STATE OF ILLINOIS  )
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COUNTY OF COOK  )

CHICAGO PUBLIC SCHOOLS
FISCAL YEAR 2014 BUDGET PRESENTATION

REPORT OF PROCEEDINGS at the hearing of the above-entitled cause before MR. PETER ROGERS, Chief Financial Officer of Chicago Public Schools, on August 1, 2013, beginning at 6:00 o'clock p.m. and ending at 8:00 o'clock p.m. in the theater of Kennedy-King College, 740 West 63rd Street, Chicago, Illinois.

APPEARANCES:

MR. PETER ROGERS,
Chief Financial Officer

MR. MATT WALTER,
Budget Manager

MR. GREGORY VOLAN,
Budget Manager

MS. JENNIE BENNETT,
Treasurer

Reported by:  Shelly White, C.S.R.
License No.:  0084-002196
MR. WALTER: Good evening. Welcome to the FY 2014 Budget Hearing. My name is Matt Walter. I'm with the budget department. With me on stage is Peters Rogers, the CFO; Jennie Wong Bennett, the treasurer; and Greg Volan, a budget manager.

I'll start by reading the introduction and rules to the hearings. And then I'll turn it over to Peter to run through the presentation for the budget hearing.

Budget hearing will begin at 6:00 p.m. and end promptly at 8:00 p.m. or when the last speaker has concluded, whichever is earlier.

All who sign 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 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 for the same organization or school are listed, only one member of the organization or school will be allowed to speak regarding the same issue.

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

The public hearing is scheduled to conclude at 8:00 p.m. or after the last speaker, whichever is earlier. CPS has also set up a website where the public can share their thoughts on the budget. Visit CPS dot EDU slash budget for more information.

If anyone requires a Spanish or sign language interpreter. I ask that you move to the front -- to my right.

Also one last thing. No food or drink is permitted. Thank you.
I'll now turn it over to Peter Rogers for presentation.

MR. ROGERS: Thank you, Matt. Good evening, everyone. As Matt said, my name is Peter Rogers. I'm the Chief Financial Officer for the Chicago Public Schools.

I'd like to welcome all of you tonight. Thanks for coming on a beautiful night instead of being out, your coming here listening to us. I will take you through our proposed fiscal year 2014 budget.

As some of you might be aware, we initially released a budget about a week ago at our Board of Education meeting on last Thursday or Wednesday, Thursday. And it's -- we're going through a process right now of public hearings for this week. We'll have meetings tonight and tomorrow night. We're asking our Board to approve this budget later on in the month of August.

So thanks again very much for coming. As Matt said, I'm joined on the podium by three of my colleagues who will also join in and answer any questions that you might have at the conclusion of my remarks.
And we also have other people from CPS in here to help organize your questions or any followup you might have from that perspective.

So thanks very much once again for coming.

I have to say at the start of this, this year that we're entering in, the budget that I'm about to describe to you is something we have approached for the last, frankly, the last few years with some trepidation if not alarm because we're well aware of the impending issues that we're facing coming into this year.

You'll see that in the presentation as I go through it. But without a doubt we knew that we were facing some very substantial and difficult times for our fiscal year 2014. We had difficulty with the 2013 as well but not to the extent that we will in the year coming up.

And that's been driven largely by the reality we knew we had very substantial pension fund requirements for the year 2014. And we are obligated to make by statute. We had hoped during the past few years there would be legislation that -- maybe you have heard -- that
might modify the amount we had to pay by
restructuring some of the requirements of the
pension. But that did not happen.

And so we're obligated to make the
kind of payments for the amount fully of 90
percent. Almost 90 percent of the expense
increase we face in 2014 are a result of pension
increase that we have.

So with that background, I would
like to begin to take you through a presentation
that will be some detail. In this I hope you will
be able to see it from where you are. Especially
we'd like to go through the highlights to give you
a good sense for how we're approaching our fiscal
year 2014.

As I said, we're forced to deal with
the staggering fiscal challenge. We're facing
nearly a billion-dollar deficit going into this
year.

At the same time we also must keep
investing in programs to support the mission of
serving Chicago's children. We're not here to
work on numbers. That's not what we're all about.
We're here to educate children the kind of
education they deserve and the families in Chicago
deserve for their children. That's first and
foremost on our mind.

We are, however, obligated to
present a balanced budget. That's required of us.
And we intend to do that.

We continue to change the way we
operate to focus all of our resources that we can
on the classroom, cut nonessential spending, and
streamline everything that we can so that we can
put as much of our funding as possible into the
classroom.

We will use reserves significantly
in the year coming up. That will help us balance
this budget. And I have to tell you at the same
time we're using as many reserves as we can, but
there was no way we can avoid making some
reduction in our budgets to the schools. And
we'll go through that.

I'd like to conclude this part by
reiterating that I think there will be a theme
throughout the presentation. We do need help, not
just for fiscal year 2014, but as you know, before
you know it, we'll be looking at a budget for a
fiscal year '15 and '16. We need help.

All of you as citizens of Chicago recognize that we need help in terms of solving our budget situation going forward. I'll have a chance to explain how that has come about and what that means in just a moment.

Just to summarize our fiscal year 2014 operating budget, if I might -- as I mentioned, at the end of this year, recognizing we're facing a historic billion-dollar deficit at the end of the year. And our financial picture worsens dramatically because the State also to us -- it was due to the fact that the State was unable to reach any kind of pension reform and also we're operating with lower funding from the State than we have in the past.

We have modestly higher revenue through property taxes. We'll review that in detail. But they're frankly overwhelmed by $405 million increases in pension expense.

The savings that many of you have heard about that we will get from closing schools, some 52 schools, we did not close principally for saving but rather to improve the quality of
education.

Those savings will not be realized this year, because we put all the money we saved back in the schools and then some, back in the schools for the children that are leaving the closing schools are going to welcoming schools.

We had to put a considerable amount of money into those schools to upgrade those facilities at this time.

So our budget reflects aggressive action to limit any kind of additional reduction for the schools, which calls for further cuts in admin and operations in Central Office.

We did increase property taxes to the extent that we were able to, called the cap, which is the extent that we're able to by State statute at this point increase the taxes.

We've restructured debt. And yes, we will use reserves, substantial reserves, including restricted reserves to balance the budget. But these funds are not sufficient alone.

And we were obligated, as a consequence, to make some reductions in school budgets.

I'd like to highlight two of the
principal reasons why this situation exists. And I'll take the pension part of this thing first.

This slide pretty dramatically shows the situation. As you can see looking back at this graph, and going back to 2005, the pension was actually fully funded at that point. We were not obligated, nor have we been for the previous ten years before this to make any contributions to the pension fund.

And the reason for that is our pension contributions and the fund itself was quite large. It was growing rapidly. The stock market was very robust. These funds were managed by an outside firm, by a trust that oversees the pension fund on behalf of the Chicago teachers. And it was growing very rapidly to the point where through 2005 we were fully funded.

At that time, with increases in retirement and some softness in the stock market, we had to make our initial contribution of some 37 million. The stock market began crashing in 2007 and eight. The value of the pension fund went down accordingly.

And that when we began to make
pretty substantial contributions to where in 2010
we contributed $329 million in the pension fund.

We then were at a point where had we
gone forward with the same amount of rounds, in
2011 we would have had to contribute somewhere in
the neighborhood of 450, $500 million.

The State legislature recognized
that. And in their thoughts about this going
forward, they anticipated being able to enact
structural reform to not only the Chicago
teachers' pension funds but other pension funds
throughout the state.

And as a consequence, a pension
reduction for a period of three years was put in
place. Some would call this a holiday. We were
obligated to make contributions in the $200
million range in that period of time, for three
years. That has ended as of June 30th. And with
no reform passed by the State legislature in
Springfield, the increase for 2014 will take us
out to $613 million.

Going forward, the way the pension
fund works is that we have to continually, working
on a schedule, over a period of years to get us to
a point where we're 90 percent funded some considerable years in the future.

But on the current terms and current conditions of the pension, as it is set up, by the time we get out to 2055, 2056, a long time from now, if we're here, the contribution will be $2 billion in the pension fund.

But the most important thing is for the year coming up we have to increase the amount of that payment by $405 million. That is a staggering number.

To put that in some perspective, that increase is about $1,000 per student in the Chicago Public Schools.

Looking at the total amount, which is 613 million, that's nearly $1500 per student per year that we're obligated to make payments to the pension fund. That is the single most factor in determining the budget and the actions that we're required to take for fiscal year 2013.

Now a few facts that I want to mention to you, and we'll move on to the details of the budget. These are the realities of what we deal with in Illinois. And I think it's important
that all of you, as citizens, realize this.

The fact of the matter, a number of different benchmarks the State of Illinois does not fund education to the same degree that we believe is necessary. Nor does it fund education to the same degree that other states fund education.

A few facts to support that.

Illinois in fact ranks 48th among states in the percent of education funding it provides. Illinois State only provides 32 percent of our budget versus an average of 48 percent for the rest of the United States.

In fiscal year '14, for the third year in a row, funding by Illinois to the school districts in Illinois by the State of Illinois to school districts won't receive the statutory minimum that the State is supposed to contribute per student, which is $6119 per student. We're now nine percent below that at $5720 per student. That's the funding that the State allocates across the state.

Just to put that in some perspective, other large districts -- we are the
third largest school district in the country.

Comparing ourselves to other large districts,
New York and Los Angeles, rank number one and two
in terms of size, just ahead of Chicago then
Philadelphia and Milwaukee as a few more. They
receive fifty percent more per pupil than we do in
the state of Illinois. In fact each receives more
than $8500 per student compared to our 5720.

A private organization that tracks
funding, a private group of citizens that track
funding I met with recently, they provided some
compelling data, which I found was quite
disturbing. But according to their analysis and
study, they had determined that in Illinois an
appropriate adequate level of funding for the
State would be $8672 versus the current 5720.
We're 36 percent below that. That is a reality.

Compounding this further, we are the
only district in Illinois -- and in fact no other
large district in the country -- is required to
fund almost all of its teacher pension expenses
entirely by itself.

We do that in Chicago. We're the
only district in Illinois and in fact the only
district, large district in the country that is
required to do that on our own.

Every other district in the state is
funded almost exclusively by the State of
Illinois. Our pension is managed separately and
funded separately by Chicago. And we're
experiencing the difficulties of that on the chart
I just showed you.

But as bad as some of the statistics
are, I don't want to be the grim reaper here. I
must tell you, I do not foresee a situation with
all of the insights and information we have about
funding in Illinois that this is going to
substantially change in the future.

And I think it is important as
citizens you understand that and talk to your
representatives about the importance of education.

The problem that we're facing in
2014 isn't new. As I said, we faced here
considerable trepidation, if not alarm, about what
we're facing.

The problem really started way back
in 2009. If you look at this chart and your eyes
are good and you can see that, in 2009 we had a
deficit of 157 million, which we funded by
reserves that year.

That proceeded into 2010. Again our
expenses were higher than revenues to the tune of
120 million. That was the first.

In 2011, as a consequence of federal
stimulus money, we got additional money from the
federal government, which allowed us to cover the
deficit we were experiencing in that year.

And in 2012 we also had a surplus.
That surplus was purely the result of a change in
the Chicago property tax second installment
penalty date, which moved revenue forward by
several months and became booked in fiscal year
'12 versus, as we thought it would occur, in
fiscal year '13.

