



Agenda

1. **Presentation:**
30 minutes
2. **Round Table discussions:**
60 minutes
3. **Report out:**
30 minutes



Why We Are Here

We launched this style of budget engagement in Winter 2020 with the goal of improving CPS' ability to gather input on school funding.

The goal of these forums is twofold:

- To provide information on the current state of CPS finances and school funding strategies
- To hear from *you* about what is important from your experience as a student, parent, teacher, principal, or community member

Your feedback is essential to current and future decisions around school funding.

Strategic Plan Engagement Timeline

Engagement and Data Analysis Stage (Nov-May)

Key CPS Action:

Host Budget Community Roundtable Sessions

Learn about CPS' budget and solicit feedback on how to make the funding process more equitable and transparent in CPS schools.

Key CPS Action:

EFMP Community Roundtables

Neighborhood-specific roundtable discussions around improving school facilities through the Educational Facilities Master Plan (EFMP).

Key CPS Action:

Strategic Planning Community Roundtables

Co-create solutions to challenges to inform creation of strategic plan.

Key CPS Action:

Capital Planning Community Engagement

Understand the District's capital planning process and collect input to help the District priorities critical capital needs.

Final Strategic Plan Launch Stage (June 2024)

Key CPS Action:

Release final strategic plan

Launch effort to inform community about final strategic plan.

Board Approval & Funding Stage (Summer 2024)

Key CPS Action:

Board approval of strategic plan and budget

CPS will seek Board approval of the final strategic plan and 2024 budget, including funding for capital improvements.

Conduct Data Analysis and Stakeholder Feedback



“ We need you,
we hear you! ”

Our Approach to Equity



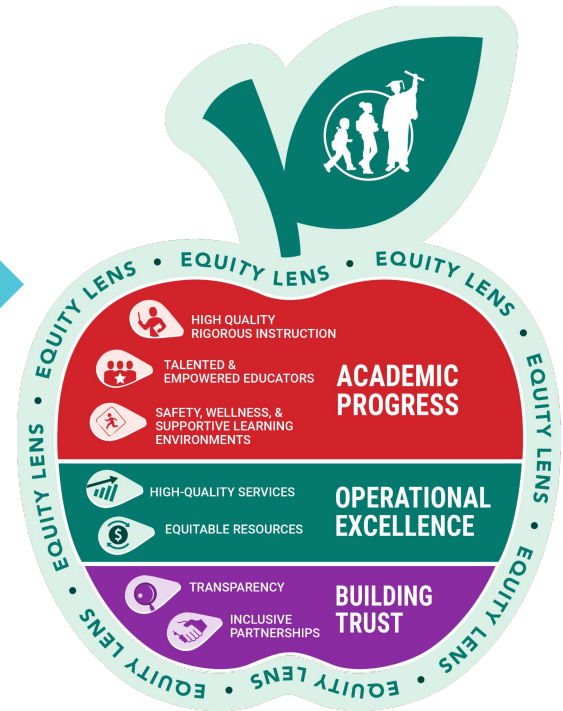
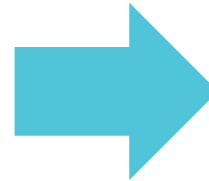
Equity Lens

At CPS, we apply an Equity Lens to all of the work we do. It enables us to see and understand the existing structures and conditions that create inequities, as well as the changes that are necessary to create more equitable learning environments.

Targeted Universalism

In order to achieve equity, we employ the practice of Targeted Universalism – setting universal goals and then using targeted support to help students and school communities eradicate opportunity gaps and reach those goals.

CPS Equity Lens



Definition of Resource Equity

(Direct) Resource Equity

The goal of resource equity is to create equitable student experiences in learning-ready environments. Resource equity means consistently prioritizing and allocating people, time, and money to align with levels of need and opportunity.



What is CPS' Opportunity Index?

CPS' Opportunity Index is a tool that uses indicators to analyze differences in access to opportunity.

The tool helps CPS make operational and funding decisions to ensure those most impacted by inequity have strong, vibrant and healthy school communities.



