

CHICAGO PUBLIC SCHOOLS BUDGET

2018-2019



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the City of Chicago**
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Official FY2019 Budget Documentation including integral data tables, as well as interactive features that make additional information more easily accessible, can be found on the Chicago Public Schools website at www.cps.edu/budget. This PDF Budget Guide and the Budget website should be read together to provide complete information on the proposed budget plan.

Dear Friends and Colleagues,

Thanks to the tireless advocacy of our families, educators, parents, and lawmakers who pushed for historic funding reform, Chicago Public Schools is now on significantly stronger financial ground. As a result of the district's improved financial position and a revised state education funding system that better supports CPS and other school districts that educate limited-income students, CPS is pleased to propose a budget that responsibly invests more in schools so students can continue their historic growth, highlighted most recently in a groundbreaking study by Stanford University professor Sean Reardon.

The proposed budget funds key priorities, including nearly \$1 billion in capital investments to modernize schools across the city, the initial phase of our expansion of free, full-day Pre-K for 4-year-olds and major academic investments at schools in every neighborhood. For many students, this will mean new annexes, classrooms, playgrounds, and turf fields. For others, it will mean renovated school buildings that are safe and ready for the new school year.

As part of our plan to modernize Chicago schools, we are beginning a three-year \$75 million investment to ensure all high schools have state-of-the-art science labs. And to ensure we are providing our children equitable access to cutting-edge technology, we will invest \$50 million in capital funds this year to increase internet bandwidth and purchase new classroom computers and devices for our highest need schools to bridge the digital divide and enhance instruction. This is the first phase of a four-year \$125 million investment plan.

Rigorous academic programs have also fueled students' impressive gains, and this budget prioritizes proven programs that help students prepare for college. Beginning this fall, more than 5,000 additional students will benefit from investments in STEM, International Baccalaureate (IB), magnet, and classical schools that will provide them with the skills and knowledge to be successful in college, career, and life.

We will also expand our world language and Early College STEM programs to move the district closer to our goal of having 50 percent of students earn at least one college or career credential before graduating high school. And to further support our students plan for life after graduation, we will form a new team of post-secondary counselors to help 7,000 additional students create solid post-secondary plans for success after high school.

With increased state funding, CPS is also launching the first phase of our free, full-day Pre-K for 4-year-olds, with an initial group of 3,700 young people who come from the families with the greatest need. This is another effort in Mayor Emanuel's ambitious plan to narrow the achievement gap by providing free universal Pre-K to all 4-year-olds in Chicago by 2021.

With an increase of more than \$60 million in school budgets and additional increases in resources dedicated to low-income students and schools struggling with declining enrollment, Chicago schools will have the resources they need to continue the incredible academic progress they have made in recent years.

By investing in our schools in a way that is consistent with the core commitments of our three-year vision — academic progress, financial stability, and integrity — we are working to move the district forward and support the incredible educators, students, and families who make Chicago Public Schools a national leader in urban education.

Sincerely,

A handwritten signature in black ink that reads "Janice K. Jackson". The signature is written in a cursive style with a large initial "J" and a long, sweeping tail.

Janice K. Jackson, EdD
Chief Executive Officer
Chicago Public Schools

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Letter from CPS Leadership

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Reader's Guide

The Chicago Public Schools' FY2019 Proposed Budget is the financial policy plan proposed to the Chicago Board of Education for the fiscal year beginning July 1, 2018 and ending June 30, 2019. The proposed budget is available to the public at www.cps.edu/budget. The website contains the official budget document as well as an interactive site that allows users to access detailed reports on all dollars and positions in the district budget. Physical copies of the FY2019 Proposed Budget will also be on file with the Board Office at 1 North Dearborn, Suite 950, Chicago, Illinois 60602.

Budget Book Chapters

The FY2019 Proposed Budget includes narrative overviews of CPS programs, goals, financial policies, and procedures; a budget summary; and detailed financial tables. These chapters are accessible from the list of links on the left side of the screen on the homepage of the budget website.

The following chapters are included:

Budget Overview:

This chapter summarizes the district's financial position, outlining the goals and objectives that CPS seeks to achieve in the current fiscal year and in the future. Summary tables provide additional details of the financial picture.

Revenue:

Included in this chapter is a description of each of the district's revenue sources, the assumptions and factors that influence our revenue projections, and year-to-year comparisons.

Schools and Networks:

This chapter provides an overview of school budgets and the resources given to schools, as well as a year over year comparison of total school funding. It defines the various types of schools in Chicago, the demographics, and the programs provided to students. Additionally, the chapter outlines the Network management structure for district-run schools, which provides administrative support and leadership development to schools and school leaders.

