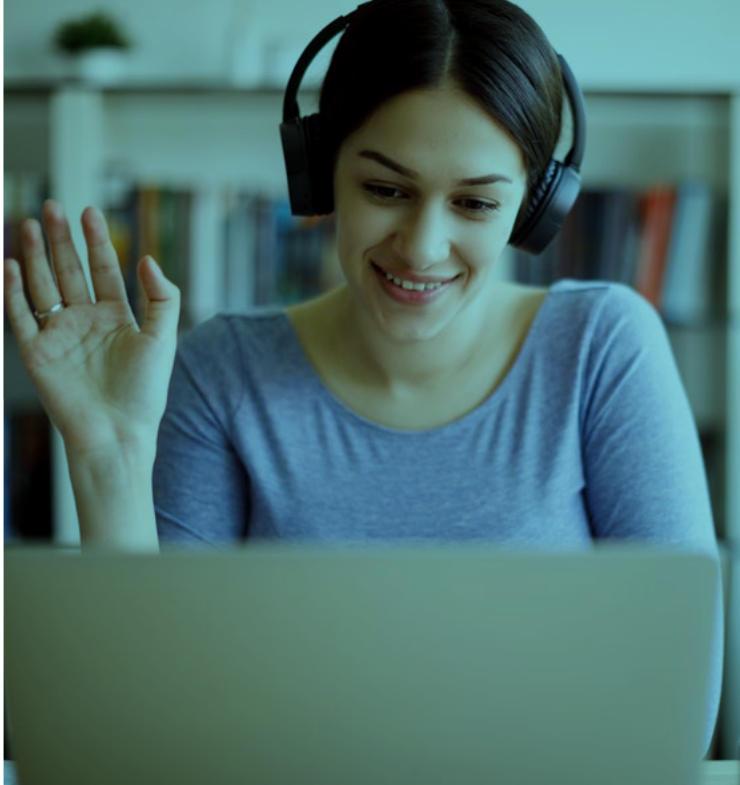


Resident's Guide to the Budget FY2021



Resident's Guide to the Budget FY2021

2021 CPS BUDGET

TOTAL BUDGET: \$8.4 BILLION



CPS AT A GLANCE

The mission of Chicago Public Schools is to provide a high quality public education for every child, in every neighborhood, that prepares each for success in college, career and civic life. As the nation's third largest school district and the largest employer in Chicago outside of the U.S. Government, CPS is a dynamic organization serving a dynamic city.

OUR SCHOOLS

638 Schools

163

High Schools

93

District Run

62

Charter

7

Contract

1

SAFE

OUR STUDENTS

340,658 Students

11,494

Preschool

21,960

Kindergarten

202,007

Elementary *Grades 1-8*

105,197

Secondary *Grades 9-12*

OUR EMPLOYEES

38,037 Employees

33,327

School-Based Employees

5,069

City-Wide Student Support

1,100

Central Office Support

243

Network Office School Support

Between our students and employees, CPS directly impacts 15 percent of the entire population of Chicago every day. And when you add in the countless numbers of current and former parents and alumni living and working in Chicago, the importance of public education in shaping the lives and future of our great city becomes exceedingly clear. This is why education funding is such an important issue and why we have created this resident's guide to the budget. We want you, as residents, to understand how CPS is funded and how the success of our public schools is central to the success of Chicago.

OPERATING BUDGET: \$6.92 BILLION

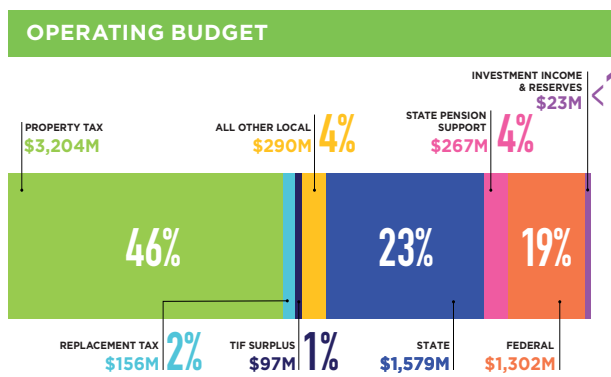
This is the budget figure that most people are familiar with and represents the amount of funds allocated to operate the day-to-day activities of our schools each year.