Opportunity Index Indicators

Community Factors

- Chicago Hardship Index
- Students Residing in Invest S|W
- Community Life Expectancy Index

Demographics

- % of diverse learner students
- % eligible for free and reduced lunch
- % of English learner students
- % eligible but not enrolled in Medicaid
- % of students in temporary living situations
- % of teachers retained
- Majority Single Race/Ethnicity

Historical Funding

- Historical Capital & TIF Funding
- School Budget & Per Pupil Funding

Example Uses of the Opportunity Index



Renovation of Child Parent
Center Classrooms

\$10-13 Million



Increase & Allocation
of School Counselors

\$10-15 Million



Increase & Allocation of
Instructional Coaches

\$45 Million



Additional 900+
Teachers

\$100+ Million

Your feedback has impacted key district funding strategies

Since the 2019-20 school year when we launched this form of engagement, the feedback and input we've received has made a real impact on how we allocate resources:

- Reducing reliance on enrollment-based funding
- Incorporation of the opportunity index to inform major funding streams
- Increases to district equity grants
- Additional teachers to support reasonable class sizes, arts, and intervention work
- Additional staff to support the whole child: counselors, nurses, social workers, advocates for students in temporary living situations, athletic directors
- Expanded out of school time programming
- Investing in Tutor corps

Your voice is crucial to helping us make the best decisions for our students and our schools.

Your feedback will inform current and future work



Today:

- Authentic and diverse dialogue drives change
- Your voice matters: Please speak up
- Minor concerns may inform major improvements

Near-Term Next Steps:

- Compile feedback, elicit themes
- Incorporate into FY2025 budget planning process

Longer Term:

- Provide schools with SY24-25 budgets informed by public feedback
- Release FY2025 CPS budget (summer 2024)
- Ongoing stakeholder engagement



School Funding

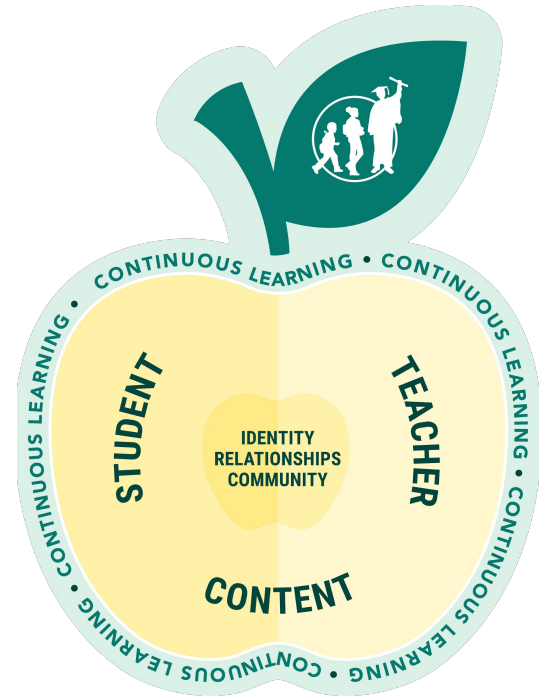
CPS has added \$480M in new direct school funding over last two budgets

The FY2024 budget includes \$4.8 billion in direct school funding, reflecting the resources controlled and managed by schools and LSCs.

FY2024 budget reflected an increase of \$243 million, for a total of more than \$480 million in new funding over the past two years.

As part of our commitment to the instructional core, this allows us to ensure every school has the resources to provide:

- Reasonable class sizes
- Limited split classrooms
- Access to high-quality arts education
- Intervention supports
- Funding for local-level priorities