So we have the benefit of that in
fiscal year '12 of early revenue coming in from
property taxes.

So in fiscal year '13, we thought we
were going to have a substantial deficit of in the
area of four, $5 million dollars. In fact we put
a number of spending reductions in place,
principally in the Central Office, which I'll
share with you in a moment. And we ended up, not
to be proud of, but considering where we were, we
had a substantial improvement in terms of the
deficit we thought we would experience. But we
did minimize the experience in the year just
ended, a deficit of $272 million.

As we look forward to fiscal year
2014, and you can see the numbers, I hope,
expenses exceeded revenue by $977 million.
Actually we got rather lucky in some ways. We had
talked about a billion dollars. The State had
announced earlier that the governor had released
his budget. That called for us to have reduction
from the State in the amount of $60 million. That
budget was not approved by the State legislature.
We did not get a reduction of 60 million. In fact
we'll receive that 60 million. So that brought us
down from just over a billion dollars to just
under a billion dollars.

So we faced a deficit of $977
million.

Looking ahead. And I'm going to
show you some detail on this. Back up one.

I think that's clear in terms of
where we were. We faced the deficit of 977 million.

We have dealt with this. And here's how we're doing it. Three important factors allowed us to reduce that 977 by approximately 3 -- a little over 300 million.

The first was we finished fiscal year '13 by over a hundred million dollars better than we thought we were. That is, we reduced expenses by a hundred million more.

Planning for fiscal '14 by scrutinizing the budget in a very, very brisk way, we reduced expenses versus the original forecast by over another hundred million.

And the third factor is we raised property taxes by nearly 90 million.

So the combination of those three factors contributed to the fact we were able to take the deficit down from what was 977, with the addition of expense increases, down to some 642 million, which is the middle column, in the middle red column.

That was the -- after our overall planning and drawings where we were going to end
in our fiscal year '13, we still faced the deficit of $642 million. Of that, once again, to repeat, you can see the total expenses in the middle will be up next year 463 million. As I say, 405 million of that is due to pension. Some 90 percent due to pension increase.

So we're facing a deficit of 642 million. We will close that deficit by using virtually all of our available reserves. We have general unrestricted reserves of 562 million. We will use all of those.

We have other restricted reserves that also we will use for a total of $696 million in reserves.

Some of those, just to balance the numbers if you're quick or checking that -- the 696 at the bottom is merely a reflection of the debt service and is considered a revenue source that's paid and adds to our ability to spend or other aspects and use our general aid to the money.

But the bottom line is we will use a total of the 696 million in reserves. We will close our budget. But to do so, we've had to
substantially drain all of our reserves. And we
also have had to take a small cut in school
budgets.

I want to go on and talk a little
bit further about the most important thing. To
put that in some perspective, first of all, the
school budget aside, we were forced to raise the
school budget by 68 million about three and a half
percent of the total budget.

To put that in some further
perspective, though, the most important thing for
us, we also invested substantially in our
education program.

You may have seen we released
recently a new mission for us, which we're very
proud of and supported by a series of pillars,
which we think are critical for us in terms of
making the investment that provides every child in
every neighborhood in Chicago with the kind of
education they deserve, a rigorous curriculum of
education that prepares them for graduation on to
college, career, and life.

And that is what we're -- that's
what is driving us in terms of your educational
program initiatives.

We have a series of four pillars that support our educational initiatives. We're investing in all of those. To highlight these -- we will support magnet, gifted, and talented programs to the tune of $60 million, including 7 million for 19 new welcoming schools also have IB as well as STEM programs.

We have established full-day kindergarten for all students as opposed to half day for many of our students. That's a cost of another $15 million.

We are launching a Ready to Learn program, which I think, is very exciting for us, which is to expand our pre-kindergarten initiative to expand the opportunities to over 700 children.

The second pillar is to support and meet the needs of students, regardless of their situation. And in that regard we have several programs.

We developed a new office of strategic school support service, which invests in transformational improvements in high-need schools. These are schools we've targeted as
need extra help in terms of their performance, how they're graded on testing. We've identified those schools. And we will invest $20 million in those schools.

We're also expanding Safe Passage to assure a safe arrival at all of the welcoming schools for students coming from schools that are closing. That will cost us $9 million.

We have programs in place to promote attendance to the tune of over $5 million and dropout prevention or recovery to the tune of $7 million.

We're also adding to 2,692 new seats and 11 new option schools to re-engage dropouts and provide a path to those students for a high school diploma. We think it's very important to reach students who have dropped out, for whatever reason, to get them back in the program and get them a high school diploma. And we'll be investing in that to the tune of nearly $14 million.

Third point -- our third pillar is to engage and empower families and communities. You all, and the communities of
Chicago, with students in Chicago Public Schools are a critical part of what we're trying to accomplish. We cannot be successful, of course, without parental oversight, participation not only in your children's education but also in how the schools are run.

We are investing heavily in that by developing five new parent engagement centers to help address parent-related issues to the tune of $700,000.

We are expanding the Safe Haven program to serve up to 1500 more children for the cost of seven -- or close to $300,000.

And lastly, we're committed to effective teachers, leaders, and staff.

This is a very important part. Our schools are only as good, obviously, as the teachers and principals. And so we're investing heavily to improve and help those teachers be the best possible they can at what they do.

They're the most important elements of our system. And we're prepared to invest heavily in them. We have programs with the Executive Leadership Academy and Chicago
Leadership Collaborative. We are investing more than $15 million to develop, train, and coach new and rising principals, chiefs that oversee several schools, deputies, and select Central staff.

We're investing in teacher professional development to the tune of $10.6 million, which is including supplemental learning development for in, in 22 of the schools that I described as strategic investment schools, schools that are underperforming.

We're supporting new teachers and principals through new evaluation process to the point of $4 million.

And finally, we've implemented a system this year which will put more control in the hand of principals and teachers of their own budgets rather than dictating from Central Office what each school, how each school should be spending their money to the tune of some $2 billion is brought to the schools unrestricted for the schools to manage their money in the way that they think is most effective.

This is something that is new to Chicago but frankly is long past due. Virtually
every other large school district in the country does this. We want to see the results of this. Chicago has done this also for some period of time with a limited number of schools to see how this would work.

But the intention is to give principals and the schools more control over their budgets and allow them to make the decisions that they are most capable of making in terms of how to support their students.

Just to put this in some perspective, the numbers are quite substantial. If you look at the investments that I cited.

In IB and STEM we're going increase the number of students eligible for this by 11,800 -- more than doubling the number of students that are currently in those programs.

Full-day kindergarten will increase to nearly 4,000 students.

Prekindergarten. We have a robust program already in the city. We're expanding that and changing that so that the families of need are more eligible for the program than they are today. We anticipate adding another 700 students to
In the schools that require additional help, strategic schools that need additional help, there are 9,000 students in those schools that will be aided with the investments that I have noted.

The magnet and selective schools will have increases as well in schools by nearly 600 seats.

Schools affected by Safe Passage, an 30,000 additional students will be eligible for Safe Passage to make sure they arrive first and foremost at their school safe and ready to learn.

Educational Option schools. We want to make sure students that have dropped out, for whatever reason, have an opportunity to get back in school, get a -- get a high school degree.

We are increasing the number that are available, seats eligible for those students as well as find them and get them back to school where we'll affect 2600 students through that program.

These are real numbers, with real investment in our program.
Now I want to touch a little bit on how we manage the school district to give you a sense of the effort that we've gone through to minimize any reduction that we've had to make in the schools and make our budget go as far as possible through a program we've had in place in the last three years and will continue into our fiscal year '14.

We have been operating under extremely rigorous, tight budgets, with reductions in staff, very difficult review, scrutinizing any new hires to make sure that staff is outside the classroom. We rigorously evaluate every single program and every single staff member to the point where over the last four years, including fiscal year 2014, we have reduced staff by -- largely Central Office programs and staff -- by nearly $700 million, a very substantial amount obviously that we have reduced over the last three years.

And it's cumulative.

When we make a reduction, it stays a reduction. We just keep adding to that in subsequent years, a critical part of our program. As a consequence of that, it's very
obvious when you look at our head count of staff
that we have in central office.

This is not something that we're
proud to talk about. These are real people that
have lost their job. But we felt it was
necessary. It's a result of becoming more
effective and efficient in terms of how we operate
the school district.

But our Central Office staff has
been reduced by 34 percent since 2009. In 2009 we
had 1500 staff. We finished the year we just
completed at over 1,000 staff. So we've reduced
by 500 staff the people in our Central Office.
And those that are working for the Central Office,
are engaged in activities out in the school
district.

So a very substantial effort has
gone into controlling expenses. It's part of a
very rigorous planning approach we take toward the
school district.

In addition to the effort we put
into education. We have as much effort and
professionalism again in our operating budget to
become as efficient as possible, as we can be.
Now I have want to talk a little bit about our capital budget. Our capital budget reflects how much we'll spend on new schools, improvement of schools, repairs, maintenance, separate from our normal operating budget.

For the coming year we will reduce the normal amount of money that we would spend or that we have spent previously. Typically our capital budget in past years, which in part will then result in the need to fund those expenses, expenses typically by bonding those, for which we then have to pay debt service, a very substantial number.

So while it looks like this is funding that we can afford, we quickly pay for it by debt service, which again lessens the amount of money we're able an allot and put in the classroom.

Again our capital expenditures for fiscal year '14 coming up, despite the numerous needs we have, will be 187 million.

We will benefit from additional funds from the State that we've been allocated of 110 million and some TIF allocations to the tune
of about an additional 10 million for a total budget of 308 million.

We have a very disciplined process for screening potential candidates for budget work. I'll take you through some of those.

We cannot now meet all of the District needs. But we will be spending money very judiciously in covering the needs that we feel we have been given to.

As I mentioned earlier, closing 57 buildings is part of the school closure process. This will eventually save us $400 million in future capital investment that we would have had to put into maintenance and other capital improvement in those schools.

That frees up money to spend in the remaining 600 schools.

Just quickly to specify where we're spending that money -- we'll spend 125 million in general conditioning, things like maintenance that range from repairing windows, to boilers, to roofs, to important things you have to do when you manage 600 physical properties, very substantial, large properties.
We also are putting money to relieve overcrowding, into the overcrowding in schools to the tune of nearly 25 million in existing schools as well as through annexes, through modular structures in some of the schools to relieve overcrowding in classrooms.

We're spending in educational program support, technology and security, and playgrounds and removing some modulars to the tune of another 5 million and regulatory requirements in terms of some spending such as elevator access for ADA and so on will cost us another 3 million.

The 110 million that I referenced in TIF money that is allocated to us will go towards new school construction. We have a number of alternatives being evaluated. In total we intend to spend just over $300 million in the coming year for capital expenditures, a very substantially amount.

But when we typically spend between 400 to 600 million a year, to do so would result in additional debt service for us and take money away from educating children. So we've decided to go with a reduced budget.
Let me conclude by saying that, as I think is apparent from what I've been saying which you already are heard, we're forced to deal with a staggering financial challenge. We must keep investing to improve student outcomes. That's our first and foremost mission. We're dedicated to doing that.

We've made tremendous changes to keep cuts away from the classroom. But we're no longer able to avoid some cuts to schools.

