

APPENDIX B SCHOOL FUNDING FORMULAS

This appendix provides the funding formulas used to allocate resources to schools. This presentation is organized in the following sections:

- Student Based Budgeting
- Additional General Education Allocations to Charter/Contract Schools
- General Education Allocations to Specialty and District Options Schools
- Allocations of Special Education Teachers and Aides
- Special Education Funding for Charter/Contract Schools
- Allocations of Supplemental Bilingual Teachers for English Language Learners
- Allocations of Discretionary Funds

STUDENT BASED BUDGETING (SBB)

Student Based Budgeting is used to determine the base amount of resources that a school receives for core instruction. Introduced for the first time in FY14, SBB replaced all previous quota formulas and per-pupil allocations. The FY15 budget is the second year using the SBB model.

SBB is a per-pupil funding allocation, weighted based on grade level and diverse learner category.

The grade level weights used to determine SBB rates are unchanged from FY14. Students in grades 4-8 receive the base per-pupil rate. Students in kindergarten through third grade receive a weight of 1.07, which means that their per-pupil rate is 7 percent higher than the base rate. High school students receive a weight of 1.24.

Diverse learners may receive different SBB rates depending on the amount of time spent outside of the general education classroom. Diverse learners are required to receive instruction in the least restrictive environment (“LRE”), which means that they should remain in the general education classroom whenever practicable. A diverse learner’s LRE category is based on the amount of school day where the student is receiving instruction outside of the general education classroom:

Table 1: LRE Categories for Diverse Learners

LRE Category	Amount of the School Day Spent Outside of the General Education Classroom
LRE 1	Less than 20%
LRE 2	Between 20% and 60%
LRE 3	More than 60%

LRE 3 students receive 40 percent of the per-pupil rate for the students’ grade level. High school LRE 2 students receive 70 percent of the high school per-pupil rate.

Table 2: FY15 SBB Rates

Enrollment Category	SBB Weighting	SBB Rates
K-3 Gen Ed / LRE 1 / LRE 2	1.07	\$4,697.30
4-8 Gen Ed / LRE 1 / LRE 2	1.00	\$4,390.00
9-12 Gen Ed / LRE 1	1.24	\$5,443.60
K-3 LRE 3	40% of 1.07	\$1,878.92
4-8 LRE 3	40% of 1.00	\$1,756.00
9-12 LRE 2	70% of 1.24	\$3,810.52
9-12 LRE 3	40% of 1.24	\$2,177.44

Total Amount of SBB Allocation

For FY15, the SBB allocation is \$2,054,130,000. The allocation was determined by taking the FY14 SBB allocation and increasing it by \$69.32 million, which includes teacher salary increases for FY15 and cell tower revenue.

Table 3: Distribution of SBB Allocation for FY14 and FY15

(All amounts in \$000s)	FY14 (After 20 th day adjustments)	FY15 (Based on projections)
Base SBB Rate for All Schools	\$1,670,548	\$1,770,792
Foundation Positions Equivalent (Charter/Contract)	32,738	36,002
Teacher Salary Adj. Equivalent (Charter/Contract)	5,931	6,849
Multiple Building Adj. Equivalent (Charter/Contract)	0	288
Teacher Salary Adjustment for District Schools	30,253	33,293
Multiple Building Adjustment for District Schools	1,400	1,400
Other Adjustments	5,001	7,204
FY14 Transition Adjustments for District Schools	8,900	0
FY14 Hold Harmless	54,492	0
Post-20 th Day Adjustments	546	0
Temporary Adjustments (Adjusted at 10 th Day)	0	1,154
Contingency for 10 th Day Adjustments	0	22,148
Total SBB Dollar Distribution	1,809,808	1,879,130
Cost of Foundation Positions for District Schools	175,000	175,000
Total SBB Allocation	\$1,984,808	\$2,054,130

Calculation of FY15 SBB Base Rate

The FY15 SBB base rate is \$4,390, which was calculated by taking the amount to be distributed and dividing by the total weighted enrollment of all SBB students, as shown in Table 4. This is an increase of \$250 from the FY14 base rate of \$4,140.

Table 4: Calculation of FY15 SBB Base Rate

Amount to be Distributed through Base Rate	\$1,770,791,833
Total Weighted Enrollment	403,369.438
FY15 SBB Base Rate	4,390.00

Total weighted enrollment is based on the FY15 enrollment projections. The projections use five years of enrollment data and the cohort survival ratios for each school. The cohort survival ratio compares the number of students in a particular grade at a particular school to the number of students in the previous grade in the previous year. Ratios are calculated for each grade progression and are then used to project future enrollment. Schools are given a chance to review and appeal enrollment projections, and all appeals are reviewed in consultation with network chiefs. Enrollment projections are finalized after appeals have been reviewed and acted upon.