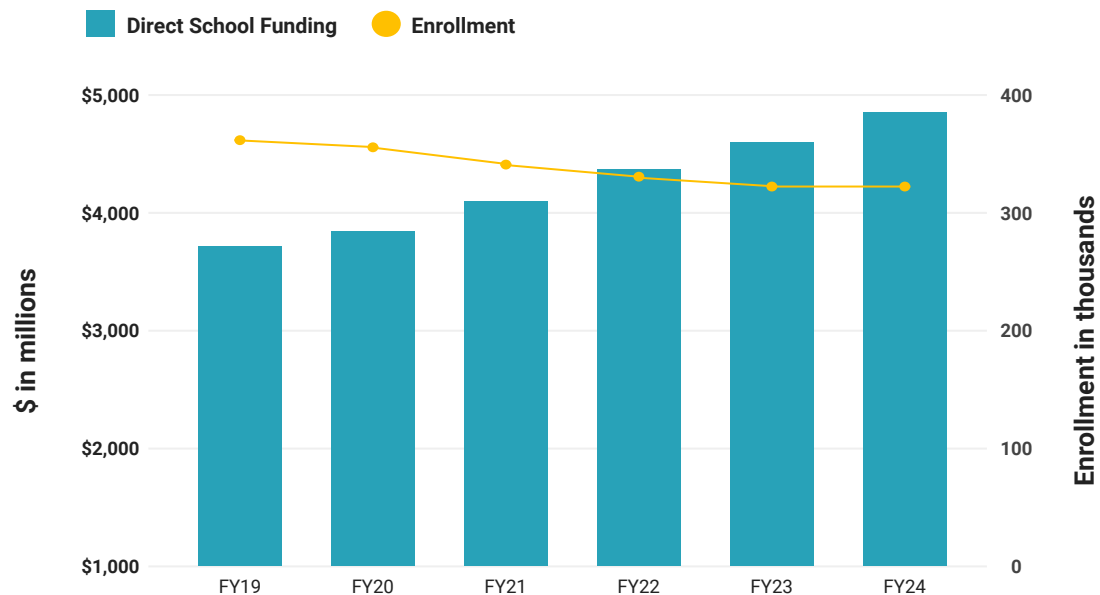


This year's budget includes investments aligned with district priorities and public feedback



- Continued investments in nurses, social workers, and case managers will bring FY2024 staffing levels to a new all-time high
- Additional \$128 million to support diverse learners resources
- \$32 million in new funding for teaching positions at highest-need schools
- \$15 million increase in bilingual instruction, including \$8 million in additional enrollment adjustments at schools receiving newly arriving students
- Expanding pre-k by 480 seats with programs in all Chicago communities
- \$670 million from the Elementary and Secondary School Emergency Relief Fund (ESSER) to fund investments in academic recovery, social and emotional supports, expanded summer and before- and after-school programming, and other student services