DEBT BUDGET: \$711 MILLION

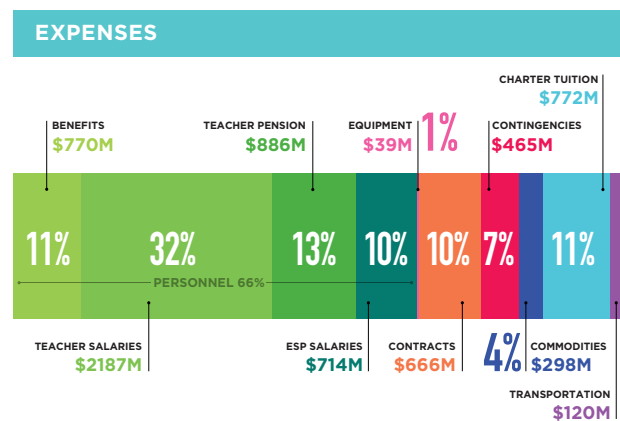
The debt budget represents the amount of funds allocated to make annual payments on our bonds and other debt payments.

CAPITAL BUDGET: \$758 MILLION

The capital budget represents the amount of funds allocated for long-term investments in our school facilities including building construction and renovations, and infrastructure based technology like high speed internet. This money is raised largely through the issuance of bonds, which are debt instruments like loans, and require annual payments on the bond principal and interest.



The CPS operating budget is much like your budget at home. We use it for multiple purposes: to track income and spending, to help manage priorities, to plan for the future and to measure financial performance.



MONEY FOR OUR SCHOOLS



We are firmly committed to ensuring that every dollar we spend goes the furthest for our students and families, so 59 cents (59%) of every dollar spent in our operating budget is tied directly to school-based expenditures and positions, with another 36 cents (36%) directly supporting schools through citywide services.

WHO PROVIDES OUR FUNDING?

Chicago residents are the source of nearly all of our funding.



LOCAL REVENUE: \$3.8 BILLION

Our largest source of income, 54 percent, is generated by local sources. The majority of this comes from local property taxes, replacement tax and TIF surpluses. CPS also generates revenue from other local sources such as philanthropic donations, interest income, lunchroom fees, and school rental fees.



STATE REVENUE: \$1.8 BILLION

State income accounts for 27 percent of our revenue. The bulk of funding we receive from the state is through evidence-based funding (EBF). The amount of EBF that each school district receives is based on a complex formula that considers the number of students, the special needs of the district, household income levels, and many other factors. Though EBF, introduced in FY2018, was a major improvement from the state's old funding model, the state acknowledges that CPS remains close to \$2 billion underfunded. We continue to work closely with our partners in Springfield to advocate for additional education funding for our students.



FEDERAL REVENUE: \$1.3 BILLION

Federal income accounts for 19 percent of our revenue. Most federal income is distributed through Title I of the Elementary and Secondary Education Act to provide extra support for low-income children. We have limited flexibility in how we spend federal revenue and the money can be used only for certain types of expenses, such as reading and math instruction and teacher professional development. The federal government also pays for free or reduced-price meals for all CPS students. This year's budget also includes \$343 million in revenue from pending legislation that was in development at the time of publication.