Table 5: FY15 Projected Enrollment, Including SBB Weightings

Enrollment Category	SBB Weighting	Unweighted Enrollment			Weighted Enrollment		
		District	Charter	Total	District	Charter	Total
K-3 Gen Ed / LRE 1 / LRE 2	1.07	107,491	13,744	121,235	115,017.37	14,706.08	129,721.45
4-8 Gen Ed / LRE 1 / LRE 2	1.00	118,090	14,409	132,499	118,090.00	14,409.00	132,499.00
6-8 Gen Ed /LRE 1 at the HS rate	1.24	2,469	3,214	5,683	3,061.56	3,985.36	7,046.92
9-12 Gen Ed / LRE 1	1.24	74,675	27,980	102,655	92,597.00	34,695.20	127,292.20
K-3 LRE 3	40% of 1.07	1,799	54	1,853	769.97	23.11	793.08
4-8 LRE 3	40% of 1.00	2,916	62	2,978	1,166.40	24.80	1,191.20
9-12 LRE 2	70% of 1.24	3,952	1,040	4,992	3,430.34	902.72	4,333.06
9-12 LRE 3	40% of 1.24	836	157	993	414.66	77.87	492.53
Total		312,228	60,660	372,888	334,545.29	68,824.14	403,369.44

SBB Funds Distributed Outside of the Per-Pupil Rate

The SBB model includes three categories of SBB funds that are distributed to district schools outside of the per-pupil rates. Charter and contract schools receive the per-pupil equivalent of these funds.

1. Teacher Salary Adjustment

Some district schools with a large number of experienced teachers receive a teacher salary adjustment to help pay for their high staff costs. The teacher salary adjustment is calculated at a single point in time before school budgets are released. We calculate the district-wide average cost of all staffed teacher positions that are funded with SBB funds. We then calculate the average cost of staffed SBB teachers for each school. If the average teacher cost at any school exceeds the district-wide average, the school will receive a teacher salary adjustment. The amount of the adjustment is calculated by multiplying the difference between the school's average teacher cost and the District's average teacher cost, multiplied the number of staffed SBB teachers at the school.

Once calculated, the teacher salary adjustment remains with the school for the year. The amount is not adjusted for staffing changes that may occur during the school year.

The teacher salary adjustment, however, will change from year to year due to changes in staffing at the school and district-wide. It is not uncommon for a school to receive a teacher salary adjustment in one year and not receive an adjustment the next year.

The total cost for the teacher salary adjustment is \$33,292,733.

2. Multiple Building Adjustment

Additional SBB funds are given to 26 schools that have a branch building that is a significant distance from the main school building. Funding is given to help defray the cost of a clerk or other administrative support needed at the second building. No additional funding is given to schools with multiple buildings that are on the same block or on the same campus, where the buildings are within walking distance of each other.

For schools that do qualify for additional funding, the amount given is based on the size of the school. Larger schools are given smaller amounts because they benefit from economies of scale in Student Based Budgeting, and they have more ability to provide administrative support for the branch building than smaller schools.

The following chart shows the formula for the multiple building adjustment:

Table 6: Formula for Multiple Building Adjustment

Projected Enrollment of School	Amount
750 or fewer students	\$75,000
751 to 1,000 students	\$50,000
More than 1,000 students	\$25,000

The total cost of the multiple building adjustment is \$1,400,000.

3. Foundation Positions

Every district school receives three foundation positions – one principal, one counselor, and one clerk – in addition to the school’s per-pupil allocation. The foundation positions benefit small schools, which would have a difficult time funding these positions from their per-pupil allocation. District schools have no discretion on whether to have these positions; all district schools are required under state law and the Chicago Teachers Union contract to have one principal, one counselor, and one clerk.

Calculation of SBB Per-Pupil Equivalents for Charter Schools

Charter schools receive a per-pupil equivalent for the foundation positions that all district schools receive and for the teacher salary and multiple building adjustments that go to some district schools. These per-pupil rates were calculated by taking the amount allocated to district schools for these items and dividing by the total weighted enrollment for district schools, as shown in Table 7.