Fewer students + greater funding = more resources for students



-38K
students

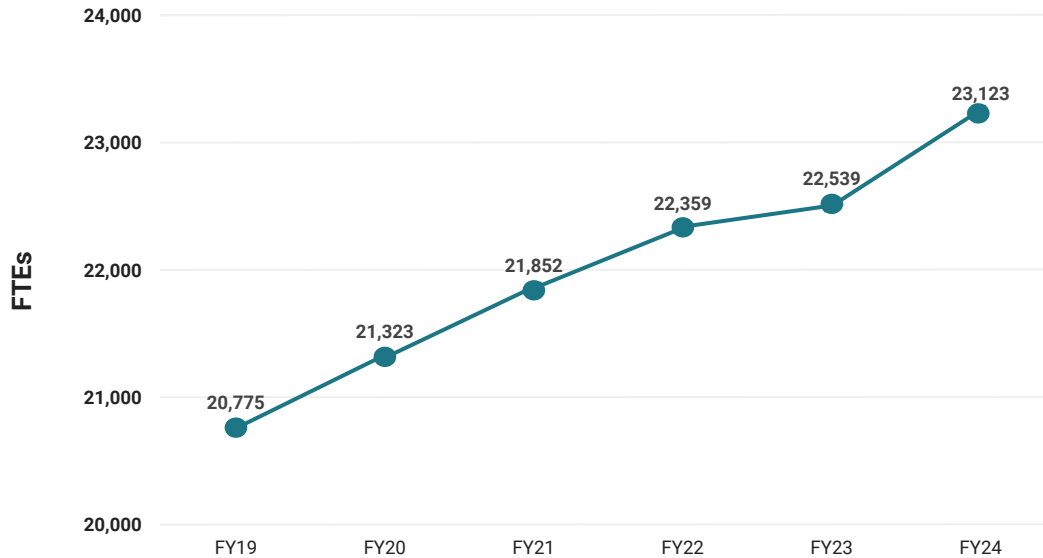
+1.13B
funding

FY19 average per-pupil funding: **\$10,278**

FY24 average per-pupil funding: **\$14,989**

Change from FY19 to FY24: **\$4,711 (46%)**

CPS has added over 2,300 teachers since FY2019



+2,348
teacher
positions
since FY19

CPS has added positions in key areas since FY2019

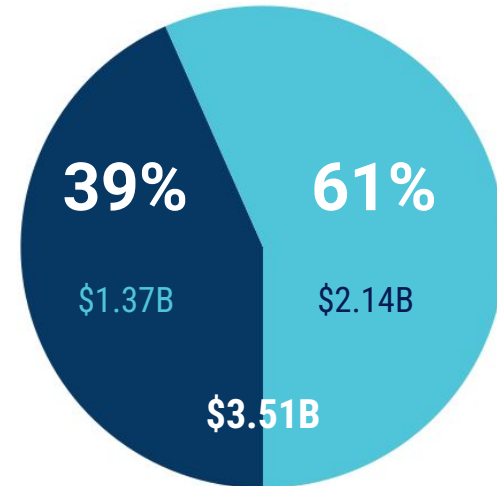
Employee Group	FY2019	FY2024	Increase from FY2019
Counselors	700	869	169
Nurses	322	661	339
Social Workers	308	691	383
Instructional Coaches	47	259	212
Dedicated Case Managers	-	306	306
Students in Temporary Living Situation Advocates	-	50	50
School-Based Athletic Directors	-	20	20
Custodians	2,018	2,593	575
Engineers	520	708	188
Security Guards	1,310	1,458	148

Reducing reliance on Enrollment Based Funding

In FY2024, CPS is continuing to reduce reliance on enrollment-based funding. For the District's 499 schools that receive per-pupil funding through Student-Based Budgeting, this represents only 39 percent of the total resources allocated to these schools.

The factors contributing to school resource allocations through our Opportunity Index include:

- Diverse learner population
- English language learners
- Community Hardship
- Medicaid eligibility
- STLS
- community life expectancy
- teacher turnover



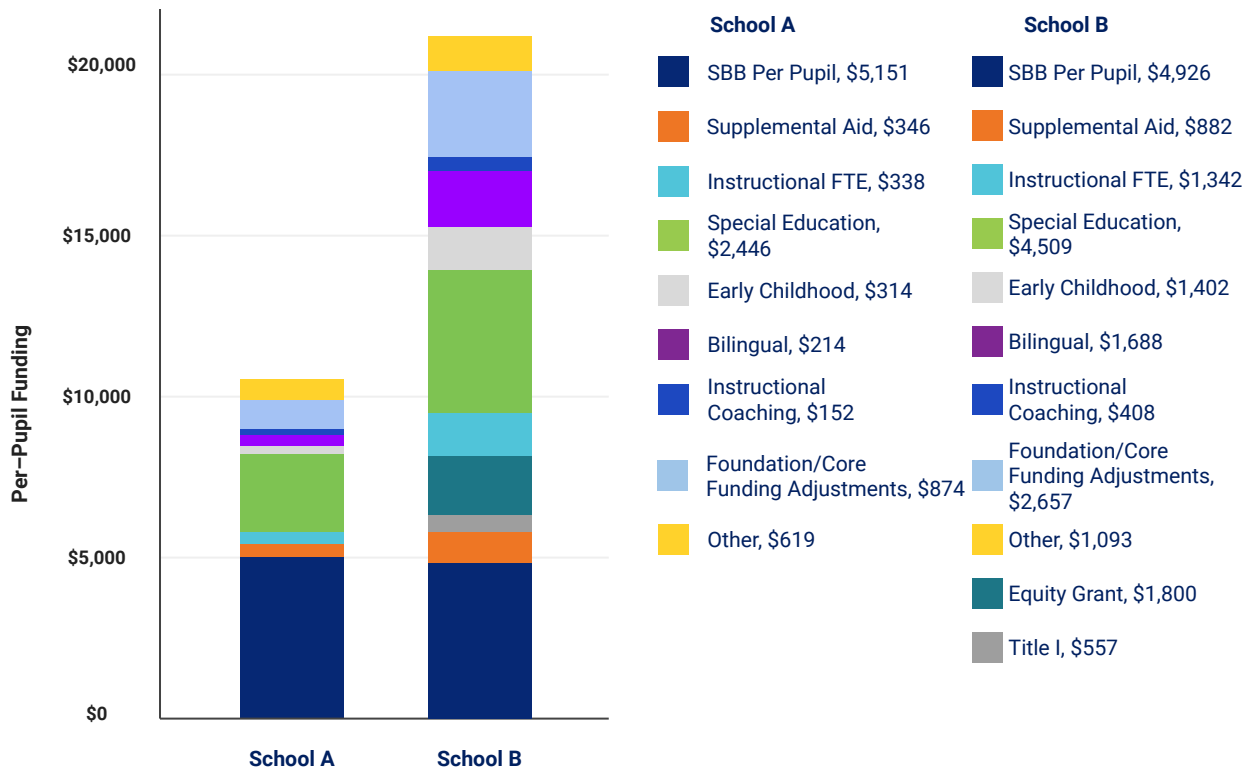
FY2024

■ Funding Based on Enrollment (SBB) ■ Funding Based on Student and School Need

Schools with greater needs receive more funding

School B receives more funding through a variety of need-based allocations, nearly doubling the per-pupil funding total of school A, a school with lower overall need-based indicators.