We've used virtually all of our reserves. We think it's prudent, under the circumstances, to stay on a mission of educating children as opposed to looking at the reserves and holding onto them. Had we done that, we would have had to reduce our budget to schools much more substantially.

In future years, we're going to need significant help from Springfield both in terms of how we approach the State proceeds, our budget, our budgets allocated to schools, and as importantly -- more importantly, how the State deals with a pension crisis that exists not only in CPS but across the rest of the school system to
avoid future shocks such as what we're facing in 2014.

I can only assure you that our entire team at CPS is well aware of the challenges. We work very hard. And we're determined to succeed despite this. We will be carrying the message that I just described to you to our legislature in Springfield.

We've already done that in concert with the Chicago Teachers' Union, who we work very closely with them on this. We jointly work with together to plead our case to the legislature in Springfield both in terms of pension reform and in terms of funding the schools that is critically important.

So in closing, I want to thank you for your time. I know you will have questions. I would like to indicate that while we're here to answer your questions, I urge you to go online at CPS dot EDU/budget. Our entire budget is described in very great detail, more so that I've had time to go through this evening. And I urge to look through that and understand exactly how much is being spend on educational programs and
how much is going towards all of our activities in
the Chicago Public Schools.

So with that. I'm going to conclude my remarks. And I will turn it over to questions and answers. Thank you very much.

MR. WALTER: Okay. We will start the question-and-answer period now.

You should have received a number when you signed up to speak. We'll go in order. And we have a microphone down here, if you could walk up to state your name and your comment.

We will start with question one. Again we'll two minutes per speaker. When your time is near, I will hold up signs just to let you know.

MR. ADAMS: My name is David Adams. I am a parent at the Ray School. And I am a member of HP Cares, which is an organization dedicated to helping schools.

I want to thank you guys for coming tonight. I know it's hard and you have to continue your workday into the evening.

I wanted to share a thought that was expressed at a Hyde Park meeting with Todd Babbett
from CPS a couple weeks ago.

A parent said that she would rather have her children in a classroom with a leak in the ceiling and 20 other students than a perfectly climate-controlled classroom with 36 students.

So class size is a very big parent priority. When I went through the budget document, class size is mentioned three times. And I think the pensions were mentioned over 50 times.

So I guess I got a sense that class size did not come much into the budget process.

There was no goals for ideal class size. There were no sort of creative solutions to reduce class size. And there was no justification for larger class sizes.

I know that the pensions are a large issue. And I guess I just have to question whether or not you have removed all the nonessential items from the budget that led you -- that forced you to reduce the school budgets by three and a half percent.

I saw in Catalyst that you guys gave a $1 million no-bid contract to Sups (phonetic)
Academy. I can't believe in this budget crisis you guys have any no-bid contracts. That seems like an incredibly bad practice.

I also did not see anything about reducing costs for testing. And I don't know any parent who is at public schools who thinks that the level of testing is appropriate. That is an incredibly expensive thing. And there's, you know, you are reducing other things; but you're not reducing testing costs. And I don't know why you're not doing that.

That's actually basically it.

Thank you very much for coming.

MR. ROGERS: At the risk of shouting, you can probably hear me without it. But I might as well use it since we have it.

Thank you much, David, for your thoughtful questions.

There were three central comments you made. One had to do with class size and a comment that one of your parents had made. A second had to do with the no-bid contract. And the third had to do with testing.

First -- as far as the class size is
concerned, no doubt, as that parent had described, there are situations where class sizes they are, even before this year, are in some cases larger than we would find desirable.

Our general target is certainly less than 36 per classroom. There are situations where that cannot be avoided in the school. And some of those are being addressed by way of what I described as expansion capability in the schools, that is by annexes or other ways to relieve the crowding those schools which we know exists.

It won't fully fix it.

As we talk about our capital funding for 2014 one of the critical things we've discussed is how do we look at schools are doing well and are overcrowded so we have to address that. We know it's a very high priority.

The second thing I'll address has to do with testing. I know this is a very frequent comment. I can only tell you that we have a very rigorous -- and I'm sure announcements will be made about this throughout the year. I notice that our CEO made an announcement, oh, about a month or about some reduction in testing to
earlier-age students.

But I can tell you from the various meetings that I've attended that there is a rigorous effort underway to evaluate what kind of testing is enough and what is the best level of testing we should do with a view towards recognizing what is being said about the amount of testing we're doing.

I've heard Barbara Byrd-Bennett say that this is a critical priority for her. She is an educator. She knows what testing can do.

We are rigorously looking. We have a very professional person who runs our accountability office who is evaluating all of our testing getting us on the right track.

I anticipate further announcements in the coming year.

And, finally, the no-bid contract you say with Sups Academy. I don't know about the non-bid aspect of that, I'm sorry to say.

I do know who Sups Academy is. And it's a principal effort to work with superintendents for a certain period of time.

They're known to be, around the country, extremely
capable in helping develop principals, which is what we're going to primarily use Sups for. Because principals are first and foremost our top priority.

I'm sorry, I don't know about the non-bid aspects of it. But I do know that they have very high credentials and that we do believe, although it seems like a lot of money, and it is. We made a conscious decision, because frankly, I've heard Barbara Byrd was a former principal.

Principals and assistant principals are critically important to the caliber of education that takes place in each school. We want to make sure we have the best possible people in those roles. Because time and time again we've seen the best principals produce the best results among the students.

MR. WALTER: Speaker number two.

MS. KIELTY: Good evening. My name is Marie Kielty. I am a resident of Chicago. And I will a retired CPS teacher.

As a pensioner of the Chicago Teachers' Pension Funds. I have paid into my retirement. Other entities have not paid their
obligations to the teacher's pensions.

In the 2013-2018 action plan, the next generation, Chicago's Children Pillar One. I hope that the full-day kindergarten program, curriculum, and assessment will be based on developmentally appropriate practice as defined by NAEYC, the National Association For the Education of Young Children, of which I am still an active member.

While there are many knowledgeable principals, I'm extremely concerned about principals who know little or nothing about early childhood education.

They demand the teachers remove the block area, the sand and water areas from the classroom.

These principals are not aware that these activities develop mathematical skills. Research published in 2007 done by 13 researchers in nine universities in three countries including Northwestern, Columbia, and Princeton, showed that it is the math that children know at the beginning of kindergarten more than the reading that predicts their success by the middle grades.
In view of this and our national emphasis on math and science, we need to be strengthening mathematics professional development for teachers in grades pre-kindergarten through third grade in these five levels of early childhood, as defined by the National Association of State Boards of Education.

My next comments are based on your budget that was available online as of last Friday.

In the same approach I have concerns about the next generation pillar four and the supports for the teacher evaluation system.

Where is funding for teacher professional development before they are evaluated?

In the $3.6 million for the aspiring principal preparation programs, what institutions are, quote, are four of the nation's strongest principal preparation programs? Will these preparation programs address principals' about knowledge for early childhood and the current principals' knowledge about early childhood?

Are principals aware of the document?
Early Childhood Education and the Elementary School Principal from the National Association of Elementary School Principals? It was published 25 years ago.

I've spoken of this at the June 21, 2006 CPS budget hearing and at the August 14, 2007 budget hearing.

My last sentence is, yes, children now in CPS are our next generation of doctors, nurses, attorneys, teachers, physical therapists, business executives, car mechanics, and other support personnel.

I want them to be well qualified for their future work. I do not want them to be emotional dropouts because of inappropriate practices long before they can legally become dropouts.

Thank you.

MR. ROGERS: Thank you, Marie.

Your comments are much appreciated and duly noted.

I would also urge you, particularly as a former teacher who is far more knowledgeable, I feel comfortable in saying, than any of us on
the panel, that you would take advantage of the
opportunity, which is provided online to make
those comments known. Because they will be
reviewed and listened to.

I can say that relative to early
childhood, your comments are quite in line with
the effort that is in place to expand the full-day
kindergarten which will require a $15 million
investment as well as more prekindergarten to an
increasing number of students, which we already
have a large number, large population in Chicago.
But we're trying to expand that number for much
the reason you mentioned.

As far as the curriculum is
concerned, I would be beyond my capability to
comment on it.

I can tell you that I've had -- I've
had the pleasure of sitting in on a number of
meetings with the individual that leads our early
childhood development activity. And I must say,
she is one of the most professional and capable
individuals I've seen. And I know she's aware of
many of the things that you cited.

But I would also urge you, as a
former teacher, to make your comments known in the way that I suggested. Because I'm sure they will be much appreciated.

And you commented also briefly, as a former teacher, on the pension situation, which causes me to want to make a comment.

It's -- yes, we are facing a pension crisis. I would be remiss in saying that we do not recognize that former teachers and people that work as teachers have a right so expect a fair pension going forward for their hard work.

What we're trying to find is a balance that will allow us to put resources not only into pension requirements for existing and teachers coming up but also to make sure we have enough resources to support our mission of educating children.

So we're looking for a balance. Right now it seems to be a bit imbalanced, and we're trying to find the right formula going forward.

MS. KIELTY: I have copies of my remarks. I have five of them for those of you up on the dais.
Thank you.

MR. ROGERS: We will be sure and pass those along. And we appreciate your passing it along.

May I ask when you retired?


MR. WALTER: Speaker three.

MS. YULAN: Good evening. My name is Denise Yulan (phonetic).

And I'm a teacher from Claremont Math, Science, and Technology Academy on the south side of Chicago.

I have several concerns with the announced budget and the lack of revenue that is coming into our schools.

There are several revenue streams that are being ignored in my opinion, which is the TIF. And a lot of us are not familiar with the TIF. But it allows money to come into, as they say, areas that need enhancing.

I want to know why the Mayor, the Board of Education, Barbara Byrd-Bennett has not implored to get the use of that money to put back into our schools.
We have a surplus. And it's been stated that we have a surplus.

That means it's not attached to anything. That's me looking at my bank account. I paid all my bills and at the end of the year I have this money. I paid down my house, paid off the cars. It could be fun money.

It's there to be used.

The Mayor has chosen to make this his fun money for his friends. And I'm not being -- I'm not trying to be political. But that's what's happening.


Moving a hot dog business from one side of the city to the other. And then we have DePaul University, a catholic university. I'm all for catholic universities. Everywhere I've gone was a catholic university. I graduated from a catholic university.

Their endowments are overflowing.

Why do they need our money that we pay for real estate taxes? And that portion should come back
So I want to know that. And finally my pension, that hopefully I would receive ten, 20 years from now. Even after I retire, I'm still too young to get it, has not caused this problem. Your accountants caused this problem.

Fire them and get some new ones.

MR. WALTER: I'm not sure if there was a question there. But it was a comment.

We -- of course and most of which you mentioned was directed --

MS. YULAN: Well my question, sir, was, why not go get the TIF money that was there today?

MR. ROGER: I think your question is correctly directed more to the City than Chicago Public Schools.

But I will say that Chicago Public Schools are a great beneficiary of TIFS. That's not understood by most people. But we, in fact, use TIF money substantially and have over the years to, almost to the tune of a billion dollars allocated to the Chicago Public Schools for building new school facilities, repairing and maintenance of schools. We benefit directly from
that.

We further benefit in two other ways in which I think is not understood.