Table 7: Calculation of Per-Pupil Equivalents for Charter/Contract Schools

	Foundation Positions	Teacher Salary Adjustment	Multiple Building Adj.
Amount Reserved for District Schools	\$175,000,000	\$33,292,733	\$1,400,000
Weighted Enrollment for District Schools*	334,545.29	334,545.29	334,545.29
Per-Pupil Equivalent for Charter/Contract	\$523.10	\$99.52	\$4.18

*See Table 5 for calculation of weighted enrollment for district schools.

With the per-pupil equivalents added in, the SBB base is higher for charter and contract schools, as shown in Table 8. However, the funding is equivalent to funding for district schools.

Table 8: Charter/Contract SBB Base with Per-Pupil Equivalents

	Amount
SBB Base Rate for All Schools	\$4,390.00
Foundation Positions Equivalent	\$523.10
Teacher Salary Adjustment Equivalent	\$99.52
Multiple Building Adjustment Equivalent	\$4.18
Charter/Contract SBB Rate with Per-Pupil Equivalents	\$5,016.80

Table 9 shows the SBB rates for charter and contract schools with the per-pupil equivalents included and adjusted for grade weight and diverse learner category.

Table 9: FY15 SBB Rates for Charter/Contract Schools

Enrollment Category	SBB Weighting	SBB Rates with Equivalents
K-3 Gen Ed / LRE 1 / LRE 2	1.07	\$5,367.98
4-8 Gen Ed / LRE 1 / LRE 2	1.00	\$5,016.80
9-12 Gen Ed / LRE 1	1.24	\$6,220.83
K-3 LRE 3	40% of 1.07	\$2,147.19
4-8 LRE 3	40% of 1.00	\$2,006.72
9-12 LRE 2	70% of 1.24	\$4,354.58
9-12 LRE 3	40% of 1.24	\$2,488.33

Once the charter/contract per-pupil equivalents are calculated, the total cost is added to the base rate allocation. The total amount of SBB funds distributed on a per-pupil basis is shown in Table 10.

Table 10: SBB Amount Distributed on Per-Pupil Basis

(All amounts given in \$000s)	FY14 (After 20 th day adjustments)	FY15 (Based on projections)
SBB Base Rate for All Schools	\$1,670,548	\$1,770,792
Foundation Positions Equivalent (Charter/Contract)	32,738	36,002
Teacher Salary Adj. Equivalent (Charter/Contract)	5,931	6,849
Multiple Building Adj. Equivalent (Charter/Contract)	0	288
Total Amount Distributed on Per-Pupil Basis	\$1,709,217	\$1,813,931

Temporary Adjustments

Four schools have received temporary adjustments because they have unusual circumstances that call their enrollment projections into question. If the school's 10th day enrollment does not support the additional SBB funding, the funding will be reduced; it will remain if the enrollment supports the funding level.

Contingency for 10th Day Adjustments

Approximately \$22.1 million has been reserved in contingency. The funds have been set aside primarily to ensure that we could provide SBB funds in case the total SBB enrollment of the district at the 10th day

exceeds our projections. Contingency funds are also reserved for adjustments at schools that will occur after the 10th day.

ADDITIONAL GENERAL EDUCATION ALLOCATIONS FOR CHARTER AND CONTRACT SCHOOLS

Non-SBB Rates for Charter/Contract Schools

Charter and contract schools receive a per-pupil equivalent for services that are provided in-kind to district schools, including operations & maintenance, security, Board-funded programs (e.g., magnet, selective enrollment), and Central Office management.

The non-SBB allocation is the entire amount of general funds in the operating budget except for the SBB allocation and a limited set of items that are classified as district-wide shared obligations. Table 11 shows the district-wide shared obligations removed from the FY15 non-SBB calculation:

Table 11: District-Wide Shared Obligations

	Estimated Amount
Unfunded Pension Liability ¹	\$498,319,000
Core Instruction for Options, Specialty Schools	42,200,000
Facilities Supplement for Charter/Contract Schools	30,000,000
New and Expansion Schools Funding	19,753,058
Funding for School Transitions	13,485,726
Early Childhood (funded with General Funds)	13,518,000
Transportation	6,378,847
Total District-Wide Shared Obligations	\$623,654,631

After removing the district-wide shared obligations, the non-SBB rate was based on an estimated non-SBB allocation of \$840.2 million. The non-SBB rate was set before the completion of the FY15 budget, and the Budget Office used all the information available at the time to correctly estimate the size of the non-SBB allocation.

The FY15 non-SBB base rate is \$1,973.81, which was calculated by taking the total amount of non-SBB spending and dividing by the weighted total enrollment of all students.