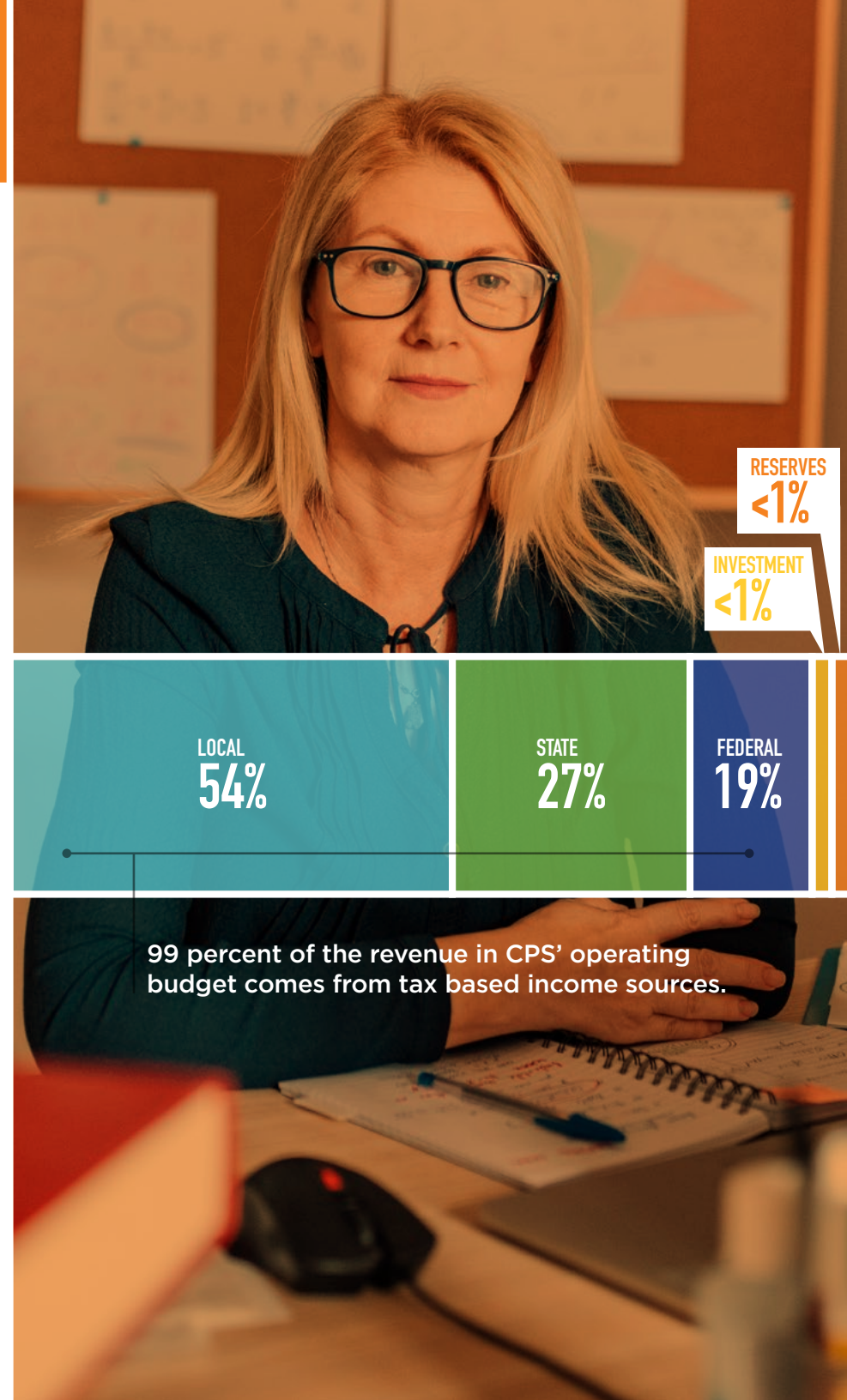
INVESTMENT REVENUE: \$1 MILLION

Investment income accounts for less than one percent of our operating budget. CPS generates this income based on the interest and dividends received off of investments held by the District.



FUND BALANCE/RESERVES: \$22 MILLION

Fund Balances or Reserves account for less than one percent of our operating budget. In certain instances, CPS has restricted funds that can only be spent on specific types of expenditures. If we don't use all of these restricted funds in a given fiscal year, those funds can be rolled over into the next fiscal year and spent on the same specific expenditures.