But as TIF districts expire, that is after they've gone through their useful life of TIF development, which was intended to allow economic development in that market. There's often a surplus. That surplus is then distributed to various agencies in the city.

We are a substantial beneficiary of those surpluses. Last year, as an example, we received some $308 million in TIF surplus distributed to Chicago Public Schools. So we are beneficiaries.

The third point, which I think is not fully understood -- TIF districts are intended to raise the commercial value and consequently the eventual taxes in certain districts.

Chicago Public Schools are a direct beneficiary of those increased taxes.

So while I have read and understood the comments, I read some comments of the Mayor today about how much of the surplus was actually money dedicated to ongoing projects and so forth.
I can tell you that we at Chicago Public Schools have been a direct beneficiary to a very large extent to TIF money. And we continue to be by increased property taxes for which we receive 52 percent of the City's property taxes as well as surpluses that are distributed to Chicago Public Schools.

So thank you for your comments.

MS. YULAN: It's a carryon. How come you have not asked for the surplus money? It's not attached to anything. It's not attached to any of us in the room, which means it can be asked for and said, we need this to keep.

How come you have not asked for surplus that is not attached to anything? It's sitting there for the asking.

MR. ROGERS: Right --

MS. YULAN: Ask for it.

MR. ROGERS: I think we've addressed your comments. Thank you very much, Denise.

And you should we go on to the next question.

MR. WALTER: Speaker four.

SPEAKER FOUR: Good evening, staff. I'm
a teacher and taxpayer and parent right down at Streamwood (phonetic) High School.

I've been to a few of these types meetings where you guys sit on the stage. And actually you guys are the most polite explanatory that I've seen so far from CPS in my seven-year career in the District.

But it comes down to the fact that you're still full of it. And there's no simple way around it. The TIF part that she's mentioning is a hundred percent accurate.

You said you care about kids and you wanted to use the TIF money. That's the biggest thing you can do is ask for that, hundreds and millions of dollars for that.

I live in Hyde Park, a privileged community just east of here, where the Hyatt she mentioned is going. So Kenwood High School they have to have all these crummy fundraisers over at the school, because the TIF money is going on the Hyatt.

Every neighborhood is involved in that. Englewood has been disinvested in for years. The money from this community is not going
in this community. It's going downtown to build
the stadium she mentioned.

As a teacher, I can't look at my
kids in the eye and say, you're getting a fair
share, you're getting a fair opportunity. Because
they're not. They're not. It's completely BS.
Right.

I'm white. I'm privileged. I'm
male. Right. They're black. They're from
Englewood. Right. You all come from a fairly
privileged background. My kids don't. And that's
not fair.

And for you to sit there and say
well, you know, maybe we could give you more money
to do this or to do that, it's not true; because
you're not doing what you should. And you blame
the teachers indirectly.

Well you say you want the students
to have money, but it's the pensions. Right.
It's the pension problem. It's the teachers'
problem, those greedy teachers. You didn't say
it, but you implied it.

My wife's a teacher. My mother was
a teacher. The teachers aren't the problem. You
need to think and look at the real research coming out. Not for Barbara Byrd-Bennett, she's corrupt. That $20 million that was mentioned, that's corrupt. She's votes in Cleveland. Are you kidding me?

Like everything that you're saying and speaking about, you may believe. But you're just so misguided and so wrong morally. It's offensive to me.

My son goes to CPS. Right. You're going to say the same crap to him when he grows up. He's white. So he'll have privileges that won't come to the students I teach.

But everything you're saying and believing, I don't know if you really believe it or not -- or you're just paid to believe it. But it's complete BS. No question needed.

MR. WALTER: Speaker five.


What I really want to stress is that I can't really appreciate how difficult your job is, and it shouldn't be that way. And I
understand that the city and the state and
accountants here -- and we can't seem to get the
facts because there's a million here and billion
there. That's really frustrating. I think it's
truly frustrating, and I want you know that.

But I want to ask this specific
question about the tech and security part of this
year's budget. The 23.7 million, can you explain
why tech and security are kind of mixed together
and what that means?

As someone that researches new media
and youth expression and voice, everything is
going online. And I look around the places I grew
up and the places I've been, and there's a huge
divide in access and digital literacy.

It's going to come back on education
and job opportunity. And it's going to keep the
inequalities that we've already seen. More people
are going to highlight it. So I'd love an answer
to that.

MR. ROGERS: Allen, before you step away,
I want to make sure we understand your comment.
Because I didn't quite get it. And I want to try
to respond to you. I'm sure it was thoughtful. I
want to make sure we didn't miss it.

SPEAKER FIVE: Sure. The comment was general frustration about the lack of consistent information. And I know there's a lot of blame to go around. But the whole process is pretty adduct (phonetic).

The question was, the 23.7 for fiscal year 2014, in the tech spending side of things -- I think it was tech security or tech. I just wanted to know more about that. What tech security is and what that goes into?

MR. WALTER: So I think you're referring to the capital budget?

MR. ROGERS: Do you need this mike?

MR. WALTER: Sure.

So right, the FY 14 proposes $23.7 million in technology and security spending. It's not really tech security. We just put technology projects and the security projects together.

When we summarized the capital budget, because they're the most likely related as opposed to building.

The security projects are generally security cameras, DVRs, that kind of thing. So
they're really technology related. It's not software but technology.

And then technology projects can be anything from computers, but mostly it's infrastructure online and land wiring providing schools with increased band width to support more online learning, that kind of thing.

Those are largely what makes up the technology and security project.

We have a specific breakdown of all the technology and security projects on the capital website, where you can find all the breakdowns.

Speaker six.

SPEAKER SIX: My name Byron Cedar (phonetic). I'm a resident of Pilsen also a teacher and a member of Pilsen Alliance.

I have several questions.

First, I'm glad that Mr. CFO doesn't think that you don't have to know numbers. But when you yourself refer to children as seats, it's hard to believe that you think of our children as other than seats of our communities on a spreadsheet.
That's what I saw today. They're not the same as spread sheets. We saw that when you referred to closing the schools even though you say the mission of CPS to provide quality education for our children, but let's see what that looks like.

You've got 50 schools already closed. 3,000 school staff fired, two thousand of them teachers. We dozens of foreign language teachers, counselors, PE instructors being fired -- 92, 94 in art programs, 22 computers being cut.

30,000 children have to be displaced and cross gang territory. That's the type of education that you're saying is quality education for our children.

You're really proposing that our children take PE and art classes online. To me that's a joke. That's not investing in our youth.

So that's just what you think about like the, just like you had that proposal, that spread sheet look like. That's not what they look like.

The other thing is, why CPS keep funding corrupt charter networks. We've seen Una
(phonetic) is a charter network. They have 80 million just in management fees. We've seen by the Sun-Times what they do with the money. But CPS keeps funding those types of charter networks, but they don't fund public schools.

Also, you referred to the CTU, you said you were working closely with the CTU; but how you do that with the Mayor going through union busting. And he's calling the CTU president a bitch himself.

So I would like to see those kinds of attacks and that kind of association with banks. Why don't we use that energy with the swap deals with the banks. We want to see that kind of aggression with the banks who are really taking the money.

And finally, this is the last question. You were saying that -- you were saying that a lot of investment has been done. We'd like to know where? Because you're definitely not on the south side and the west side. We'd like to know where.

You're talking about the Chicagoland Right to Learn program. That's one where they're
even charging students for, based on income. So we'd like to know about that, too.

Thank you.

MR. ROGER: First of all, I want to thank you for your comment about the seats. And I believe you're right. That was a rather insensitive way for me to describe the students. Thank you for calling that out to me. I think it was well-deserved.

That is an expression that I would not think of in terms of describing students. And so I appreciate you bringing that to my attention. And I sure don't want to make that mistake again. I appreciate it.

You made a number of other comments that frankly I think are -- we will duly note them. And I'm not sure if any further comment is necessary. Because we can't address all of the statements you made. But we certainly heard what you were saying. And we'll take that into consideration.

As I said, I'm not sure what to comment on. Perhaps if you could ask a specific question.
SPEAKER SIX: Briefly you can say, what about charter schools being funded, corrupt charter schools in Chicago? Also, like why don't you negotiate heavily with banks?

And finally, tell me more about the Chicago Right to Learn program. I hear that they're even charging based on income to students.

These are questions.

MR. ROGER: Thank you very much for being more specific about that. I'll try to answer the last one. And I'm going to allow some of my colleagues to answer others.

Jennie, perhaps you could address the concern about the swaps for a second.

And, Greg, if you talk about the charter school, just general funding of charter schools, I think it would be useful.

As far as the early learning part of this concern. I have discussed participating in a number of different programs about that. I hope this isn't misunderstood. But we do have quite a robust early learning program that is largely tuition-based.

And it was -- it's been recognized
by us. There is a great opportunity also by the Mayor, who is very keen on expanding this. There's a great opportunity to expand. It's very important too for early learning.

We also recognize that not all families can pay to have -- can pay certainly the same amount to cover those expenses. And so we've looked at -- and it's a first step. We're trying to learn how it would work. But we're trying to put a program together to ask families to pay based on their capabilities to pay for the program, with a view towards greatly expanding early childhood program. This is a first, which I think is the right step for us to put in place.

Jennie, can you comment briefly.

MS. BENNETT: My name is Jennie Bennett. I'm the Treasurer of Chicago Public Schools. I appreciate your question about the swaps and negotiating with banks.

And I have to say I agree with that sentiment. We negotiate very heavily with all of our bank/vendors relationships. We spend a lot of time in conversation with them.

Just a comment on swaps. This is
something we've heard a lot about at board
meetings and various school hearings.

            And the one comment I would make is
that our swaps have saved us in terms of interest
discounts. We've received $70 million in interest
costs for our swap and variable rate portfolios.
They have been very effective ways for us to be
able to lock in attractive costs of capital.

            So you know, it's something that we
always monitor, and we spend a lot of time
focusing on. And we do very much appreciate the
scrutiny as it relates to our discussions with the
banks. And we do spend a lot of time talking to
them about various market opportunities in the
swap accounts that we have outstanding.

            MR. WALTER: Speaker seven.

            MR. VOLAN: I haven't spoken yet.

            MR. ROGERS: Yes.

            MR. VOLAN: To address your comment about
the charter schools. The point I'd like to make
is that one thing that we accomplish in moving to
the student-based budgeting model this year is
that charter schools and district schools are
funded the same way. So we're using the same
funding formulas for both sets of schools.

We fund charter schools to provide a variety of educational opportunities to students and families in different neighborhoods. And they are funded to the extent that students go there and parents send their children to charter schools.

So if we open charter schools, and they're not good schools, and students don't go there, then they're not going to be funded. So with the students--

(Inaudible audience outburst.)

MR. ROGERS: We need to get back to the speaker list.

MS. BENNETT: I'm sorry. With that said, if you'd like to make a comment, we would like to give everybody an opportunity to speak. And people have signed up in order to speak and to comment. And so if we could move on to the next person.

MR. WALTER: Speaker seven.

SPEAKER SEVEN: Hello. My name is Curt Oldorff (phonetic). I'm on staff at the Chicago Teachers' Union. And I've spent five and a half
years teaching here in the Englewood neighborhood.

And in the last few years -- my job has been cut three times in the five and a half years.