Table 12: Calculation of FY15 Non-SBB Base Rate

Amount to be Distributed on Per-Pupil Basis	\$840,234,129
Total Weighted Enrollment (Non-SBB)	425,691.76
FY14 Non-SBB Base Rate	\$1,973.81

Total weighted enrollment for the non-SBB rate is not the same as the total weighted enrollment for the SBB rate. It is higher for three reasons:

¹ In the final stages of preparing the FY15 budget, this amount was reduced because the General Assembly appropriated \$50 million to offset CPS's pension contribution. However, we removed this amount from the spending plan and did not shift it to cover other costs. Thus, although the number is changed, the net impact is still the same.

- Diverse learner students are counted the same as general education students in the non-SBB rate. Some diverse learners receive a different rate in SBB because so much of their instruction is provided by special education teachers, which are funded outside of SBB. Since the non-SBB rate is based on the administrative and operational support provided to schools, general education and diverse learner students are counted the same way.
- Enrollment for all schools, and not just SBB schools, is included.
- Pre-K students are counted as half-day students (with a weight of 0.5) in the total enrollment count. This is consistent with the methodology used to set charter/contract tuition rates in prior years: pre-K students were counted only for the non-instructional components of the rates.

The following chart shows the FY15 non-SBB rates:

Table 13: FY15 Non-SBB Rates

Non-SBB Rates (Gen Ed and SPED)	Elem K-3	Elem 4-8	HS 9-12
Weighting	1.07	1.00	1.24
Per-Pupil Amount for All Schools	2,111.98	1,973.81	2,447.52

The FY15 base non-SBB rate appears to have increased significantly from FY14 – from \$1,643.01 to \$1,973.81. However, this is not an apples-to-apples comparison. In FY14, the non-SBB rate was shown net of administrative costs. The District used a complicated, opaque formula to estimate the cost to the District of overseeing charter and contract schools, and we assessed this administrative cost against the non-SBB rate and published the net non-SBB rate.

In FY15, the non-SBB rate is presented as the gross rate, without any reduction for administrative charges. Instead, a separate administrative fee will be charged using a simple, transparent formula. (See below.)

Facilities Supplement for Charter/Contract Schools in Independent Facilities

Charter and contract schools who are in independent facilities receive a facility supplement of \$750 per pupil to cover the costs of renting or owning the school facility. The FY15 rate is the same as the FY14 rate. Charter and contract schools that are housed in a CPS-owned building do not receive the facilities supplement, but are allowed to occupy the CPS-owned facility at the nominal rental rate of \$1 per year.

Facilities Charges for Charter/Contract Schools in CPS-Owned Facilities

Charter and contract schools occupying a CPS-owned facility are responsible for the operating costs of the building. In prior years, each school was charged for the actual operating costs of the building used. Beginning in FY15, schools will be charged for facilities costs based on per-pupil rates reflecting the average operating costs throughout the district.

Facilities deductions will be assessed in three separate components, each with a separate rate:

Table 14: Per-Pupil Rates for Facilities Charges

Deduction Type	FY15 Rates
Facilities & Maintenance	\$767
Security	\$137
Information Technology	\$96
Total Facilities Charge	\$1,000

Charter and contract schools will have the option to opt out of the District’s security and information technology services. Charter/contract schools that are the sole occupant of a CPS facility will have the choice to opt out of facilities and maintenance services. Charter/contract schools that are sharing a facility with another school will not be allowed to opt out of facilities and maintenance services.

Schools will not be charged for any component of the facilities charges from which they have opted out.

Employer Pension Contribution Charges

Under the SBB model, charter/contract schools receive per-pupil funding based on an SBB allocation that includes the amounts spent on employer pension costs of certified teachers. For this reason, charter/contract schools are expected to reimburse the District for the employer pension costs for charter/contract school employees who participate in the Chicago Teachers Pension Fund. Schools will be charged 11.16 percent of the salary costs of participating employees, consistent with the pension normal cost estimates for FY15. Pension payments will be deducted from quarterly tuition payments. Pension charges will not apply to special education teachers, aides, or clinicians.

Administrative Fee

Beginning in FY15, charter and contract schools will be charged a 3 percent administrative fee to cover the District’s costs in overseeing charter and contract schools. The following table shows how the administrative fee will be assessed for each funding source.

Table 15: Administrative Fee

Funding Source	Fee	How Admin Fee Will be Charged
SBB	3%	Total fee for SBB, non-SBB, and SGSA will be deducted from non-SBB payments.
Non-SBB	3%	
SGSA	3%	
Facilities Supplement	–	No admin fee.
Special Education	3%	Fee deducted from special education reimbursements.
Title I	–	No admin fee. District’s administrative costs are deducted prior to the allocation of Title I funds.
Title II	–	No admin fee. District administrative costs covered in Title I.
Title III	2%	Admin fee is capped at 2% per grant rules. 2% fee deducted from Title III payments.
State Bilingual (TBE/TPI)	3%	Fee deducted from state bilingual payments.