RESERVES
<1%

INVESTMENT
<1%

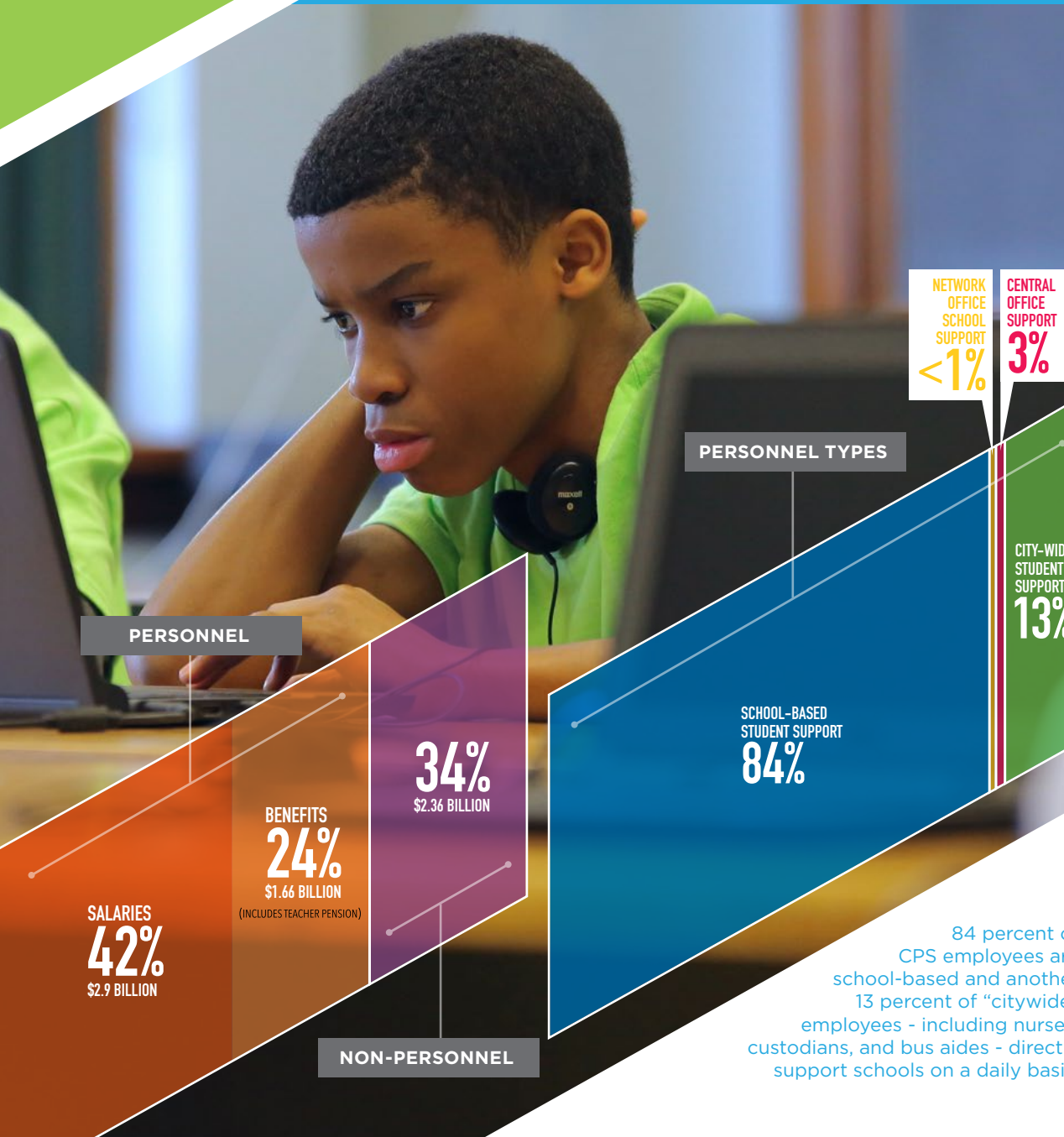


99 percent of the revenue in CPS' operating budget comes from tax based income sources.

WHAT DO WE SPEND MONEY ON?

OPERATING BUDGET: \$6.92 BILLION

Day-to-Day School Operations: All the money in the CPS' operating budget is used to pay personnel and non-personnel costs.



