td>
<td>-</td>
<td>337</td>
<td>+337</td>
</tr>
<tr>
<td>STLS Coordinators</td>
<td>-</td>
<td>62</td>
<td>+62</td>
</tr>
</tbody>
</table>
Progress since 2019: Growth in school funding

Since 2019, CPS has increased direct school funding by 30%, adding over $1 billion to school budgets, to meet the growing needs of the students we serve, despite an increase of just $250 million in state funding.
CHALLENGES WE FACE
MOVING FORWARD
CPS has limited control over district revenues

CPS Operating Revenues: $8.4 billion

Local funding is limited under state law

- Most of CPS’ operating revenues come from local sources (i.e. Chicago taxpayers) — primarily property tax, personal property replacement tax, and TIF surplus
- The largest source of funding is property taxes that are capped from increasing beyond the lesser of the rate of inflation or 5%
- Smaller sources are dependent on economic factors and funding decisions by the city and related agencies
CPS has limited control over district revenues

CPS Operating Revenues: $8.4 billion

State funding fails to be adequate or equitable

- State funding for CPS is $1.2 billion short of what the state says our students need, with CPS receiving only 79% of our needed resources.
- Unlike every other district, CPS teacher pensions are not fully funded by the state, resulting in $662 million of teacher pension costs will be funded by CPS and Chicago taxpayers.
- CPS lacks the ability of other districts to raise dedicated revenues for capital, and has to divert $540 million in funding away from classrooms to make payments on debt issued for capital purposes.
- CPS remains underfunded in other key areas as well, including pre-K, special education, and reimbursements for transportation for students with IEPs.
CPS has limited control over district revenues

**CPS Operating Revenues: $8.4 billion**

- **Local revenues** $5.0 billion (59%)
- **State revenues** $2.1 billion (25%)
- **Federal revenues** $1.3 billion (16%)

**Federal funding is in decline due to the expiration of COVID relief funding**

- The FY24 CPS budget included over **$670 million** of federal relief funding
  - The FY25 budget includes **$233 million**, the remainder of the available funding
  - In FY26, CPS will **no longer have any relief funding**

- Increases to recurring federal funding sources, including Title funds and lunchroom funding, **are dependent on congressional action**
CPS currently has over $9.3 billion in outstanding debt

- CPS has 34 series of long-term bonds or approx. $9.3B of debt (all fixed rate) that have primarily been issued to fund capital needs
- The FY25 budget includes $817 million in debt service payments across various funding sources
- About 20% of our state aid and PPRT revenues are currently used to pay debt service

Note: Does not include future long-term bond financings or current or future short-term financings.
Crisis debt accounts for over 22% of current debt

- From 2016 to 2018, in addition to making significant cuts to schools and staff, CPS took out emergency loans to manage the District’s financial crisis.
- These actions, taken primarily to mitigate short-term budgetary pressures, have saddled CPS with significant long-term costs.

<table>
<thead>
<tr>
<th>Series</th>
<th>Purpose</th>
<th>Currently Outstanding</th>
<th>% of Total Debt ($9.3B)</th>
<th>FY25 Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016A</td>
<td>Scoop &amp; Toss</td>
<td>$725M</td>
<td>7.8%</td>
<td>$50.8M</td>
</tr>
<tr>
<td>2017A</td>
<td>Swap Terminations</td>
<td>$285M</td>
<td>3.1%</td>
<td>$20.0M</td>
</tr>
<tr>
<td>2017B</td>
<td>Scoop &amp; Toss</td>
<td>$215M</td>
<td>2.3%</td>
<td>$14.9M</td>
</tr>
<tr>
<td>2017CD</td>
<td>Fix-out Variable-Rate Debt</td>
<td>$278M</td>
<td>3.0%</td>
<td>$51.3M</td>
</tr>
<tr>
<td>2017G</td>
<td>Scoop &amp; Toss</td>
<td>$127M</td>
<td>1.4%</td>
<td>$6.3M</td>
</tr>
<tr>
<td>2018AB</td>
<td>Scoop &amp; Toss + Fix-out Variable-Rate Debt</td>
<td>$459M</td>
<td>4.9%</td>
<td>$50.5M</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$2.1B</strong></td>
<td><strong>22.4%</strong></td>
<td><strong>$194M</strong></td>
</tr>
</tbody>
</table>