GENERAL EDUCATION ALLOCATIONS TO SPECIALTY AND OPTIONS SCHOOLS

Specialty Schools

Specialty schools serve primarily students with significant diverse learning needs, except for three early childhood centers that have only pre-kindergarten students.

Because of the specialized populations at these schools, core instruction funding is not provided through Student Based Budgeting. Instead, these schools receive positions and a small amount of funding for non-personnel items. Most of the classroom teachers are special education teachers or early childhood

teachers, both of which are funded separately and which comprise a much larger portion of the schools' budgets.

Specialty schools receive the following general education resources:

- 1 principal, 1 counselor, and 1 clerk. This is the same administrative base that all district schools receive in Student Based Budgeting. Early childhood centers may not receive the counselor position because they serve only pre-K students.
- 1 assistant principal, unless the school is participating in the Diverse Learner Pilot (see below).
- A number of general education teachers to ensure that teachers in self-contained classrooms receive coverage for their preparation periods. The general education teachers are typically used for art, music, or physical education instruction.
- An allocation for non-personnel items, equal to \$35,000 per school, plus \$300 for each elementary student, \$400 for each high school student, and \$150 for each pre-K student.

District Options Schools

District options schools provide educational options to students who have dropped out of traditional high schools (over-age students without enough credits to graduate) or students in confinement. District schools include one school located at the Cook County Jail (York), one at the Cook County Juvenile Temporary Detention Center (Jefferson), one school serving pregnant women (Simpson), and one school serving students at risk of dropping out or returning dropouts (Peace & Education Coalition).

The district options schools are not funded through Student Based Budgeting, nor is their funding based on any formula tied to enrollment. Enrollment counts at alternative schools can often be misleading, given the highly transient nature of the students. Rather, the core allocation given to options schools is based on the programs run at the school and the needs of the students served.

Alternative Learning Opportunity Programs (ALOP)

CPS also funds Alternative Learning Options Programs serving students who have dropped out of school and want to return, or students who are at risk of dropping out. Although ALOPs are legally structured as programs and not schools, they operate like any charter or contract school serving the same population of students. For this reason, these programs are funded at the same rates as charter and contract schools, even though they are technically not included in Student Based Budgeting.

Safe School Programs

CPS also funds two Safe School programs for students who have been expelled from traditional schools due to violence. Like ALOPs, they are funded using the same rates as charter and contract schools, but each school is funded for a floor of 150 students, regardless of the actual number of students enrolled, to ensure that spots are available when needed.

ALLOCATIONS OF SPECIAL EDUCATION TEACHERS AND PARAPROFESSIONALS

To determine if a student is eligible to receive special education services, an evaluation is conducted, followed by the development of an Individualized Education Program (IEP). The IEP lists the special education and related services needed to ensure that the student receives a free, appropriate public

education in the Least Restrictive Environment (LRE). If a student has a disability but does not qualify for special education services, a 504 plan may be developed. The 504 plan lists the accommodations and modifications that the student is to receive.

As in previous years, special education teachers and classroom paraprofessionals are allocated to schools in accordance with Illinois state regulations and CPS policy. The CPS special education staffing formulas take into account a variety of factors including the disability (or disabilities) of individual students; the required instructional minutes, LRE classification, and ages of the students (see formulas below); the settings where minutes are delivered (i.e. general education classroom or separate classroom); and the total number of students by disability to be served. In all cases, the formulas are in accordance with, or more generous than, state formulas. Additional staff may be allocated to a school based on specific criteria that is not addressed by the formula, such as paraprofessional support needs identified in a student’s IEP.

Special education positions are allocated based on the formula below:

- **Amount of Required Services (ARS)** - based on the total minutes per week (“mpw”) of instructional time
 - 1 = Less than 20 percent of time receiving special education services
 - 2 = 21-60 percent of time receiving special education services
 - 3 = More than 60 percent of time receiving special education services

Table 16: FY15 Special Education Staffing Formulas

Amount of time receiving services (ARS)	Category	Maximum number of students per classroom	
		Teacher only	Teacher + aide
1	0 to 20% ARS	15	17
2	21% to 60% ARS	10	15
3	61% to 100% ARS K-12 Programs	8	13
3	61% to 100% ARS Early Childhood Programs	5	10
3	Early Childhood Inclusive Head Start Program	30% of total classroom	30% of total classroom
3	Early Childhood Inclusive Pre-School For All Program	30% of total classroom	30% of total classroom

* Class size for separate special education classrooms is determined by the students with the highest ARS.