Personnel Costs: \$4.56 Billion

66 percent of the CPS budget is used to pay for the salaries and benefits of our 39,739 employees. This includes school-based staff such as teachers, principals, teacher aides, security officers, school clerks, cooks and janitors. It also includes central office staff that provide administrative and programmatic support to the schools, and network office staff that support schools as they are grouped into 17 networks across the city. We also have city-wide support staff that include coaches, clinicians, nurses, social workers and speech pathologists.

Non-Personnel Costs: \$2.36 Billion

34 percent of the CPS budget is used to pay for non-personnel expenses, which are the costs required to keep our schools running. This includes commodities such as food and utilities, instructional supplies, building supplies, and software. It also includes equipment like furniture and computers, transportation via our school bus fleet or CTA passes, and contingency funds for unexpected or discretionary purchases. Lastly, non-personnel costs also include the tuition we pay to charter schools, which primarily funds salaries and benefits for charter school staff.

PERSONNEL COSTS

(of \$4.56 Billion)

\$714.1	16%	ESP SALARIES
\$769.6	17%	BENEFITS
\$885.9	19%	TEACHER PENSION
\$2187.4	48%	TEACHER SALARIES

NON-PERSONNEL COSTS

(of \$2.36 Billion)

		EQUIPMENT
\$39.0	1%	EQUIPMENT
\$119.5	5%	TRANSPORTATION
\$297.7	13%	COMMODITIES
\$464.7	20%	CONTINGENCIES
\$665.9	28%	CONTRACTS
\$772.2	33%	CHARTER TUITION

84 percent of CPS employees are school-based and another 13 percent of "citywide" employees - including nurses, custodians, and bus aides - directly support schools on a daily basis.

WHAT DO WE SPEND MONEY ON?

CAPITAL BUDGET: \$758 MILLION

Long-Term Asset Investments: The FY2021 budget includes a capital budget totaling \$758 million of investments that will focus on priority facilities needs at neighborhood schools; the district's largest-ever Pre-K capital investment; ADA accessibility; and continued expansion of technology upgrades, modern science labs, and other academic priorities.

\$306 MILLION IN PRIORITY NEEDS AT NEIGHBORHOOD SCHOOLS

As part of our commitment to equity, the district is prioritizing renovations at neighborhood schools throughout the city to ensure all students can learn and grow in school buildings that support high-quality learning environments. CPS is allocating \$306 million in funding for critical maintenance projects and interior improvements.

- \$149 million for priority roof, envelope, and mechanical projects;
- \$100 million for unanticipated emergency repairs;
- \$20 million for district maintenance priorities;
- \$14 million for masonry remediation;
- \$12 million for critical building upgrades to fire alarms, chimneys, and building systems;
- \$11 million for interior improvements.

\$100 MILLION TO EXPAND FREE, FULL DAY PRE-K

CPS is continuing to build on our commitment to provide free full-day Pre-K to all four-year-olds in Chicago by 2021. In FY2020, the district invested \$120 million to complete classroom conversions in 153 classrooms for the 2019-20 and 2020-21 school years. Building on this investment, the FY2021 capital plan includes \$100 million to complete the remaining expansions and classroom conversions for the 2021-22 and 2022-23 school years.

\$20 MILLION TO SUPPORT STUDENTS WITH PHYSICAL LIMITATIONS

We will invest \$20 million to increase Americans with Disabilities Act accessibility in 36 schools as part of a multi-year program to ensure all CPS buildings have first-floor accessibility. Starting in FY2021, CPS is committing to spending \$100 million over the next five years to improve accessibility of parking lots, main entrances, main offices, and public restrooms.

\$139 MILLION FOR PROGRAMMATIC AND TECHNOLOGY INVESTMENTS TO BUILD UPON SCHOOL SUCCESS

CPS is investing \$139 million to prioritize high-quality educational programming and modernize buildings to support 21st century learning environments.

These investments include:

- \$50 million to construct a new sports complex to serve the south and near south areas;
- \$30 million to support the third phase of high school science lab modernization;
- \$22 million in building upgrades to support STEM, STEAM, IB, and world language programs at 22 schools;
- \$35 million to increase access to technology by providing new computing devices and improving network infrastructure;
- \$2 million will fund new security equipment including cameras, intercom phones, alarms, and screening equipment.

