Chicago Public Schools
FY2013 Supplemental Capital
Budget Proposal
Public Hearing

STENOGRAPHIC REPORT OF PROCEEDINGS had in the above-entitled matter held on April 17, 2013, at Kennedy-King College, 740 West 63rd Street, Chicago, Illinois, commencing at 6:00 p.m.

CPS STAFF MEMBERS PRESENT:

MR. MATT WALTER
MR. SEAN MURPHY
MR. GREGORY VOLAN

Reported by: Ailene Barkhoff, CSR, RPR
License No: 084-004366
SPEAKERS

Jacquetta Carr-Snoddy
Kwantel Frazier
MR. VOLAN: Good evening, everyone. It is now 6:00 o'clock, and we will begin the Fiscal Year 2013 Supplemental Capital Budget Hearing at Kennedy-King College.

This budget hearing will end promptly at 8:00 p.m. or when the last speaker has concluded, whichever is earlier.

So I'll begin by going through the rules of the proceeding. My name is Gregory Volan. I'm with the budget office for Chicago Public Schools.

As I mentioned, the budget hearing will end promptly at 8:00 p.m. or when the last speaker has concluded, whichever is earlier.

All who signed up to speak will be given an opportunity to ask a question or make a statement until the meeting is adjourned. All those wishing to speak are asked to please sign in from 5:00 p.m. to 6:30 p.m. on the speaker's sign-in sheet at the entrance registration table and each speaker will be given a number.

Please note that no one will be able to sign up to speak after 6:30 p.m. Speakers will be limited to addressing topics related to the budget. Speakers are asked to limit their comments to two
minutes so that everyone that would like to speak will have the opportunity to do so.

When multiple speakers from the same organization or school are listed, only one member per organization or school will be allowed to speak regarding the same issue.

If the speaker has a follow-up question, we ask that you please speak to CPS staff members who will be on site to help you fill out a follow-up card.

The public hearing is scheduled to conclude at 8:00 or after the last speaker, whichever is earlier.

CPS has also set up a Web site where the public can share their thoughts on the budget, visit http://cps.edu/capitalplan.

And with that I will hand it over to Matt Walter to begin the presentation.

MR. WALTER: Thanks, Greg. My name is Matt Walter, and I'm capital budget manager with CPS. Joining me is Sean Murphy, the program director. We'll start with just a quick overview of what the supplemental capital budget is. Basically this budget provides funding for projects that must
be completed before the start of the year and were
not included in the original FY2013 capital budget.

Since appropriation for FY2014 is not
available until August roughly when the Board
approves it, we must proceed by doing a
supplemental capital budget for any work that needs
to be done this summer that wasn't included in the
original budget.

The supplemental capital budget totals
$363.7 million. The projects fall in two major
categories, basically the school action-related
project, which are the welcoming buildings,
co-locations, iPads, which we're investing in the
welcoming buildings and then turnarounds.

The second set of categories would be the
time-sensitive district priorities. These projects
include common core textbooks, the IB high schools,
full day kindergarten, a new point-of-sale system
districtwide, Englewood early childhood center and
school improvement projects.

The next line shows us the breakdown of
the $363 million. $329 million is funded by CPS,
while another 20 -- or 33, almost 34 is funded
through outside funding sources. Again, these are
the same categories I just spoke about, the breakdown investment into each.

I'll briefly run through each project type with what it entails. The first and the largest piece of the FY2013 capital supplemental budget is the investment in the welcoming buildings. This totals $155 million and these are the school transitions where one school will be moving into another school.

We will invest in air conditioning in every classroom for every welcoming building. Other investments depending on the need include a library, upgraded technology, safety and security, ADA, lunchroom capacity increases where necessary, general buildings repairs to make sure the building is safe, warm and dry, and then we'll be providing iPads for students in grades three through eight.

We plan on investing $51.3 million in co-location investments, and these are buildings where one school moves into another school and they share a building together.

As part of the $51.3 million, this includes six new science labs, four computer labs, six art rooms and four expanded lunch rooms.
We will also invest $11 million in the turnaround schools. Among the investments for turnarounds include structure repairs, ADA accessibility, IT upgrades and air conditioning in all classrooms.

The last three major categories of -- that fall into school support improvements, $32.5 million. Similar investments that I already spoke about is air conditioning, IT upgrades, ADA investments, as well we will also be doing some cosmetic improvements and building repairs.

We plan on adding $15.2 million to the IB high schools, and then as previously mentioned we will be including a full day kindergarten as we have previously announced, which will total $15.4 million.