** At the elementary level classrooms can have no more than a 4 year age span; at high school 6 year age span.

Additionally, CPS may allocate clinicians (e.g., nurses, social workers, psychologists, etc.) to a school based on services required by students’ IEPs.

Improving Academic Outcomes for Diverse Learners Pilot

In FY15, the Office of Diverse Learner Supports and Services launched a pilot program at 20 district schools and three charter schools to accelerate academic achievement of students with diverse learning needs. The pilot provides principals with one-on-one coaching and budgeting flexibility to design innovative programs to better meet individual student needs. Schools in the pilot:

- Receive ongoing direct support to help them design instruction and supports to improve academic outcomes for their students.

- Gain flexibility to develop innovative programming at their schools, rather than being dependent on position allocations from Central Office.
- Get a faster response to enrollment and IEP changes.
- Will remain in compliance with all local, state, and federal requirements.

In the pilot, we are modeling a new system to update a school’s resources more quickly, transparently, and fairly in response to the school’s diverse learner enrollment or IEP need. This new system will replace for the pilot schools the existing Position Allocation Request Form (PARF) process, which has been criticized for being burdensome.

Schools in the pilot will receive dollars based on school and student need:

- **Base Per-School:** In order to address minimum staffing requirements, each school will start with a “foundation.”
- **Cluster Program Funding:** During budgeting, approved cluster programs will see their additional staff allocations as dollars.
- **Per IEP:** Each student with an IEP will receive a dollar amount based on LRE category.
- **Per-Minute Funding:** CPS will provide a per-minute amount based on the minutes required in a student’s IEP to account for the different in need within LRE category.

The pilot will also experiment with providing performance incentives to reward schools for diverse learner student performance gains and for allowing students to appropriately exit special education.

SPECIAL EDUCATION FUNDING FOR CHARTER/CONTRACT SCHOOLS

Charter and contract schools are assigned special education teacher and paraprofessional positions using the same staffing formulas as district schools. However, charter and contract schools hire their own special education personnel and are reimbursed for their expenses at the following rates:

Table 17: Special Education Reimbursements

Position	Maximum for average position	Maximum for any individual position
Allocated teacher positions (certification required)	\$90,000	\$110,000
Allocated paraprofessional (certification required)	\$40,000	\$53,000
Allocation clinician (certification required)	\$90,000	\$110,000
Case manager stipend (one per school)	\$1,477.23 per semester	

1. Special Education Teacher Reimbursement

- a. The charter and/or contract school will hire its own special education teacher(s) based on the school’s population of students with disabilities. Chicago Public Schools (CPS) will reimburse the charter and/or contract school on a quarterly basis. This reimbursement will be based on CPS’s determination that each special education teacher possesses the proper certification(s) as required by the State of Illinois and that the number of full-time equivalent teacher positions for reimbursement does not exceed the CPS-approved allocation for the charter and/or contract school.
- b. For the 2014-2015 school year, the maximum reimbursement rate for any full-time equivalent special education teacher is \$110,000 per year. The maximum reimbursement

rate for all full-time equivalent special education teachers for each charter operator is an average per-teacher reimbursement rate of \$90,000 per full-time equivalent special education teacher.

- c. The quarterly reimbursement to the charter and/or contract school for full-time equivalent special education teachers will be the lesser of the (i) product of the maximum reimbursement rate multiplied by the number of CPS-approved, full-time equivalent teachers for the percentage of the quarter's instructional days for which the teacher was employed; or (ii) aggregate sum of the actual salaries and benefits paid to CPS-approved, special education teachers employed at the charter and/or contract school for the percentage of the quarter's instructional days for which the teacher was employed.

2. Special Education Paraprofessional Reimbursement

- a. The charter and/or contract school will hire its own paraprofessionals to provide the necessary supports required by its students' IEPs.
- b. Chicago Public Schools (CPS) will reimburse the charter and/or contract school on a quarterly basis. This reimbursement will be based on CPS's determination that each special education paraprofessional providing instructional support is highly qualified in accordance with NCLB standards and that the number of full-time equivalent paraprofessional positions for reimbursement does not exceed the CPS-approved allocation for the charter and/or contract school.
- c. For the 2014-2015 school year, the maximum reimbursement rate for any full-time equivalent special education paraprofessional is \$53,000 per year. The maximum reimbursement rate for all full-time equivalent special education paraprofessionals for each charter operator is an average per-paraprofessional reimbursement rate of \$40,000 per full-time equivalent paraprofessional.
- d. The quarterly reimbursement to the charter and/or contract school for full-time equivalent special education paraprofessionals will be the lesser of the (i) product of the maximum reimbursement rate multiplied by the number of CPS-approved, full-time equivalent paraprofessionals for the percentage of the quarter's instructional days for which the paraprofessional was employed; or (ii) aggregate sum of the actual salaries and benefits paid to the CPS-approved, special education paraprofessionals employed at the charter and/or contract school for the percentage of the quarter's instructional days for which the paraprofessional was employed.