\$27 MILLION FOR SITE IMPROVEMENTS THAT FOSTER LEARNING

The proposed capital budget includes an additional \$27 million in site improvements to design and build new playgrounds, play lots, and turf fields at over 25 schools across the city so that students can benefit from a well-rounded education that promotes healthy development.

DEBT BUDGET: \$711 MILLION

Principal & Interest Payments on District Debt: The FY2021 budget includes total appropriations of approximately \$711 million for principal and interest payments on the district's outstanding bonds, which were issued to fund the district's capital plans and related investments. As of June 30, 2020, the Board of Education has approximately \$8.1 billion of outstanding long-term debt and \$500 million of outstanding short-term debt.

HOW IS THE MONEY DISTRIBUTED?

SCHOOL-BY-SCHOOL FUNDING
 In order to distribute the funds in our operating budget to our 638 schools, two basic factors are used to determine how much money each school receives:



THE NUMBER OF STUDENTS AT THE SCHOOL



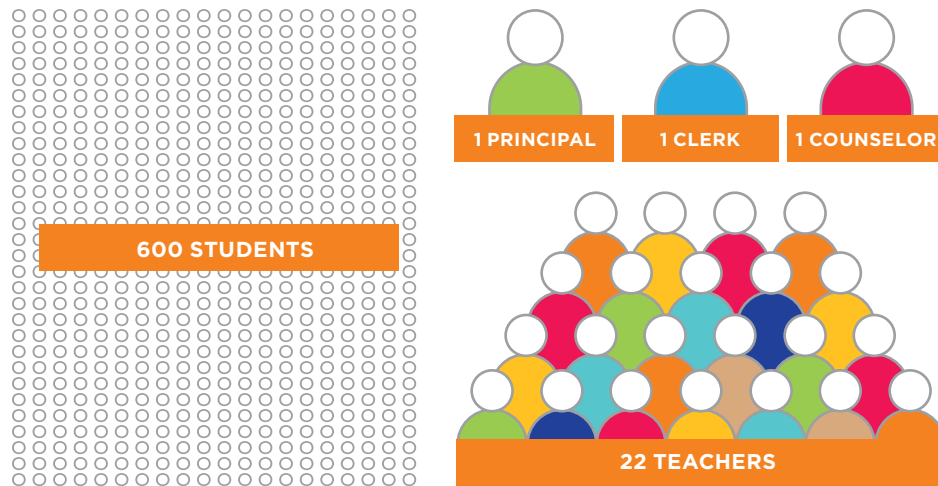
THE SPECIFIC NEEDS OF THE STUDENTS,
 such as status under low income guidelines, requirements for students within special education plans, or limited English proficiency.

TRADITIONAL SCHOOLS

499 Traditional District Schools

Funding for the 2020-21 school year is based on the 20th day enrollment count from the 2019-20 school year and Student Based Budgeting is used to determine the base amount of resources that a school receives for core instruction. SBB is a per-pupil funding allocation, weighted based on grade level and diverse learner category. The FY2021 base per-pupil rate was increased to \$4,665 from the FY2020 rate of \$ 4,507. 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 seven percent higher than the base rate. High school students receive a weight of 1.24.

Every district-run school also receives three foundation positions – one principal, one counselor and one clerk. Then the principal has discretion on how they allocate their resources to staff assistant principals, teachers, and other support personnel. This allows the principal to alter the staffing mix of the school in a manner that best meets the needs of the students and communities they serve. For instance, an elementary school with 600 students could be staffed in the following manner:



Schools also receive additional positions and resources to serve special education students and students with limited English language proficiency. And based on the percentage of students who receive free or reduced-price lunch (which can be substantial) schools receive additional dollars from either the state or the federal government to use at their discretion.

NON-TRADITIONAL SCHOOLS

139 Charters, Contract, Specialty, Options

Many schools use these funds to reduce their class sizes by hiring more teachers, providing enrichment programs, offering professional development or increasing security. This can allow the principal to alter the staffing mix of the school in a manner that best meets the needs of the students and communities they serve.