And I want to just say that the budget is nothing but a long series of choices. Some choices are more mandatory than others. But they're choices nonetheless.

And the choices in this budget pointed to one outcome -- denial of educational services for the most for the benefit of a few.

And the fundamental decision at the heart of this budget is austerity, the massive cuts to programs with no real push for new revenue outside of property taxes.

In this -- there is not a single proposal that is proposed in this budget to generate new revenue from those who have it.

Before anyone can do decent redistribution, there needs to be recovery of the 121 percent of the income gains that went to those at the top, which means everyone who is not at the top had to lose money. It's not a redistribution problem. It's a simple math problem to be able to fund your schools.
And so if the District's leadership is serious about getting more money from the State, the Mayor and Dr. Byrd-Bennett tomorrow can come out in a press conference and say two things -- one, we unequivocally and unconditionally support a graduated income tax in Illinois; and two, we immediately call on Abbot Labs, Caterpillar, and other Illinois companies to give up their tax savings and actually kick in the amount that they should be paying; and three, the Mayor should come out and say to the Chicagoland Burger King chain today, they reported a 27 percent increase in quarterly profits, to give back the tax breaks that it's got within the last two years.

Because the choices that have been made in the budget is awesome. It's either cut schools or cut pensions.

At issue is, is that even if, and this has come out, that even if there's a pension solution done, the comment from the District is not all that money would go to restore cuts at schools. And the reality is that there's $360 billion in cuts from traditional public schools.
and public school closures and budget cuts, et cetera.

And just for a quick couple of questions on specific local issues -- at John Hope High School there are $124 million cut from that school, 22 positions. And Harper High School, which last year had to deal with 29 students being shot, has a $3.1 million budget cut and 24 staff positions.

It's impossible to run a school at the level of cuts that have been happening. And this is a choice that isn't necessary. Thank you.

MR. WALTER: Speaker eight.

SPEAKER EIGHT: Good evening. My name is (inaudible) McDowell (phonetic). This is G2 (phonetic) Brown. We are with the Kenwood (phonetic) Community Organization. We represent over 20 years of working with local school councils.

And I just want to say, without being disrespectful, we appreciate you guys coming here today. However, we do feel a level, a high level of indignation about what you guys represent. That being as it may, I will ask my
question. And Mr. Brown will issue his comment and question.

My question is, I've been reaching out to Jennie Olstrum (phonetic) from the Office of Budget for about a year now trying to get some answers to some questions for the schools that we've worked with. So that's a question that's on the table.

What about locally, democratically-elected local school council members at these schools, particularly in the Bronzeville area? What recourse do we have in working directly with your office?

I need some business cards also. Because we've been reaching out for over a year, and we've got nothing accept questions. We got nothing accept position statements.

When local school councils are responsible for working with principals. But we need to know from Central Office what's really going on? We train local school councils.

So my other question is, I need a list of those robust three-through-K programs that are operating throughout the city so that we can
see if, in our neighborhood we have what we need.
So I will accede. I will give the rest of my time to Mr. Brown.

MR. BROWN: My name is G2 Brown and what Mr. McDowell said, we've dedicated a large part of our adult life with working with local school councils and parents who have been committed to improving their schools.

And the frustration that I have personally, I can't put into words, to look at the sabotage of neighborhood schools and then to hear people -- and again no offense this is not personal. But to hear people use the privatization jargon to describe what's happening but not -- not acknowledge the fact that you have a school like Overton, which was not underutilized, had 460 students, with scores gone up six points, up some of the highest scores in the city, with 12 points this year and then are shut down.

What do those parents do? You know, parents are not, you know, 70 parents have enrolled their children into Mollusk as a result. Parents are at home in a society where this is not
supposed to be 1955 in Mississippi, where we have
to bus our children somewhere.

And there's no accountability. I mean, there's no accountable. I don't know how
people go home and kiss their children at night
and pretend they're human. There's no
accountability for people's lives you're turning
upside-down and producing -- and since 2002,
producing -- excuse my language, a piss-poor
product -- not teachers, not principals, but
District policy, which is absolutely backwards.

And so when you're looking at the
budget, I have a couple of questions.

One, who is going to talk about the
hundreds upon hundreds upon hundreds or millions
of dollars that have been flushed into these
networks which are almost like mini school
districts placed all over the city? They all have
a director or chief. They all have a staff.

Who is going to share with the
public the hundreds of dollars that has gone into,
who's going to talk about CPS priorities into the
budget.

I know that in 2010 the Office of
New Schools had a $350 million while teaching and learning got a $25 million budget.

So my question is, when are we going to be honest about the priorities within CPS' budget? And what can you share about those priorities now, like the Office of New Schools?

And secondly, what about again the networks and the way that CPS has prioritized setting up a portfolio school district?

So you can put that sign down, man. I'm going to -- the point I'm making, because to be honest with you, this is my neighborhood. If I want to come in a public place to speak, I'm going to come to a public place and speak.

And I want to let you know, the next time you see me come to a CPS Board meeting, it's to shut it down. I'm not coming to another meeting to talk to a bunch of corporate hacks who you have no love for my children.

David Fatalli (phonetic) sat at a school closing meeting and presided over -- I want y'all to hear this. Presided over a meeting where they paid -- they paid low-income African-American people straight out the halfway house and gave
them $25 to come and speak about why we should be content. He sat there with a smirk on his face.

So I want you to know my life's work and what I've committed myself to fiercely is the elimination of this appointed school board. I'm talking to people all over the city. And we've got parents in neighborhoods all over this city.

Until this bull crap come crumbling down, none of this matters. Until we can vote people in and out, don't none of it matter. Because at the end of the day, you don't have to look at a child on 43rd that asks, why I got to get busted 22 blocks to go to school.

You don't have to do that. I do. So I'm letting you know, it's war. I'm letting you know that. It's war. This is not rhetoric. I'm letting you know we're committing ourselves to the demolition of this bull crap. Because this is ridiculous. Because you do not love our children. You do not.

Respectfully, we're standing for an answer.

MR. ROGERS: Thank you for your comments.

Is there another question from the
audience? What -- do we have another speaker?

MR. WALTER: Speaker nine.

MR. BROWN: What about the questions?

MR. ROGERS: I didn't hear questions. I heard comments, sir.

MR. BROWN: I asked two questions.

MR. ROGERS: We have others who want to speak.

MR. BROWN: We're done. But we have questions.

SPEAKER NINE: I'll wait. I'm speaker nine. I'll wait.

UNIDENTIFIED VOICE: We'll all wait.

MR. ROGERS: What is the question?

MR. BROWN: What about the priorities of the CPS budget, sir, that prioritize making --

MR. ROGERS: What is your next question?

MR. BROWN: I'm coming to it. And then the second one is -- and that was that one.

And then the second one is, how do you explain the waste that has gone on at CPS?

I'm clear on the questions I asked you.

MR. ROGERS: I'll try to answer those.

First of all, I'm sure you won't
find this satisfying; but I happen to think the
way that we're working on it, in terms of the
number of schools that we have in the district,
which is very significant, 400,000 children, the
model that we use to manage those schools we
believe is correct in terms of having a chief
overseeing a number of different schools and
principals. We think it gives the schools the
best attention.

And I must say we don't use other
school districts as a model. But that is a very
common pattern in managing districts as large as
ours.

Secondly. The second point I would
mention on as far as --

MR. BROWN: What percentage of those
schools --

MR. ROGERS: Excuse me. If you'd like
the answer, we can't shout at each other. I'll
try to answer.

The second question has to do with
details of priorities in terms of the budget.

It's a very broad question. I think
that you'll find nearly a 200-page disclosure if
you go online. It's very detailed with every line item of our expense. And if you have specific questions about those --

MR. BROWN: The Office of New Schools.

MR. ROGERS: We'd be happy to take time to go back and review.

You mention the Office of New Schools.

MR. BROWN: Yes, sir.

MR. ROGERS: What else do -- you have to go for more details of that, that's why we're putting the money there. Everything is fully disclosed and extremely transparent.

MR. BROWN: Can you explain to us.

Because the networks -- when they go on probation, they die. What's the purpose of the networks?

MR. McDOWELL: I had a question about local school councils. I don't know if you remember that question.

MR. ROGERS: As I manage an organization --

MR. McDOWELL: We train local school councils for the past 20 years. And what we've
been doing is working with schools in the Bronzeville area. And those schools have had no opportunity to speak with your service regarding how to relate their budget to their students.

MR. ROGERS: That's very surprising.

MR. McDOWELL: As far as a model, the per pupil funding initiative has to be explained at the local level to local school councils, because the councils work with the principals who the money is being off-loaded to.

MR. ROGERS: I have a suggestion. I believe that we did spend a great deal of time establishing what we call local school councils.

But --

MR. McDOWELL: I'm saying this office, the budget office.

We have tried to reach out to Jennie Olstrum since August of 2012 and gotten no response.

MR. ROGERS: I have no idea what happened when you reached out. I'm going to give you my business card. Would you please put in writing your questions, and I'll make sure that they're answered.
And if you need to be directed, it will be done.

MR. McDOWELL: How soon will they, shall we be responded to, is my question?

MR. ROGERS: Would you have a card yourself, sir?

MR. BROWN: Yes.

MR. ROGERS: You're both with the --

MR. McDOWELL: KOCO, Kenwood Community --

MR. ROGERS: I look forward to hearing from you.

MR. WALTER: Speaker Nine.

MS. WALLS: Hi. My name is Kimberly Walls. And I am a science teacher at Robert Forest Elementary. Mr. Willis, my old boss, is back there.

How you doing?

And I'm a real good science teacher, evidenced by the fact that he did award me for my science gains about two years ago. So I do have valid evidence, and I'm going to say it this way. When I give my comment, I don't need you to respond with a, let me explain. Because I have my MBA.
So I do know how to read. And I do understand about TIF funding as well. But I'm going to cut to the chase since we you won't give me no ka-ka back.

I decided to go online and read what the Chicago Sun-Times said in response to Robert Firiority (phonetic) in our outrage over the McCormick and Navy Pier projects, that you all had in the hundred million dollar budget.

After that I'm going to call for Jennie's resignation, because there's no reason we should have a $68 million deficit and you didn't ask for our money back. And you didn't tell Rahm Emanuel that, man, look we need that $400 million to go toward CPS. And you didn't tell the overseer, Barbara Byrd-Bennett, look, these children need our money.

Everyone here who works for CPS that's black, you should be pissed off, because these are your kids, too. These are your grandkids. That's my daughter right there. Your momma fought. Your great grandfather fought. But now you done took us back to Little Rock now. So that makes me mad.
But Firiority said -- I'm going to keep it honest. He is outrageous and said he wants everyone to know that he was very much against the expenditure. Even if he's counted as a yes vote, we didn't get a chance to vote on it or even debate it -- saying, thanks to the legislature, the City now has quit claim power.

That's what Rahm does. He came in. Took the election. That's okay, though. That means that if the property owners reject the City's offer, the City can go to court before a judge, who can immediately award the title of the property to the City, at which point the City will turn the land over to the State, which will start building the hotel and the basketball arena while your kids cannot read, don't have books.

I don't have a science lab. I'm buying books. I haven't met a teacher yet that -- you all said you paid for us.

I'm going to Northwestern right now paying for my own class. Nobody offered to paid for it. But I'm -- I'm going to bill you, Jennie. And I want to see you give me my money back.