The FY25 budget includes $194 million of costs associated with this debt and CPS will incur costs until the last of these bonds mature in 2048.
Limited cash on hand leaves CPS vulnerable to financial risks

On June 30th 2024, CPS can only operate for 4 days before insolvency without the use of debt

$600M more in cash needed to achieve 30 days cash on hand
CPS is still reliant on short-term borrowing to meet cash flow needs

CPS does not have enough positive cash flow balances to fund payroll throughout the year

In FY23, ~69% of payrolls (18 of 26) required short-term debt (TANs) because our cash position was too low; this dynamic persisted in FY24.
CPS has secured more than $778M in outside funding since FY22

<table>
<thead>
<tr>
<th>Infrastructure and Capital Projects</th>
<th>$421.6M</th>
</tr>
</thead>
<tbody>
<tr>
<td>• $321.6M for capital projects funded through TIF and other city sources, state DCEO and CDB grants, Space to Grow, and federal E-Rate</td>
<td></td>
</tr>
<tr>
<td>• FCC Emergency Connectivity Fund - awarded over $100M for student devices</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reimbursements</th>
<th>$154.7M</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CPS advocated for state policy changes to expand school Medicaid claiming, resulting in an increase to our reimbursement amount by $27M in FY24</td>
<td></td>
</tr>
<tr>
<td>• Federal Emergency Management Agency (FEMA) reimbursement for pandemic-related expenses, including PPE, vaccination, social distancing, and testing</td>
<td></td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Vaping Litigation</th>
<th>$20.2M</th>
</tr>
</thead>
<tbody>
<tr>
<td>• CPS and other school districts settled a suit against Juul, Altria, Phillip Morris and others based on the deceptive marketing of vaping devices to students</td>
<td></td>
</tr>
<tr>
<td>• CPS has received $10M, with another $10.2 – $12.2 on the way</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Instructional Supports</th>
<th>$35.6M</th>
</tr>
</thead>
<tbody>
<tr>
<td>• US Dept. of Ed. Teacher and School Leader Incentive Program to scale Teachers Lead Chicago school pipeline programs, scale and pilot new teacher leadership roles, and develop principal development systems</td>
<td></td>
</tr>
<tr>
<td>• ISBE Computer Science Equity program to expand access to CS curriculum for diverse learners via teacher training and resources</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Federal Community Project Funding</th>
<th>$9.2M</th>
</tr>
</thead>
<tbody>
<tr>
<td>• STEM, Personalized Learning, Arts, and CTE programs at 54 schools</td>
<td></td>
</tr>
<tr>
<td>• Capital projects (turf fields) at 18 schools</td>
<td></td>
</tr>
</tbody>
</table>
CPS has secured more than $778M in outside funding since FY22

**Community Schools**

- 9 new 21st Century Community Schools grants serving 36 schools, with an FY25 application under development for 12 additional schools
- 2 federal Full Service Community Schools grants serving 5 schools

**Grants to improve student health, especially mental health and social-emotional supports**

- US Dept. of Ed. School Based Mental Health Services for recruitment and retention of school-based social workers, school psychologists, and school counselors
- CDC Improving Adolescent Health & Well-Being for enhancing health education, connecting students to health services, and creating safe and supportive environments by leveraging CPS’s Network Health Specialists
- Cook County Stronger Together grant for addressing mental health and substance abuse

**Green Initiatives**

- EPA Clean School Bus grant to purchase 50 Zero Emission school buses and develop charging infrastructure
- USDA Composting and Food Waste Reduction Grant
- DOE Renew America’s Schools Phase 1 prize for planning development of a Resiliency Center Network across 20 CPS high schools