Nontraditional schools also receive funds based on their enrollment, but they get a specified dollar amount per student which covers all of their operating expenses including salaries and benefits. Funding is not tied to positions and they could also receive additional discretionary state and federal funds in the same manner as traditional schools.

Charter Schools and Contract Schools are managed independently and receive funding on a per-pupil basis. Like district schools, their primary source of funding is SBB. In addition, they receive shares of the district's grant funds, along with per-pupil dollar of services CPS provides to district schools, including facilities, school-based programming, and central office support.

Specialty Schools and Options Schools serve non-traditional student populations, including students with significant diverse learning needs, early childhood learners, or students that have dropped out or are at-risk of dropping out. Given the unique nature of these schools, they receive funding tied to the programs and the students they serve, rather than the actual enrollment of the schools themselves.

Note: Alternative Learning Opportunities Program (ALOP) programs, managed by independent operators to provide educational options for students who have dropped out of school, are technically not schools under the CPS definition but operate under the same funding model as charter and contract schools.



OUR VISION



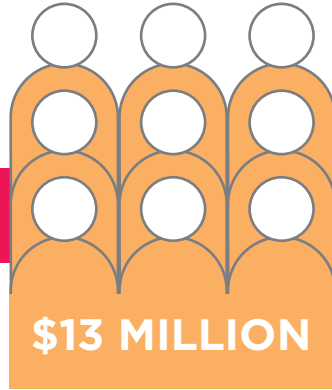
\$97 MILLION

in additional special education funding to advance equity and meet student needs, the largest single-year increase in special education funding



\$5 MILLION

to provide students at neighborhood schools with access to programs that promote college and career readiness

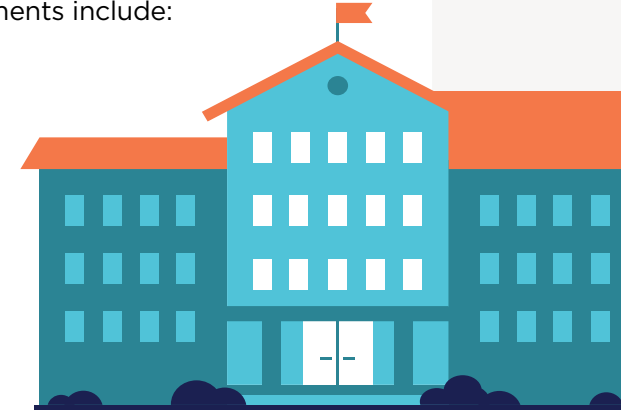


\$13 MILLION

IN ADDITIONAL FUNDING

to increase nurse, social worker and case manager staffing levels to an all-time high in the district

To support high-quality instruction, the FY21 budget includes over \$125 million in additional classroom investments. Key investments include:



\$44 MILLION

IN EQUITY GRANTS

to support high-needs schools and ensure all students are able to access a high-quality education

\$202 MILLION

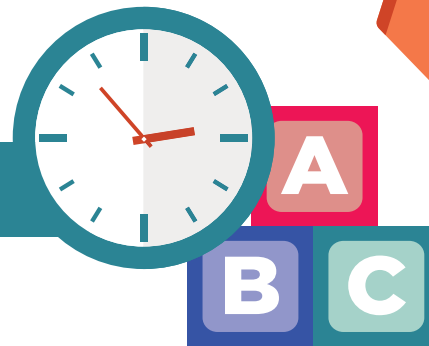
IN BUILDING IMPROVEMENTS

to support modern science labs, Pre-K classrooms and spaces for new high-quality academic programs

\$306 MILLION +

TO ADDRESS FACILITY NEEDS

and strengthen high-quality neighborhood schools throughout the city



\$18 MILLION

TO EXPAND ACCESS TO FREE FULL-DAY PRE-K

\$100 MILLION

TO LAUNCH A FIVE-YEAR COMMITMENT TO IMPROVING ADA ACCESSIBILITY

The district is allocating \$75 million in resources to specifically address challenges created by COVID-19, which includes a variety of resources that support both remote learning and preparations for an in-person hybrid model, including computing devices, cleaning supplies, PPE and more.