That's how good you are.
He further stated that the project will cost taxpayers well over a hundred million dollars to come out of the hotel taxes. By the time, the cost overruns are over -- that's more public money that might otherwise help the schools.

We want your resignation.

I could do it. I have my MBA, amongst two other masters degrees.

Why has this become such a hot button topic in Chicago political circles? One major reason is what's been going on with the Chicago Public Schools system.

On the same day that the McCormick Place and Navy Pier projects were approved, Chicago Public Schools announced a new budget for the 2013-2014 academic year that includes some $68 million in budget cuts.

A hundred million dollars? We want it back. $5 million we want it back. I just saw the deficit.

MR. WALTER: Speaker ten.

MR. POTTER: How are you this evening?

Better than our children, I'm sure.
So my name is Jackson Potter. I'm with the Chicago Teachers' Union. And you know I don't have the manners that my friend G2 has. I actually do take offense and totally personal about what's going on here.

CPS is a taxing body. You sit on the Joint Review Committee that oversees every single TIF that's approved. And not a peep has come out of your office, any CEOs mouth about the fact that the wealthiest companies and developers in this town are siphoning money out of schools, whether it's United Airlines, the Chicago Mercantile Exchange, luxury grocery stores, and auto dealerships.

So I'd like you to address that. Why don't you say anything about that injustice?

The second thing is with regards to the swaps. Now I know that you said that was a good deal. But what you failed to mention was that in 2008 when the banks, the very banks that are benefiting from these swaps -- Bank of America, Loop Financial -- when they crashed, the economy and those interest rates went to rock bottom. That's what's causing you to pay all this
money.

And we're not saying to you --

nobody said to you, drop those deals and pay, you

know, the fees that accrue as result of pulling

out.

But ask these banks to reconsider on

behalf of our children. And you say you can't

even do that. You say you don't want to

jeopardize your relationships with the billionaire

bankers.

But when it comes to jeopardizing

the relationship with our children, when it comes

to closing their art programs, their music

programs, the computer labs, dismissing all their

teachers, getting rid of their counselors, that's

woke. You're willing to consider that as an

option.

Well why is that? Why aren't you

willing to risk these relationships that you have

with bankers? Is it because you used to work for

Citicorp? Is it because you have more in common

with the bankers that are robbing our children

than you do with our children and the communities

that desperately need the financing you're denying
them?

So why are these same entities that foreclosing our homes running our schools, closing our schools, and destroying our schools.

MR. ROGERS: Could you conclude your speech?

MR. POTTER: What's that? Why are you interrupting me? I had ten seconds left.

MR. ROGERS: I'm asking you to conclude, Mr. Jackson.

MR. POTTER: Please answer my question.

MR. ROGERS: I'm sorry. I can't answer your question. I don't believe you asked a question in that speech.

MR. POTTER: Does your relationship with the banking community, which supersedes and transcends any and everything you've ever done in a classroom, if you ever actually did anything in a classroom -- does that influence how you relate to people and these massive cuts that are occurring and these decisions that are vital to our communities?

MR. ROGERS: Let's go on to the next
speaker.

(Inaudible outbursts from the audience.)

MR. ROGERS: The question had to do with my personal perspective not my role as CFO for CPS.

I've had numerous meetings with Mr. Potter, who identified himself correctly as working for the Chicago Teachers' Union. I've had numerous discussions with him about this. And what he asked me was, does my background shade my perspective. And my -- whether or not I'd be willing to talk to bankers about this. That was the question.

And the answer to that is absolutely not.

I have no reservation of talking about this, about rates negotiating as hard as anyone can.

MR. POTTER: You say you have no reservation about that at all --

MR. ROGERS: Is there a next question?

MR. WALTER: Speaker eleven.

MR. ROGERS: Speaker eleven. Is there
another speaker?

UNIDENTIFIED SPEAKER: When was the last conversation you had with one of those bankers about renegotiating?

MR. GOLDBACK: Nathan Goldback (phonetic). I work for the Chicago Teachers' Union.

MR. ROGERS: Have you registered to ask questions?

UNIDENTIFIED VOICE: Could you just answer the question? You seem to be avoiding it.

MR. ROGERS: Have you registered to ask a question?

UNIDENTIFIED VOICE: No. I haven't. So are you afraid to because somebody didn't sign up?

MR. ROGERS: No. I'm not. There is a gentleman behind you and a gentleman on the list.

UNIDENTIFIED VOICE: He said he's all right with that.

MR. ROGERS: Matt, are there other people?

MR. WALTER: There's about eight or ten people left.
UNIDENTIFIED VOICE: You said that you wouldn't hesitate to renegotiate.

MR. ROGERS: Is Speaker Eleven available?

SPEAKER ELEVEN: Oh well, before my time start, why don't the persons we have here, have you introduced who you all are and how long have y'all been with the Board? At least the people know how long you've been with the Board and what your background is, before my time start -- so we can know are you qualified to be here to answer questions.

MR. ROGERS: We introduced ourselves at the beginning. I'm the chief financial officer. Jennie Long-Bennett is the Treasurer of CPS.

SPEAKER ELEVEN: Okay. For how long?

MR. ROGERS: The other gentlemen here have worked in your budget office. We're prepared to answer any questions you might have.

SPEAKER ELEVEN: Okay. For how long, before my time start?

MR. ROGERS: I've been working at CPS a year. Jennie Long for six months; and Greg four years; Matt, four years.

Do you have a question, okay?
SPEAKER NINE: Now my question is -- now let me understand this. Because you know, I'm not a union person.

So this question is, if the teachers paid into their pension funds, and the City supposed to pay their portion, how is the teachers to blame for this pension deficit when the Board, you people's who sitting up here, the managers, have not paid into the pension fund? You're going to blame the teachers for this mess.

But in all actuality not only from Daley to Arnie Duncan, you mismanaged the money along with Michael Madigan. But yet neither one of you called on Lisa Madigan to investigate what happened to the teacher pension money that was invested.

It was an issue that Daley invested I think five or $8 million. No one asked what happened to that money.

So no one of you is really going to answer the question. What happened to the teachers' pension fund? If they paid it, why haven't y'all asked for an investigation to say where is the money at? You came all the way up to
say now we have to pay $600 million.

Put the sign down. My time didn't even start. I was asking you a question, finding out who you was.

So my question is that you sit up here and you come up here and you're saying we're for the kids.

How much does it take for you to understand that a child is not what you call a commodity? Or a child is not for sale. Once you leave from here and you close these 50 schools, how is you, Barbara Byrd-Bennett, Rahm Emanuel, Michael Madigan, how can you sit there and tell the child that when the kid doesn't come back home -- because you got this Safe Passage all lined up for these kids that you got this -- how can you tell a parent once the child walk out the door what is you going to say to them? We're going to send you our condolences.

Your condolences ain't worth the paper you writing it on.

You refuse to answer the questions about where is the money. You refuse to acknowledge to renegotiate the swap. The bank
said they're willing to renegotiate. You can't walk in there. At the board meeting they said it was something like $200 million if you went to go in and renegotiate the swap. Do you have the time to show us that it would cost $200 million to go in and renegotiate the swap.

Were you willing to make this public?

Put the sign down so he -- ain't nobody in no hurry. I mean, y'all scared to be here with a bunch of black folks? Come on now. I mean, no one from -- no one from the alderman is here. You didn't ask no one from the state rep or the senators here. But you come down here and said that you're going to raise people property taxes. But yet you have not answered the question.

Where did the teacher pension money go? Where did it go?

MR. ROGERS: Is that your question, sir?
SPEAKER ELEVEN: I'd like an answer to that.

MR. ROGERS: First of all, let me make something clear, CPS does not manage the pension
money of the Chicago teachers' fund. It's managed
by a separate entity. There's an organization of
trust that manages that. There is a board that
oversees the investment of that.

The reality is that the fund that
was -- the money that was in that pension fund did
experience some substantial losses during the
market difficulties that occurred in 2007 through
nine, as did most other money that was invested in
the stock market, to the point that we are
underfunded at this point.

Fully 54 percent of that cause was
as a result of those market conditions and
deterioration of the funds.

SPEAKER ELEVEN: So you're admitting --

MR. ROGERS: To answer your specific
question competently, the stock market --

SPEAKER ELEVEN: You're admitting that
you had invested the teachers' funds, the pension?

You just said it.

MR. ROGERS: I've answered your question,
sir. This reminds me of your attendance at our
Board of Education meetings. Please let me just
answer.
SPEAKER ELEVEN: Okay.

MR. ROGERS: We do not invest. We at Chicago Public Schools is completely separate from how that fund is managed. That fund is managed. The investments are fully disclosed. You can take a look at them. You can go to a meeting, an open meeting, I'm sure, and ask whatever questions you can. It's managed separate from Chicago Public Schools.

SPEAKER ELEVEN: But the bottom line is, the teachers paid into it. CPS, if I'm right, your managers of the pension fund, you get authorization for their organization to --

MR. ROGERS: No.

SPEAKER ELEVEN: So in other words, you're saying the pension fund went to another group of people?

MR. ROGERS: Correct.

SPEAKER ELEVEN: They invested the money. CPS have no knowledge of that investing of the money. Is that what you're saying?

MR. ROGERS: We have no authority over how it was invested.

SPEAKER ELEVEN: So let me get this
1 question right. You have no authority about this.
2 But you didn't pay your share.
3 What happened to the money that you didn't pay your share, the Board didn't pay their share? What happened to that money during all of this money that you was getting.

7 MR. ROGERS: Let me answer that, and then we should go on to the next question.
9 First of all, we always made what we were obligated to make. We've made every payment we were obligated to make, including the fiscal year '14. Where, as I said, we're fully prepared and will make without any change in the current pension structure a payment of over $600 million in the coming year. That is our obligation. We will meet our obligation. We're required to do that by law. And we have no intention do anything other than.

19 SPEAKER ELEVEN: But you never did say, you never did answer the question. What happened to your portion of the money that you paid?
22 MR. ROGERS: We have to go on to the next question.

24 SPEAKER ELEVEN: No, no, no. We don't
have to go on. You said that you paid your
portion of the money.

So what happened to the investment
then? What happened to the investment? What
happened to the investment?

You didn't answer the question. You
ain't answered the question.

MR. ROGERS: Because you're shouting when
I'm trying to answer.

SPEAKER ELEVEN: All I'm asking is a
simple question. You thinking that I don't know
how to count. I went to CPS. I went to Chicago
Public Schools. I know how to count. I know when
I see a lie, a mile away.

You refuse to -- you won't
investigate. You won't even investigate. You
won't ask Lisa Madigan to investigate what
happened to this money that was given to be
invested. You never said once, Daley's nephew
invested the teacher pension fund. But he got a
commission of a million dollars.

You know about it. But yet you
refuse to say anything about it.

MR. ROGERS: I'm afraid we have to go on
to the next question. It's not fair to the other speakers.

SPEAKER ELEVEN: If you don't want to answer the question, that's all there is to it. The bottom line is you're not going to answer the question.

MR. ROGERS: Will you please --

(Inaudible outbursts from the audience.)

MR. ROGERS: We have to go on to the next question.

MR. WALTER: Speaker twelve.

MR. ROGERS: Speaker twelve, please.