These projects will begin immediately upon the Board's approval in April. The work is set to be completed by early August in time for the 2013-2014 school year.

We will be having the Public Building Commission perform most of the work for us, and this allows CPS to focus on education rather than construction.
That sums up the overview of the FY2013 Supplemental Capital Budget. School specific capital projects can be found at cps.edu/capitalplan.

I will now turn it over to the audience for questions. For those members who came in late, my name is Matt Walter. I'm the capital budget manager with CPS, and with Mr. Sean Murphy, the program director, we will now answer any questions you might have.

MR. VOLAN: So there is no questions.

MR. WALTER: No questions.

MS. JACQUETTA CARR-SNODDY: I have a question.

MR. VOLAN: I'm sorry. Do you mind going to the microphone and stating your name and asking the question.

MS. JACQUETTA CARR-SNODDY: My name is Dr. Jacquetta Carr-Snoddy and my question is based on information that kind of was on the screen and then flashed away.

Is a summary of the budget that you presented available on-line?

MR. WALTER: Yes. At this Web site right here you'll be able to click through the FY2013
Supplemental Budget, and it will provide all the
detail I gave and much more. So it will actually
give school specific investments.

MS. JACQUETTA CARR-SNODDY: You said it's going
to be school specific, so any detailed information
we'd like to know about that or any particular area
will be available?

MR. WALTER: Yes. Exactly.

MS. JACQUETTA CARR-SNODDY: Okay. Thank you.

MR. VOLAN: I believe that we'll just stay
until 6:30. If there are anymore questions we will
be happy to answer those. Otherwise, we'll adjourn
at 6:30.

MR. KWANTEL FRAZIER: Excuse me. Hi, I just
want to -- so would that money be used for the
welcoming schools or -- I mean, you know, I just
came in to this, so...

MR. WALTER: So $155 million will be invested
into the welcoming schools, and that basically is
$145 million on the top row and then $10 million in
iPads will be purchased for students from three
through eight at the welcoming schools.

MR. KWANTEL FRAZIER: So do you guys have a
section where special ed needs will get part of
that or is it just for the whole school or the welcoming school?

MR. WALTER: So each school has a specific breakdown on what the specific needs are.

Sean, do you want to comment on that special ed portion?

MR. MURPHY: So essentially what is going to happen with the closing schools and the special ed students who are in those schools, they're going to be evaluated what their needs are for the welcoming schools that they're going to be attending and then the accommodations for those students will be made within the welcoming schools, so that's included in the budget.

MR. KWANTEL FRAZIER: Thank you.

MS. JACQUETTA CARR-SNODDY: I have another question, and if possible, tell me if this is the form for this or not.

I would like to kind of time my question into the school closings and ask whether the CPS-funded projects and supplemental budget is also projecting the savings that will occur as a result of closing some of the schools.

MR. WALTER: So the savings that we expect to
receive from closing the schools will help pay the debt service on the investments we're making on the schools.

So basically we're taking the savings and reinvesting them into each of these schools to help improve the situation for all students involved.

MS. JACQUETTA CARR-SNODDY: And I noticed you had turnaround schools up there. The turnaround schools, are those budgets -- was that amount specifically just for improvements in the building?

I mean you have iPads, is there any other technology included in that.

MR. MURPHY: So, in general, for the turnaround schools, what that money includes relative to technology is the upgrading of computer labs to support the turnaround operators program within the new school.

So some of them also require wireless upgrades as well. So things like wireless access points will be part of that money that is included for the turnaround schools.

MS. JACQUETTA CARR-SNODDY: Okay. Thank you.

MR. VOLAN: So the time is now 6:27, and there are no more speakers on our speaker's list. So we
will be adjourning at 6:30 if that situation
doesn't change. So if you have any further
questions, you have a few more minutes to speak up.

MS. JACQUETTA CARR-SNODDY: When is your next
budget meeting scheduled for?

MR. WALTER: The next budget meeting?

MS. JACQUETTA CARR-SNODDY: Correct, and will
it be a continuum of this information?

MR. WALTER: The meeting related to the capital
budget would be -- so the capital budget now -- the
supplemental budget will go before the Board.

MR. VOLAN: So there is three hearings
happening now.

MR. WALTER: There are three hearings right
now, and then after today it will go before the
Board -- the April Board meeting, which I believe
is April 24th, but that information is available on
cps.edu.

MR. KWANTEL FRAZIER: Actually, I have a
question.

And I don't know if you guys know this,
but what will they do with the school buildings
after they close down?

