

April 24, 2019

**RESOLUTION BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO
REGARDING ADOPTION OF AN EQUITABLE, STUDENT-BASED FUNDING FORMULA
FOR THE DISTRICT'S CHARTER SCHOOLS**

WHEREAS, pursuant to Section 27A-11 of the Illinois School Code, 105 ILCS 5/27A-11, the Board of Education has the authority to, by resolution, adopt an alternative funding formula for its charter schools;

WHEREAS, the Board of Education desires to fund its charter schools in an equitable manner based on the academic needs of the students the charter schools serve and consistent with the method of funding used for other district schools;

WHEREAS, the Board of Education has reviewed the alternative student-based funding formula and believes it is the most fair and equitable method of funding its charters;

NOW THEREFORE, be it resolved by the Board of Education of the City of Chicago, as follows:

Section 1. The Board of Education hereby adopts an equitable, alternative funding formula for the district's charter schools for the 2019-2020 school year that encompasses the District's per pupil funding formulas set forth in Appendix B of the CPS Budget Book. The funding streams within this formula are as follows:

- Student Based Budgeting Formula (SBB) – Student Based Budgeting is a per-pupil funding allocation weighted based on grade level. CPS assigns weights for different grades based on student need. Charter schools receive SBB funds based on the same weighted formula.

Charter schools also receive the per-pupil equivalent of the teacher salary adjustments, multiple building adjustments, equity grant and foundation positions. The per pupil rates for these adjustments are calculated by taking the amount allocated to district schools for these funding streams and dividing by the total weighted enrollment for district schools.

The SBB base rate for FY 2020 will be determined once the district's full budget is final and published in Appendix B in the approved CPS budget.

Funding for charter schools is adjusted based on the enrollment on the 20th day of the school year according to the CPS calendar, with a second adjustment based on the enrollment on the 10th day of the second semester. Charters will be funded based on the higher of the prior or current year enrollment counts on each of these count dates to reflect a funding policy similar to that used for district schools.

- Non-Student Based Budgeting Formula (Non-SBB funds) – Charter schools receive a per-pupil equivalent for additional services that are provided to district schools, including operations and maintenance, security, Board-funded programs (e.g., magnet, selective enrollment), and central office management. The non-SBB base rate is determined by dividing the components of the non-SBB allocation by the total weighted enrollment for district-run schools. For three components – operations, security, and IT phone/data networks – the total weighted enrollment includes charter school students who attend school in a CPS-owned facility and opt into facility services. The non-SBB base rate for FY 2020 will be determined once the district's full budget is final and published in Appendix B in the approved CPS budget. This rate is then weighted by grade level.

- Supplemental Aid – Supplemental Aid funds are local funds distributed to charter schools in proportion to the number of pupils enrolled who are eligible to receive free or reduced-price meals.
- Facilities Supplement – Facilities supplement for charter schools in non-CPS buildings is tied to the five (5) year average of the principal and interest payments on CPS long-term debt.
- Special Education funding – Charter schools receive per-pupil funding based on student least restrictive environment (LRE) status to fund special education services.

Section 2. The Board of Education will continue to provide supplemental English learner (EL) funds to its charter schools based on the number of EL students within the school.

Section 3. The Board of Education will continue to provide a proportionate share of federal funds to its charter schools. Title I funds are distributed pursuant to a formula that is based on the ratio of TANF (Temporary Assistance to Needy Families) and free and reduced-price meal school data as a percentage of enrollment.

Section 4. Charter schools are charged for:
A) employer contributions to the Chicago Teachers Pension Fund that the District makes on behalf of eligible charter employees. Schools are charged 11.16 percent of the salary costs of participating employees.
B) any facilities services provided by the District.
C) an administrative fee of 3 percent to cover the District's costs in administering these schools and programs.

Section 5. Should CPS suffer an unexpected financial difficulty resulting in a decrease of funding to district schools, charter schools would experience a similar decrease in funding, proportionate to the decrease in funding for district schools.

Section 6. For purposes of calculating the per capita tuition charge, in-kind financial support for long-term facility costs, unfunded pension liability, and short term borrowing costs will be included in the funding calculation. CPS will continue to calculate into the PCTC calculation other deductions including administrative fees, facilities charges, current year pension deductions, pension true-ups from the prior fiscal year(s), and any other applicable "true-up" deductions.

THEREFORE, this Resolution is hereby adopted by the Members of the Board of Education of the City of Chicago on April 24, 2019.