3. Special Education Clinician Reimbursement

- a. If clinicians are required by the students' IEPs, the charter and/or contract school will hire its own clinicians to provide the necessary supports.
- b. The charter and/or contract school may have the Board furnish clinicians to serve the charter and/or contract school's students with disabilities, only if a waiver is given by CPS.
- c. If the charter and/or contract school hires its own clinicians, then Chicago Public Schools (CPS) will reimburse the charter and/or contract school on a quarterly basis. This reimbursement will be based on CPS' determination that each clinician possesses the proper certification(s) as required by the State and that the number of full-time equivalent clinicians does not exceed the CPS-approved allocation for the charter and/or contract school.

- d. For the 2014-2015 school year, the maximum reimbursement rate is \$110,000 per year. The maximum reimbursement rate for all full-time equivalent clinicians for each charter operator is an average per-clinician reimbursement rate of \$90,000 per full-time equivalent clinician.
- e. The quarterly reimbursement to the charter and/or contract school for full-time equivalent clinicians will be the lesser of the (i) product of the maximum reimbursement rate multiplied by the number of CPS-approved full-time equivalent clinicians at the charter and/or contract school for the percentage of the quarter's instructional days for which the clinician was employed; or (ii) aggregate sum of the actual salaries and benefits paid to the CPS-approved clinicians at the charter and/or contract school for the percentage of the quarter's instructional days for which the clinician was employed.

4. Special Education Case Manager Reimbursement

- a. The charter and/or contract school shall appoint and pay a salary and benefits to its own qualified case manager.
- b. Chicago Public Schools (CPS) will provide the charter and/or contract school with a stipend of \$1,477.23 per semester, per school for such a qualified case manager for the 2014-2015 school year. The amount of the stipend is subject to the terms of the agreement between the Board and the Chicago Teachers Union.
- c. A case manager shall be deemed qualified if he or she has (1) a Type 10 (special), Type 03 (elementary), or Type 09 (secondary) ISBE certificate endorsed in a special education area, or with a special education teaching approval or supervisory approval, OR (2) a Type 73 (school service personnel) ISBE certificate endorsed as a school social worker, school psychologist, guidance specialist, or speech-language pathologist or have a supervisory endorsement. At least two years experience in the field of special education is recommended/preferred.
- d. An individual serving as a case manager may receive only one stipend, even if the individual is serving more than one school.

ALLOCATIONS OF SUPPLEMENTAL BILINGUAL TEACHERS FOR ENGLISH LANGUAGE LEARNERS

Allocation of supplemental bilingual education program teacher(s) is formula-based. The formula takes into account the actual number and/or the adjusted number of English Language Learners (ELLs) in each school.

The adjusted number of ELLs is based on the level of bilingual education program services an ELL student receives as reported by the school. The following chart show how ELL students are counted in the adjusted count:

Table 18: Counting ELL Students for Supplemental Bilingual Funding

Number of periods per week of bilingual or English as a Second Language (ESL) instruction	Adjusted ELL count for KG students	Adjusted ELL count for grades 1-12
Less than 5	Not counted	Not counted
5 to 9	1.0	0.5
10 or more	1.0	1.0

The adjustment number of ELLs is used to determine the allocation of supplemental bilingual teachers based on the following tables:

Table 19: Supplemental Allocations for Transitional Bilingual Education (TBE)

Transitional Bilingual Education (TBE)*	Adjusted Number of ELLs (Same Language Background)	Supplemental Teacher Allocation
Elementary School TBE Program	1- 44.5	0.0
	45-249.5 (adjusted number)	0.5
	250 or more (adjusted number)	1.0
High School TBE Program	1- 44.5	0.0
	45 or more	1.0

* = 20 or more ELLs of the same language background

Table 20: Supplemental Allocations for Transitional Program of Instruction (TPI)