MR. WALTER: So I think the question is what
MR. KWANTEL FRAZIER: Yeah. Will they be
renting them out to charter schools or what are
they going to do? I really want to know.

MR. WALTER: I think it's still to be decided, but I think the plan is to try to see if there is
any buyers to sell to. We're still early in the process of that, so I don't know if we have any
more information.

MR. KWANTEL FRAZIER: All right.

MR. MURPHY: At this time, the CEO has announced, however, that there will be a moratorium
on renting or leasing any of these facilities to charter schools. So the intent of these buildings
is not to reopen them for charter schools.

MR. KWANTEL FRAZIER: Okay. Thank you.

MS. JACQUETTA CARR-SNODDY: I have another question.

I'm assuming just based on the following release that the reason why the schools are closing is because underutilization.

Is there a plan in the future for reopening any of the schools should there be an influx of students back into the City?
MR. WALTER: So that's something that I don't
know if we can comment on at this time. I think
when the situation presents itself, then we will
make the appropriate decision.

MR. VOLAN: So the time is now 6:30 and seeing
no further questions from the audience, we will now
adjourn the meeting. Thank you very much.

(Whereupon, a short break was
taken.)

MR. VOLAN: Okay. So we are going to stick
around for 15 more minutes.

MR. KWANTEL FRAZIER: So the question was do I
report to the Board meetings every month about some
questions or concerns or maybe ideas that we can
use for the schools that are closing down?

You know, where can I state by closing the
school down, you know, I don't think that's a good
thing; but, you know, changing the name, also, you
know, doing some things within the school; but also
keeping the school, you know, open and then also
upgrading more than just closing it down.

So that's what the question is, so if you
guys could respond...

MR. WALTER: So we have a couple of different
forums for community input. Right now you can submit ideas or thoughts on-line at the cps.edu/capitalplan Web site. There is a section on the right side where you can tell us your thoughts. There is also public hearings going on over the next few weeks, one for each school action, and so you can go to each of the hearings and give your ideas or testimony.

MR. KWANTEL FRAZIER: Okay. Thank you.

MS. JACQUETTA CARR-SNODDY: I have a particular interest in improvement of air conditioning for the turnaround schools, and do you know the effects of discomfort in the classroom and how it impacts the student's abilities to learn and be able to succeed in their assessments and standardized tests?

My question becomes is there a timeline for these improvements to occur within the 2013-2014 school year or is that just data which shall be started?

MR. WALTER: So the purpose of the 2013 supplemental budget is so we can appropriate funds to begin the work immediately, so as much is done as possible by the start of school.
So we anticipate having these projects completed by the -- essentially completed by the start of school in the fall.

MS. JACQUETTA CARR-SNODDY: Thank you.

Another question occurs with the PBC. I noticed in your reading of the overview that -- are you bypassing the admitting process to use PBC or has PBC already outsourced quite a bit of work that will transpire?

MR. MURPHY: The work is essentially being assigned to the PBC, so they also have to meet the bidding statutes to bid the work. We're currently planning on using a design bid process, a design bill process that pairs engineers and architects with a construction firm.

That process is ongoing right now, so none of the work has been awarded during this part of the bidding process right now.

MS. JACQUETTA CARR-SNODDY: And what safeguards are in place to ensure that the work is fairly allocated to various companies with regards to minority or non-minority?

MR. MURPHY: They do have minority participation goals outlined as well in the
solicitation process, as well as a community hiring component for 50 percent of the work that has to be completed by the Chicago of Chicago residents and then there is also a component that allows them to higher CPS students for certain positions to work as well.

MS. JACQUETTA CARR-SNODDY: And how is that being advertised?

MR. MURPHY: That's advertised through the Public Building Commission. They advertise through their Web site, as well as, I believe, in the newspapers as well. So the Public Building Commission Web site will have all that information.

MS. JACQUETTA CARR-SNODDY: Okay.

MR. VOLAN: It's now 6:45. We will provide one or two more minutes for any last questions and then we'll adjourn.

(Whereupon, a short break was taken.)

MR. VOLAN: There are no additional questions. We will now conclude the FY2013 Supplemental Capital Budget Hearing.

(Whereupon, the hearing ended at 6:45 p.m.)
STATE OF ILLINOIS )

 ) SS:

COUNTY OF COOK )

Ailene Barkhoff, as an Officer of the Court, say that she is a shorthand reporter doing business in the State of Illinois; and that she reported in shorthand the proceedings of said public 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 public hearing.

IN TESTIMONY WHEREOF: I have hereunto set my verified digital signature this 18th day of April 2013.

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AILENE BARKHOFF, CSR, RPR