	School A	School B
Opportunity Index	29	50
Low Income	29%	79%
English Learner	7%	69%
Special Education	18%	21%



Investments have increased staff at smaller schools

Shifts away from enrollment-based funding along with investments in priority student populations have created significantly lower student to staff ratios at smaller schools.

School Type	Number of Schools	Average Student to Teacher Ratio	Average Student to All Staff Ratio
Elementary School			
Below 300 students	165	10.6 : 1	5.4 : 1
Above 300 students	250	13.2 : 1	7.4 : 1
High School			
Below 300 students	23	7.9 : 1	4.0 : 1
Above 300 students	61	13.9 : 1	8.2 : 1

Funding shifts have increased equity in spending

Per Pupil Spending by Demographic Plurality

Impact of Needs-Based Funding on Per-Pupil Spending

Demographic Plurality	# of Schools	FY23 Per-Pupil	FY24 Per-Pupil	
Black	232	\$13,311	\$14,680	+\$1369
Latinx	214	\$11,552	\$12,385	+\$833
White or Asian	53	\$9,268	\$10,021	+\$753
Grand Total	499	\$11,770	\$12,744	

Reflects initial FY2024 budget data for traditional district-run schools. Schools are grouped by largest demographic group within school.



CPS Budget Overview

How does CPS allocate its resources?

FY2024 CPS OPERATING BUDGET – \$8.5 Billion

95 cents of every dollar in the budget directly supports schools

57¢ DIRECTLY TO SCHOOLS

38¢ DIRECT SUPPORT FOR SCHOOLS

5¢

46¢ DISTRICT SCHOOLS

11¢ CHARTER & CONTRACT SCHOOLS

CENTRAL OFFICE
+ NETWORKS

Most of CPS' budget funds people working in schools

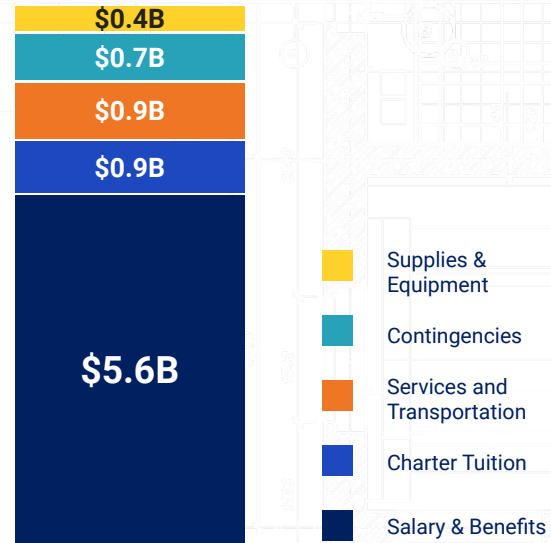
FY2024 CPS OPERATING BUDGET—\$8.5 Billion

Indirect funding for school personnel

Charter school staff, vendor employees (custodians, engineers, Safe Passage, bus drivers), contingencies for grants that fund staff members