**Philanthropy**

- Children First Fund (CFF) works with corporate, nonprofit, and community programs to bolster funding for key programs, including Choose to Change, Chicago Connected, and Teach Chicago Tomorrow
Without new funding, CPS will be forced to make cuts

- The FY2025 budget relies on significant one-time federal relief funding that will not be available in FY2026

- Due to the expiration of federal relief funding plus cost pressures in labor healthcare, pensions, and other areas, CPS’s FY2026 projected budget gap will be over $500 million before accounting for additional important investments in pending collective bargaining agreements with our key staff

- To balance future budgets, CPS will need to identify new revenue or be forced to make cuts to existing positions and programs
SUSTAINING AND ACCELERATING OUR PROGRESS
Of the 40 large urban districts from the Council of the Great City Schools with Education Recovery Scorecard reporting in reading, 

CPS was #1 in Reading Growth from 2022 to 2023 and #1 in Reading gains from 2019-2023
Of the 40 large urban districts from the Council of the Great City Schools with Education Recovery Scorecard reporting in both reading and math, 

CPS was #3 in Combined Reading and Math Growth from 2022 to 2023
Reading achievement continues upward trajectory in SY24
5 percentage point increase from SY23

Surpassing pre-pandemic levels

Students performing in the lowest two performance levels (1 and 2) decreased 4 percentage points from SY23 to SY24
Protecting and building on the investments we’ve made

Investing in **thousands of new staff** and **robust student supports** has made a proven and profound impact on our student experience and achievement.

Changes in how CPS resources schools will continue to **increase equity in funding and target resources to where they are needed most**.

Sustaining the investments we’ve made, and building on them where possible, is crucial to continue the success we’ve seen in student achievement across our city.
Protecting existing spending levels will be a challenge moving forward

While CPS has taken steps to identify budget balancing strategies for FY2025, the District still faces significant budget challenges in future years.

FY2026’s budget deficit projects to be at least $500 million before factoring in the cost of new collective bargaining agreements.

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Projected Deficit</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2026</td>
<td>($509M)</td>
</tr>
<tr>
<td>FY2027</td>
<td>($558M)</td>
</tr>
<tr>
<td>FY2028</td>
<td>($451M)</td>
</tr>
<tr>
<td>FY2029</td>
<td>($403M)</td>
</tr>
<tr>
<td>FY2030</td>
<td>($427M)</td>
</tr>
</tbody>
</table>
New costs in labor contracts will impact District deficit

- Current Deficit projections do not include cost of pending collective bargaining agreements
- Deficit with Contract Proposals includes cost of 52 of over 700 CTU contract proposals, including COLAs, additional positions, and other economic items
- Remaining items not included will drive additional costs that have not yet been quantified

Additional costs included in CTU contract proposal will drive CPS deficit to nearly $4 billion by FY2029
Advocating for revenue to close future budget gaps

- Consolidation of Chicago Teachers’ Pension Fund with state Teachers’ Retirement System, or equitable funding for Chicago teacher pensions
- Adequate state funding under Evidence-Based Funding
- Full state funding of Chicago pre-K programming
- Additional state and federal special education funding to meet rising needs of students with disabilities
Advocating for revenue to close future budget gaps

- Increases in Title I funding from the federal government
- Funding to support CPS newcomer students
- Support with or the ability to raise dedicated resources for capital investments
- Sustainable funding solution for Non-teachers municipal pension costs
- Evaluate and collaborate with partners based on revenue options identified by external organizations
The latest analysis from the state shows CPS has **decreased** in funding adequacy, **dropping from 81% in FY24 to 79% in FY25**

While we share many of the goals CTU has expressed in resourcing our schools and supporting our staff, we cannot make these investments **without additional revenue**

**CPS will fight to protect and grow the investments** we have made in our schools

We must continue to partner with the city, labor partners, and our stakeholders to **advocate for the resources our students deserve**