PUBLIC ENGAGEMENT ON SCHOOL FUNDING



Aligned to the CPS “Success Starts Here” five-year vision plan, the district is committed to ongoing and robust community engagement to further promote equity and sustainability in school funding. As a first step in this process, during SY 19-20, the district held six community budget forums earlier this school year to discuss the budgeting process and gather feedback. A diverse School Funding Working Group — consisting of Board of Education members, principals, Local School Council (LSC) members and philanthropic leaders, among others — was assembled to evaluate feedback from the community meetings and develop a series of recommendations for the district. As a result of these recommendations, the district is taking steps through the FY21 school budget process to enhance support for high-needs schools and better support principals through the budgeting process.

PHASE ONE

- ✓ Refine methodologies and processes to improve equity and sustainability

CPS increased the equity grant in FY2021 to \$44M, including allocating an extra \$100K to every neighborhood school in the city’s most economically disadvantaged areas

- ✓ Empower principals and LSCs to maximize their resources

Supported new principals with individual strategy sessions around resource allocation and budget best practices

PHASE TWO

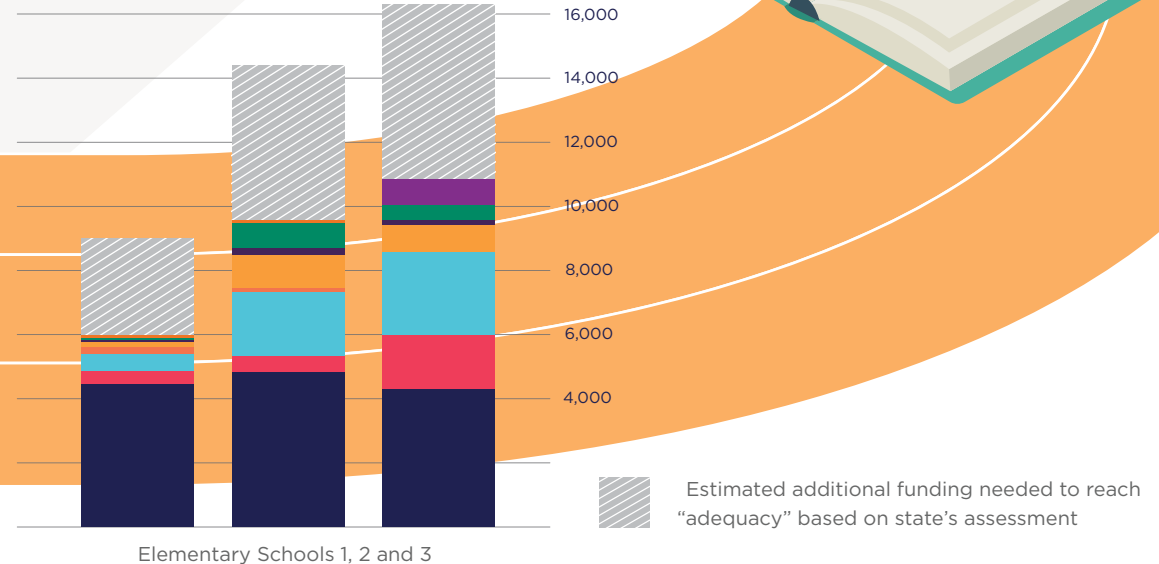
Commit to meaningful stakeholder engagement

Provide transparent budget data for LSCs and school communities

PHASE THREE

Create individual, school-level adequacy targets for all schools

Advocate for more city, state, and federal funding



Resident's Guide to the Budget FY2021



CHICAGO PUBLIC SCHOOLS

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Chicago, IL 60602

cps.edu

773-553-1000

FOR MORE INFORMATION

cps.edu/budget

GET INVOLVED

Family And Community
Engagement in Education (FACE)

cpsparentu.org

773-553-FACE

Local School Council (LSC)
Relations

cps.edu/lscrelations

773-553-1400