Direct funding for school personnel

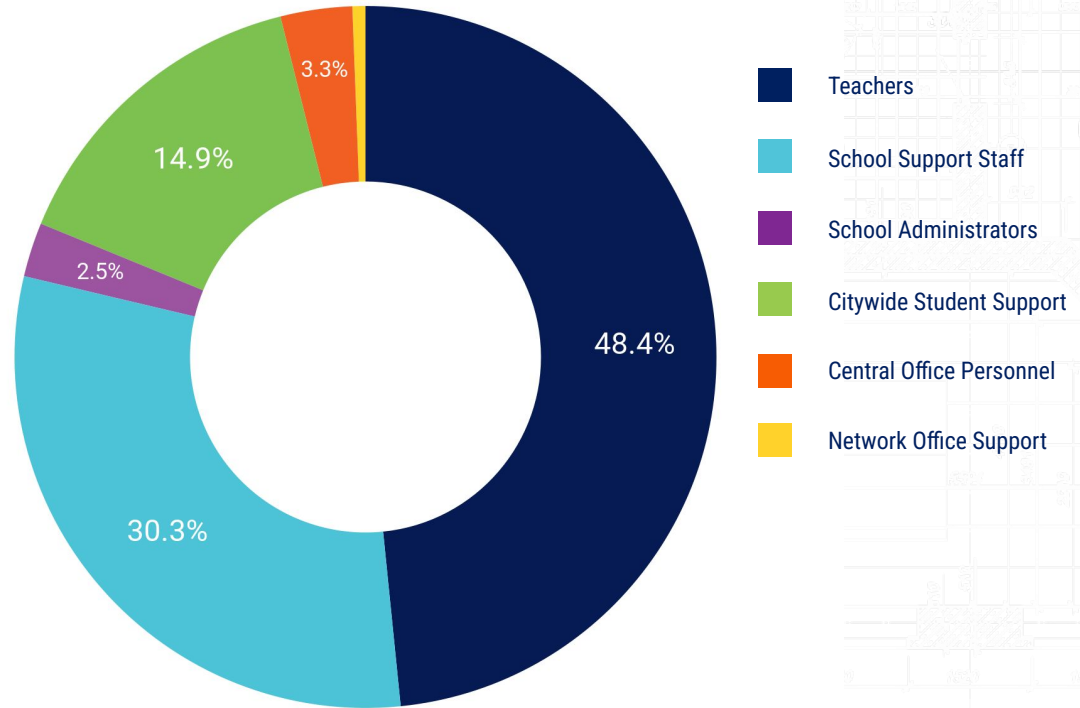
Salaries and benefits for CPS teachers and education support personnel



\$, In Billions

Over 96% of Employees Directly Support Schools

- Over 96% of CPS employees directly support schools.
- Teachers, school support staff, and school administrators make up 81% of CPS employees, while another 15% provide citywide support services to schools.
- Just 4% of positions are networks & central office administrative positions, consistent with similar districts in the U.S.



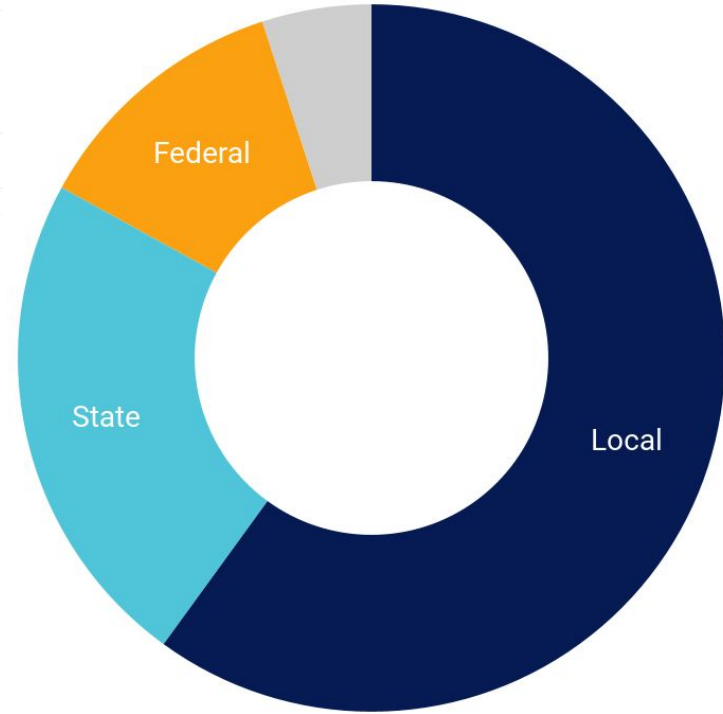
Almost 8 percent of CPS's budget is funded by one-time federal COVID relief dollars

■ Over half of CPS's operating budget is funded through local revenues, primarily property taxes

■ State revenues make up less than a quarter of CPS's total operating budget

■ Recurring Federal funding

■ 670 million of CPS's operating budget is covered by one-time federal COVID relief revenues that expire in September 2024



FY2025 budget forecast

The use of one-time funding to support the FY2024 budget means that CPS is facing a structural budget deficit of \$691 million. The remaining \$300M in ESSER funding means that CPS has a \$391 million deficit to close for FY2025.