(Inaudible outbursts from the audience.)

MR. ROGERS: Speaker number twelve.

SPEAKER TWELVE: My name is Rosa Dieman-Sara (phonetic). And I am from Pilsen. And I just want to say it's not just the disinvestment of black children. It is the disinvestment of children of color. It is the disinvestment of the poor. I am here. I am a member of Pilsen Alliance.

I am a teacher for CPS. And I am
thoroughly appalled at what you are passing to us as the budget.

I just would like to follow up with what the gentleman was talking about earlier. Because he didn't get his question answered. And I think -- I'd like to know, you claim that you paid your obligations. But that was a technicality, as you well know.

So the question is, where did the money go during the pension holiday?

MR. ROGERS: Are you referring -- we paid as I mentioned, $200 million during the three-year period of the so-called pension restructure as the legislature was attempting to find a program forward.

During that period of time that money was invested in programs in CPS. We used it to spend on education, schools, students, running our school system.

That's where the money went.

If you need to go back and look at 2010, '11, and '12, those budgets would still be available online. You can take a look at them and see exactly how much went for every program. I'm
certain the detail is there.

SPEAKER TWELVE: I would now like to specifically talk about what's going on in Pilsen.

And as I said, I really feel this is a disinvestment in communities of color. In Pilsen there was two schools that were slated to be closed. They weren't closed. But what did happen was at the end of the school year, the principals let the LSCs know that in one of the schools, Pilsen Academy, they were going to lose $447,000 out of their budget. And at Yallman (phonetic) they were going to lose 535 some million dollars out of their budget.

When the principal spoke to the LSCs, that would translate into positions that were lost.

When positions are lost, then that translates into more students per class, approximately 30 to 35, 30 to 35 children in each class.

Now when you, you know, you talked about $588 million going to increase in some magnet schools or special kinds of programs, schools, you also talked about $25 million going
to over -- to resolve overcrowding. Yet none of
that money is going to go into Pilsen schools,
because we are merely a community school. We
don't fit in your special models. It's a
community school that services community children.

So none of the extra funds that you
have proposed in your budget are going to come
into Pilsen.

But I do want to ask, that you
consider what other people have been saying. And
that is that there is these devastating cuts are
taking a place under the guise of a million dollar
budget shortage. However, we know that the
Chicago Board of Education, which has been
appointed by Mayor Emanuel refuses to look into
other moneys that could be dealt with -- that
could deal with, and that would support the
deficit without hurting our children.

You say you want to improve student
outcomes. You said that tonight. And I have a
suggestion. It's been made by other people here.
And that is that we look at the $1.5 billion TIF
surplus that is available right now. And that is
according to the Chicago Sunday, Sun-Times. That
you look at the $55 million that is going to DePaul, a private institution, when it could be going into community schools that service the poor students.

There's $86 million additional funds that are going to charters. Rather than funding charters, we suggest that these moneys start to be filtered out and used for public schools, for public, in public schools.

There is that 36 million a year interest paid to big banks like Bank of America, Loop Financial, which had been mentioned before. And we suggest that CPS renegotiate these deals.

So my question, my final question is when was the last time that you negotiated, that you renegotiated a swap deal with any bank?

MR. ROGERS: Is that your final -- you've made several comments, which we have duly noted for sure, for certain. And relative to your question about when did we last renegotiate a swap deal -- I'm afraid that's a very broad and general question.

But as we have said, we have a number of swap arrangements. We believe that
those swap arrangements have been beneficial to us over a period of time.

You cited a $36 million. I don't know if that's an accurate number. It sounds like interest that was paid on loans. We have very substantial outstanding debt, which we've used to invest in schools. It would not be unusual to have the interest on that be quite substantial.

As my colleague said earlier, the TIF -- I'm sorry, the swaps we entered into, we pay an average of 4.6 percent on those over an extended period of time. We think that is actually a quite a good rate, what we would normally experience in the marketplace. And we're not unhappy with those rates.

So what I'd like to do out of respect to everyone that is here, I know we've had a quite a round of very -- sort of speakers you have we heard what you said. But we have a protocol that allows people -- and I'm mindful of the fact that we have ten minutes and a number of people have not been given an opportunity to speak. Yet some individuals have dominated that.

Are there other people that would
still like to speak?

MR. WALTER: Speaker 13.

MR. ROGERS: Let's take them in order. Is speaker 13 here?

MR. WALTER: 13.

Speaker 14.

SPEAKER FOURTEEN: First I just want to make a comment before anything else.

Is that I'm teacher. I'm not a mathematician. I didn't go to school to be a treasurer, to do your job. But certainly with all of the money that you make, and the fact that we're in the deficit, they should have gave it to me. Because I could have got us in a deficit with the degree that I have.

You guys have collected too much money for us to be operating in a deficit. That's first and foremost.

That would be true.

My name is Jervis Clay (phonetic).

I'm a teacher. And my salary nor should my pension or other teachers, they should never be an issue when it comes to you guys balancing your budget.
I have played by your rules. You asked me to go to school to get my degree. I did it. When it was time to give a raise you said, go to school. I went back to school and got a master's degree.

Then you said, okay, in order to do this job, you need to go back to school. So I went back to school and got another master's degree.

Now you're telling me the three degrees that I hold and the 17 years of experience that I have with Chicago Public Schools is nothing. Because that's too much. Because that's what you're telling us in essence. We made too much.

It's thumb down. Let's get rid of them and open it up to those that are fresh out of college teachers so that we can save our budget. Let's keep it for -- let's say what it really is. But that is just so unfair.

You came here tonight to present a snapshot of a budget that you guys have been putting together. And you expect us -- you're listening? Excuse me.
Excuse me. When you -- when you talked, sir, I paid attention. I even took notes. I'm going to ask you to extend to same to me. That's what I tell my students.

Now you came here, and you asked us and you showed us a budget in 45 minutes and you wanted us to understand it. You wanted us to accept your budget. And you guys have taken all year to give us this budget. But I'm finding, just looking at it, that it's a bunch of bull crap.

Just in reading the Tribune, because they put out information -- and I know for a fact you stated, the treasurer, that people will lose their jobs in Central Office and not be hired back. That's not true.

Because in the last ten years you guys have fired over 1400 people from Central Office staff. At that point we should be a ghost town at Central Office. It should be ran via the Internet or via online.

That's what you should have done. But you guys didn't take into consideration that 1400 jobs were taken from
Central Office. But just this year alone you guys fired over 3,000 employees from the school base setting. That's assuming 3,000 in one year. As compared to 1400 in your, in ten years. That is a problem.

Do you have a question?

You need to stop interrupting.

That's what I ask you to do.

Now understand this. You put a contingency plan talking about Safe Passage that you talked about how you're going to save all these dollars and all this money for CPS, you're going to take us out of a crisis. From reading from the Tribune and your reports that every year you have reserve money, that you are just using your reserve ahead of time.

So here's my question.

In the event that all of this greatness that you just presented to us doesn't work, what is your contingency plan for our kids, especially with that Safe Passage? Because I see the signs. I understand it. What is your contingency plan? When we come back to the table this time next year and you tell us, well it
didn't work, let's try something else? Or will the people who are sitting on this panel, the one year, the four months or the ones left when you guys move on in six months move on to another job and then we've got to deal with another set of four people talking about the budget didn't work and why it didn't work. That's my question.

MR. ROGERS: I'll try to answer your question.

As far as the budget is concerned that we've just presented, we believe that it is the right budget. We believe we have the resources based on our projections of property tax and our allocation of State grants that we will be able to make that budget. We know how many reserves we have. We believe we can balance the budget. We've presented and will not have to come back and say we've been unable to do so.

So 2013, 2014, we're all good.

SPEAKER FOURTEEN: So when 2015 comes, since you guys have mastered this, and no one else has ever been able to do this, according to CPS, then we should not ever be in a budget crisis again? No teachers should be fired? That means
no Central Office people should be fired. Because you about guys have balanced the budget. So we won't have a problem next year moving forward.

Is that it?

MR. ROGERS: What I said we've arrived at the fiscal year 2014 budget through what we believe is sound practice. We will have to have the same effort going into '15. We have not addressed that fully.

SPEAKER FOURTEEN: Sir, 50 schools closed. And you're tell me the Central Office layoff, TIF money, and all the money and resources that we have, that you balanced the budget.

And so I'm clapping. And I'm happy that the budget is balanced. So next year moving forward, if we take -- are you saying that we don't have to lose our jobs? Another set of people won't have to lose their jobs in order to balance this budget for the next year?

Because I'm looking forward. I'm not looking for next ten months.

MR. ROGERS: Ma'am, I don't -- was that a question? Because we have to allow other speakers an opportunity to speak. We're running out of
time.

SPEAKER FOURTEEN: But I gave everybody time to be heard. I think I deserve my turn.

I've been sitting here since 6:00 o'clock.

MR. ROGERS: Thank you very much. And we did hear you, ma'am.

MR. WALTER: Speaker 15.

UNIDENTIFIED SPEAKER: Yeah. He can answer your question. Then I'll speak.

MR. ROGERS: I answered the question to the best of my ability as I heard it, which was that we believe we've completed successfully our 2014 budget. We have challenges.

SPEAKER FOURTEEN: My challenge is will other teachers lose their job? Because if the budget is balanced, based on the 50 schools that closed and the over 3,000 people who lost their jobs, will what happened take effect again next years forward -- or are we done, because it's balanced now?

You know your mistakes. You learned from them. And when you move on -- or will you be firing more people next year? Are we going to be sitting here again?
MR. ROGERS: We've not developed the fiscal year '15 plan.

SPEAKER FOURTEEN: That doesn't mean anything.

MR. ROGERS: Can we have the next question, please.

Is there a next speaker?

SPEAKER FIFTEEN: I want to know when does this stop. We are simply sick and tired of playing by you and your fair rules and listening to all your foolishness.

CPS you are nothing more than bullies. And you're liars. You exaggerate expenses, making a deficit appear larger than it really is. And then you take pride in doing wrong and not listening to the voice of the people and ignoring us as if we're nonfactors in these decisions.

The trust lacks because the District's dishonest policy still continues to impose harm and danger by your actions on these school closings, especially on the south and west sides.

You do back-flips just to do harm to
black and brown students, teachers, and quote that there is no money.

At the same time you're approving more openings of charter schools. So I'm asking this panel here, whose motto is, children first, will you ask the Mayor to support a moratorium on new charters schools, yes or no?

MR. ROGERS: We are --

SPEAKER FIFTEEN: Yes or no?

MR. ROGERS: We're not in a position to answer that.

SPEAKER FIFTEEN: It's only yes or no.

MR. ROGERS: I cannot answer the question yes or no.

SPEAKER FIFTEEN: Okay. That's a no.

The Mayor steals. He takes $55 million of TIF money and he gives it to DePaul, a private institution to pay for a new basketball arena.

He takes money and gives it to the Vienna hot dog company to transition from one side of town to the next. And then he builds, with TIF money, a Hyatt hotel over in Hyde Park.

This could have alleviated the
expense of the money that could have kept schools open, high quality staff working, and our students in schools could have been resourced.

I am asking this CPS panel, whose motto again is, children first, will you ask your Mayo to declare a TIF surplus and return money back to the taxing bodies?

It's yes or no.