Transitional Program of Instruction (TPI) **	Adjusted Number of ELLs	Supplemental Teacher Allocation
Elementary School TPI Program	0 – 29.5	0.0
	30- 249.5	0.5
	250 or more	1.0
High School TPI Program	0 – 29.5	0.0
	30 or more	1.0

** = Fewer than 20 ELLs of the same language background

ALLOCATIONS OF DISCRETIONARY FUNDS

Supplemental General State Aid (SGSA)

Supplemental General State Aid is part of the General State Aid that CPS receives from the State and is required by law to distribute directly to schools. SGSA funds are designed to supplement regular and basic programs supported by the General Education Fund. The amount of SGSA funds is based upon the concentration level of children from low-income households. Funds are distributed to the schools in proportion to the number of pupils enrolled who are eligible to receive free or reduced-price meals under the federal Child Nutrition Act of 1966 and the National School Lunch Act as of the 20th day of the school year.

Once data is collected, CPS establishes a flat rate per-pupil amount and calculates the SGSA allocation based on the number of eligible students for each qualifying school.

All schools received a preliminary SGSA allocation based on the number of students qualifying for free and reduced meals in FY14. However, the final allocation will be determined based on the number of qualifying students at each school on the 20th day of the current school year.

For FY15, the preliminary per-pupil rate is \$783.00, which was calculated by dividing \$261 million by the projected number of free and reduced meal students expected in FY15:

Table 21: Calculation of FY15 SGSA Base Rate

Amount to be Distributed	\$261,000,000
FY14 Total Count of Free/Reduced Meal Students	333,336
FY15 SGSA Base Rate	\$783.00

Schools receive SGSA funding for each qualifying student. If a school has only one student eligible for free or reduced meals, the school will receive an allocation of \$783.00 for that student.

Charter and contract schools, like district-run schools, receive SGSA funding.

Unspent SGSA funds in any fiscal year remain with the school and carry over to the next fiscal year. SGSA is different from most funding sources in this respect. Schools may not carry over unspent SBB or Title I funds, and the same rule applies to most other funding sources. SGSA is different because the District is legally required to allow schools to carry over unspent funds to the next fiscal year.

An estimated amount of FY14 SGSA carryover will be allocated to schools in July 2014. Once the district has finalized the financials for FY14, the final amount of FY14 SGSA carryover will be calculated for each school, and any additional carryover amounts will be allocated to each school. This final carryover amount will likely be distributed in October 2014.

NCLB Title I

CPS allocates Federal NCLB Title I funds to schools with high concentrations of low-income children to provide supplementary services. The formula used to determine a school's eligibility for these funds is based on the ratio of TANF (Temporary Assistance to Needy Families) and free and reduced-price lunch school data as a percentage of enrollment. CPS uses poverty data generated yearly by the number of students, ages 5-17, who are eligible to receive free or reduced lunch (60 percent weight), and the number of children, ages 5-17, from families that receive financial assistance through TANF (40 percent weight). The data must be collected at a single point in time for the entire school system; the District typically uses 20th day data. Once data is collected, CPS ranks schools and allocates additional funding to those schools serving a population with greater than 40 percent poverty.

It is important to remember that the poverty rate calculations for Title I are more stringent than for SGSA. SGSA considers only at the number of students who qualify for free and reduced meals, and it is not unusual for CPS schools to have poverty rates of 99 or 100 percent by that measure. The Title I poverty measure also looks at the number of students who qualify for TANF, and far fewer CPS students meet this standard.

The per-pupil allocation rate increases as the poverty index for the schools increases. A school with a 40 percent poverty rate receives an allocation of \$430 per eligible student. As the poverty rate increases by 1 percent, the per-pupil allocation increases by \$21.60 per pupil. A school with a poverty index of 41 percent receives \$451.60 per pupil. A school with a poverty index of 50 percent receives \$646 per pupil. Schools with a poverty index below 40 percent do not receive Title I funds, even if the school has eligible students.

Thus, poorer schools receive significantly more Title I funding, not only because they have more eligible students, but also because they receive more funds per eligible students. This is illustrated in the following table:

Table 22: Examples of Title I Funding Amounts

Poverty Index Examples	Allocation Rate	Eligible Students (assume total school enrollment of 1,000)	Total Allocation
35%	\$0 (below threshold)	350	\$0
40%	\$430.00	400	\$172,000
41%	\$451.60	410	\$185,156
55%	\$754.00	550	\$414,700
69%*	\$1,056.40	690	\$728,916

*Highest poverty rate of any CPS school.

Schools can budget SGSA and NCLB Title I funds at their discretion but must remain in compliance with regulations and guidelines.