	\$M
Beginning deficit - One-Time ESSER Revenues Supporting FY2024 Budget	(670)
Projected Increase/(Decrease) in Structural Revenue	102
Projected (Increase)/Decrease in Expense Obligations	(123)
Projected Structural Budget Gap	(691)
Projected ESSER available to support FY2025	300
Remaining FY2025 Budget Gap	(391)

CPS Ended FY23 with Only 4 Days Cash

- **Days cash on hand** = Net Cash Available / (Operating expenses / 365)
- **Despite \$1.3B of fund balance**, CPS only has 4 days cash on hand on June 30th

CPS needed an additional

\$525m

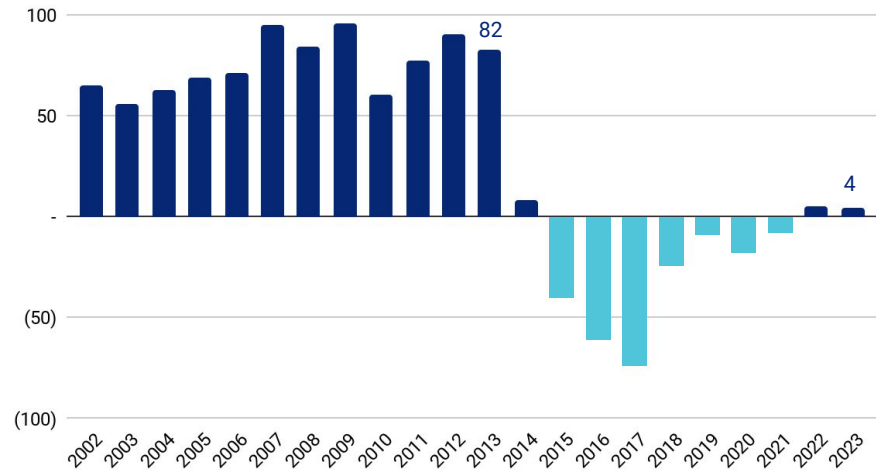
of cash in FY23 to reach 30 days

FY23

- **Fund balance:** ~\$1,100m*
- **Cash:** ~\$96m*

* Unaudited (est.)

Days Cash on Hand on June 30th



CPS future budgetary challenges are driven by structural inequities

While CPS has made important strategic funding shifts over the last several years and has benefited for federal COVID relief money, our district still does not have the appropriate level of funding from the state to meet our students' needs.

CPS faces future budget gaps of \$600 million and greater that could be solved through remedies to inadequacies and inequities in state funding.

- **\$1.1 billion** would be available with full funding from the state's own Evidence-Based funding formula
- **\$700 million** would be available if CPS teacher pensions received the same support as other districts
- **\$543 million** would be available if CPS did not have to use Evidence-Based Funding and other unrestricted revenues to cover debt service costs

We continue to work towards solutions for a sustainable path forward

- Though we remain confident in our ability to balance the FY2025 budget and continue the District's key investments, CPS is facing a structural deficit of \$691 million with only \$300 million in ESSER funding remaining
- CPS faces additional budget pressures heading into FY2025, including:
 - Potential reduction in local revenues due to changes in economic conditions
 - New labor contracts for CTU and SEIU
 - Growth in pension costs
- CPS plans to continue to work with the City and our labor partners to find short- and long-term budgetary solutions





Small Group Discussion

Guiding questions

- What district investments have been most impactful for your school?
- What resources are most needed at your school that currently don't exist?
- What is one big idea that you have about how CPS can improve school resourcing?
- What is one question you still have about the CPS budget or school funding?



Gathering Feedback

Your notetaker will record responses to the following questions, as informed by the discussion of the group:

- List one key takeaway from your discussion of the guiding questions

Identify a representative to read responses to the room

Takeaways, next steps, and other opportunities for engagement

Near Term Next Steps:

- Compile feedback, elicit themes
- Incorporate into FY2025 planning and strategic plan development

Longer Term:

- Ongoing stakeholder engagement

Additional opportunities for engagement

- Educational Facilities Master Plan Community Roundtables (December 2023 - January 2024)
- Strategic Planning Community Roundtables (February 2024)
- Capital Planning Community Engagement (April - May 2024)





Thank you!

Please fill out our exit survey