MR. ROGERS: No. We're not in the position to ask the Mayor to do that.

SPEAKER FOURTEEN: Okay. And last, fair taxes in Illinois. You know that at a flat-tax rate, at flat tax rate the rich don't pay those taxes.

However, with a progressive tax rate, taxpayers who earn a higher income will pay a fair tax. We also know big corporations avoid hundreds of millions of dollar in taxes every year through the use of loop holes.

But my question to you all is, can you ask your Mayor to support raising taxes on millionaires? And I want to know, will you sign our petition, our fair tax petition? Yes or no?

MR. ROGERS: No. I will not.
And I can't speak for the rest of the City on that particular question. It's up to every citizen to express their views on that. That's not for --

SPEAKER FIFTEEN: No. I'm asking if you will sign.

MR. ROGERS: You're asking me personally?

SPEAKER FIFTEEN: Yes.

MR. ROGERS: No. I will not.

SPEAKER FIFTEEN: I'm asking the treasurer. Can you?

I'm asking everybody on that panel.

MR. ROGERS: Let's move on to the next question.

SPEAKER FIFTEEN: Yes or no?

MR. ROGERS: We're here about Chicago Public Schools' budget hearing, not for our personal preferences for votes.

SPEAKER FIFTEEN: Yes or no?

MR. ROGERS: We're here --

SPEAKER FIFTEEN: I didn't ask you about voting. I asked one question.

MR. ROGERS: That's not the reason we're here.
SPEAKER FIFTEEN: So out of the three of you who came out here, you were not prepared --

MR. ROGERS: Is there someone else on the list?

We have time for one more question.

Is there anyone else who wants to speak?

MR. WALTER: Michael Brunson.

Michael Brunson.

We're out of time.

MR. ROGERS: You're Michael Brunson?

We're allowed -- we have time for one more question. Thank you.

MR. BRUNSON: Hello, everyone.

My name is Michael Brunson. I am a parent with two students in Chicago Public Schools. I'm also a teacher. And for full disclosure, I'm one of the officers of the Chicago Teachers' Union.

We've just negotiated a contract.

It was kind of a shaky one, but we got it done.

And I just wanted to bring something up, because you were speaking earlier about how you, CPS, and Chicago Teachers' Union was working together to better our public schools. So I am
here representing Chicago Teachers' Union. And I want to remind you of something we put in the preamble of our contract when you first open up that contract.

I'm not going to read the whole thing, but there's one section that says, the parties recognize that the achievement of these educational objectives require substantial short-term and long-term financial investments in public education and that the fulfillment of the aspirations described in this preamble will require dramatic and cooperative changes in education funding at the federal, state, and local levels.

So with that in mind, there's also something in our contract in Article 12 that talks about a legislative partnership where we would work together to advance the shared interest of the Board and Union and facilitate the passage of legislation in furtherance of those interests, including but not limited to, additional funding.

With that in mind, I wanted to ask you, instead of going out and slashing jobs, crowding our classrooms, and raiding our pensions,
would you be willing to work with the Chicago Teachers' Union and go down and push for legislation at the local level, at the City level, at the state level, and at the federal level --

Number one, to renegotiate the TIFS, put that money out there in the schools; renegotiate the toxic swaps; to close these tax loop holes; to push for a graduated income tax; and to push for a financial transaction tax, which will bring billions of dollars into the system so we won't have to go through this every year where we're talking about we don't have enough money to run our school system. And we have to raid the pensions in order to run our school system.

So I'm asking, are you willing to work with us to find revenue?

Because that is the problem that we have with the school system. We need revenue.

And you've negotiated --

MR. ROGERS: Yes. I can answer that, Michael.

MR. BRUNSON: Will you work with us to find these additional sources of revenue?

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

Yes. We are certainly willing as we always have been. I have personally met with you perhaps a dozen times in the time I've been on this job. I spent a week working with some of your colleagues I thought in a very productive way in Springfield on various fronts.

And I'm more than willing to do that, as are my colleagues in CPS. And we expect to be able to work with you to carry on for the benefit of Chicago Public Schools in any kind of funding for a concerted way that would achieve that goal. I look forward to that Michael.

MR. BRUNSON: Thank you. You've heard me, and you've heard all of the people here in the audience say and repeat the same thing. You need to look at TIFS, the swaps, the graduated income tax, closing the loop holes. Let's work on that.

MR. ROGERS: It's after 8:00 o'clock.

I'm sorry.

MS. DELGATO: You can take one more speaker. We've been waiting for the last two hours.

MR. ROGERS: I appreciate your patience.
I thank you for your patience. I apologize that some of the questions took a little longer. We should have held to the schedule tighter.

MS. DELGATO: My name is Brenda Delgato. I'm a parent. I have three children at CPS schools. I support the investment in early education and preschool.

Implementing Ready to Learn has been a disaster as I've seen in one of my daughters' schools where the autonomy is taken away from individual school again erroneously thinking Central Office can do a better job.

They think the preschool is full when the preschool is still taking names for those slots by August 26.

As an LSC member of one of my schools, I'm encouraged by the principal's autonomy from the budget. But we cannot function if we are still in the negative.

We do not have in our budget the funding for the requirements for the sub-teachers, only if the teachers call in for 7 days sick I believe.

We don't have field trip money. Not
a single field trip is in the budget for any of these K-through-eight schools. Some of the basics are supplies for the classrooms.

So she is given autonomy. But she isn't given nearly enough resources.

Two of my children go to a bilingual school where the reading scores were the highest by CPS, recognized as the one percent highest NWA growth this last year.

It was because Ruben Salizar has stability and has investments of interventionists where they can provide for all the children that they accept. They are not a -- they are an open enrollment school with no testing.

But even at 80 percent limited income and 60 percent English language learners, with stable families, stable teachers, we have ten nationally certified teachers, two golden apples we were able to reach that NWA growth.

Next year we have lost two of those nationally certified teachers, and the probationary teacher, which had a hundred percent of her students meet their NWA goals and a hundred percent meet their ISAT goals, even with the most
rigorous testing this year is no longer going to be able to come back, because she was cut by the budget. She was a probationary teacher. And we can't -- we couldn't keep her on.

We're not going to have that successful track record next year. But I do recognize when my own daughter went to school, she was at Skinner North. So she won the lottery to get into the school with the highest test scores in Chicago.

Skinner North is not losing any teacher positions. She will still have art twice a week. She will have music once a week. She will have Spanish twice a week. And she will have gym once a week, too.

The children that she goes to school with at Skinner North have less than 15 percent are limited free and reduced lunch. And I know of two children that I reported did not have Chicago addresses and were in that kindergarten class, and they will not be returning next year.

So again there's many ways to save money for the children of Chicago. Let's make sure that those limited spots for selected
enrollment in schools go to Chicago students.

I want to clarify some math that we have. The closing of schools is going to save over a hundred million dollars over the long term. But then you had to spending 130 million in bonds this year and additional costs in the payment of 25 additional debt payments to close those schools just to save the 400 million over the long term for closing those schools.

The training that started 200 principals went to, a no-bid firm, to the Sups Academy, that $20 million the principals reported, I quote, a waste of time, not differentiated, no clear goals. Those are principals we heard back from.

That $20 million should have resulted in four hundred teachers, the ones that were the probationary teachers or 200 top-of-the-scale tenured teachers.

In the rate you keep raiding the reserves has been going to be for nine straight years in a row. Your reserves must be like the two fishes and the five loaves. You just keep raiding them, and more keeps appearing. If
there's anymore left in there, we need it for fiscal year '14.

The face, the face part of the network went up over $8.8 million an increase of 2 million.

MR. ROGERS: Excuse me. I want to allow another individual would who like to speak tonight.

MS. DELGATO: I understand.

I've been here for two hours. I can be given an additional 30 seconds.

The increase in field positions in fiscal year '14 at a traditional school has increased by 154 million. This is what I want to make sure that I understand.

I as a parent, I want good schools. I want stable schools. I don't want teacher turnover. Either stable schools may mean tenured teachers or probationary teachers.

I always stand with my school. I almost always stand with my principal. But as an informed LSC member, I always make sure that we have informed decisions as an LSC member. I sometimes stand with CPS.
Accountability. Some of the increase in testing is useful. ISATs and other testing for small second graders and kindergarten is a waste of time. I'm not always with the Union. Sometimes I am. But I'm always with my school.

MR. ROGERS: Thank you.

Next speaker, please.

MS. BAGLEY: Hi. Thank you all for waiting. My name is Sally Bagley. I am a parent. And I am petrified.

My son goes to a small school with about 350 students. And our budget was cut by 23 percent. When Barbara Byrd says she keeps the cuts out of the classroom, I don't see how that's possible when 23 percent of my son's school budget was cut.

My son has cystic fibrosis. I chose that school purposely, because it was a small school and he would be safe there and taken care of. And I'm afraid that with 30, 35, 40 students in his classroom, that the teachers will not be able to give him the attention that is needed for his health or for his education.
So I am petrified for our schools.

And I don't understand why we can't go and ask for
the budget surplus from the TIF funds to be
brought in. And I'm sure that you're all sick of
hearing it. And I'm sure we're all sick of saying
it and nothing happens. And here we are getting
-- this is my fifth, sixth, 20th meeting.

And my real question for you is,

there was a lot of passionate speakers here
tonight, a lot of people that had a lot of good
things to say, a lot of people that are upset and
angry.

And I want to know, is it going to
make a difference? It's like you sit there, and I
saw that budget hearing. Can anything change at
this point? Or are we all just here talking to
hear ourselves talk?

That's my question.

MR. ROGERS: Thank you.

I've attended many community
meetings. And I can tell you that I personally --
and I know I speak for my colleagues -- we hear
you.

It is all being recorded and will be
read by everyone that needs to see your comments.

All I can say is that I don't anticipate this being completely satisfying to you. But we work very hard ourselves day in, day out. We listen to what people say. We try to make what we think are the best decisions given the resources that we have. And the challenges that we have are found across the entire district that is extremely large.

I don't know the particulars of your son's schools. If you mentioned the name of it, we can only --

MS. BAGLEY: Mitchell Elementary.

MR. ROGERS: Thank you. Mitchell Elementary.

And if you give us your name and how we can reach you, we'd be happy to get to you observations about what happened to the funding.

But I can tell you, yes, we listen very carefully. We work very hard. We presented what we think is the best alternative for the delivery of the quality of education that we need to, to improve the education of the children of Chicago with the budget that we've presented.
We've used every single resource we have, including draining our resources, in order not to make any cuts more than we needed to in the schools.

So we're working very hard in response to your question. It is definitely taken to heart. And thank you for making your comments.

With that, we need to conclude the meeting. We appreciate your comments, all of which have been recorded and all of which we certainly, as I mentioned to the last speaker, we'll take to heart. And we'll go back and receive the others as well and have them guide our decisions going forward.

Thank you very much.

(Which were all the proceedings had in the above-entitled matter, ending at 8:14 p.m.)
STATE OF ILLINOIS )

)  
COUNTY OF COOK )

SHELLY WHITE, being first duly sworn, on oath says that she is a Certified Shorthand Reporter, that she reported in shorthand the proceedings given at the taking of said hearing, and that the foregoing is a true and correct transcript of her shorthand notes so taken as aforesaid, and contains all the proceedings given at said hearing.

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