Departments:

Profiles of each Central Office department, including its mission and major programs, FY2019 budget summary, major accomplishments, and key budget initiatives are included in this chapter.

Pensions:

This chapter provides a basic overview of the district's pension obligations, funding streams, and projected future outlook.

Capital Budget:

The Capital Budget chapter describes CPS' plan for major infrastructure investments. This chapter outlines the projected expenditures for multi-year projects and explains the impact of the capital budget on operating expenses. A separate capital plan website with more detailed information on all of the projects can be found at www.cps.edu/capitalplan.

Debt Management:

This chapter provides detail on the Board’s debt management practices. It presents a complete picture of the district’s use and management of debt. It includes a list of the current outstanding debt, proposed debt issuances, and all debt service requirements.

Organization Chart:

This reflects the leadership and organizational structure for CPS.

Fund Balance Statement:

This chapter explains CPS’ goals for maintaining a minimum fund balance (cash reserve) and how it is calculated.

Fund Descriptions:

Funds are separate accounting entities that ensure taxpayer dollars are spent as authorized. This chapter describes the four governmental fund types used by CPS: General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds. CPS will continue to distinguish how funds are received and spent by using the following categories: General Budgeted Funds, School Generated Funds, State and Federal Grant Funds, Capital Projects Funds, and Debt Service Funds.

Cash Management:

This chapter provides detail about CPS’ projected cash flow throughout the fiscal year and explains its cash management strategies.

FAQs:

In this section, we have included answers to some typical questions about the Budget Book and our interactive website.

More Information:

This section includes information on demographics, school funding formulas, historical revenue/expenditure tables, the budget process, financial policies, the budget resolution, and a glossary.

- **Appendix A – Demographics:** Provides detailed information about the district structure, school population and employees, and a view of the larger community in which our students and their families reside.
- **Appendix B – School Funding Formulas:** Outlines the funding formulas used to allocate resources to schools.
- **Appendix C – Budget Process:** As required by law, CPS follows a detailed budget calendar and process, which is provided in this section.
- **Appendix D – Financial Policies:** Explains the policies and procedures followed during the budget process.
- **Appendix E – Glossary:** Provides an alphabetical listing of specialized terms found throughout the budget book.

Interactive Budget Reports:

In addition to the budget book, CPS provides enhanced interactive budget reports that allow members of the public to view the entire operating budget and get more detail on any component of the budget.

The interactive reports include:

- Budget by Unit, including schools and Central Office departments
- Budget by Fund, such as general fund or federal and state grants
- Budget by Account, such as salary, benefits, commodities, and contracts
- Budget by Program, such as instruction, support services, and community services
- Revenues & Expenditures report, providing information on debt service and capital funds, as well as general operating funds
- Find My School, which lists all schools by network

The reports are designed to provide more detail as you scroll down the page. For example, if you search under “Budget by Unit,” the parent unit – or top-level departmental unit – three-year budget and expenditure detail is displayed first, followed by a three-year view of budgeted and ending full-time equivalent positions. The individual department units that roll up to the parent unit are then shown, with budgets and positions listed by Fund-Grant. For tracking purposes, grants that are subject to rollover each year are assigned a new 6-digit identifying number, and some grant periods cross fiscal years.

Expenses are identified by program numbers, which correlate to State function codes. Code 1000, for example, pertains to all instruction-based expenditures. Select State Function Description to get a complete list of program names and numbers.

The “Find Your School Budget” report is the quickest way to get budget information about a particular school. The top of the report contains a search box where you can type in a school name and go directly to that school’s budget.

The School Budget reports also allow you to drill down for more detailed information such as:

- Student enrollment counts
- A school’s budget by account
- A school’s budget by fund source
- The number of teacher and support personnel positions budgeted and staffed at the school

Budget Overview

The 2019 Chicago Public Schools budget is the most stable budget in years, making critical investments in academic priorities such as college-prep work and universal free pre-K for 4-year-olds, along with a \$1 billion budget for needed capital investments in every part of the city. This budget reflects a historic education funding system that takes a major step toward addressing funding inequality for school districts that serve predominantly limited-income students.

Thanks to families, educators, parents and lawmakers who advocated for funding reform, the district is now on much stronger financial ground. CPS has stabilized its finances and with hundreds of millions of dollars in additional resources created through state education funding reform, CPS is able to invest more in schools and students, to support the historic academic progress they have made in recent years.

Stanford University professor Sean Reardon, a leading expert on education equality in the United States, conducted research that shows Chicago's students learn and grow at a faster rate than 96 percent of school districts in the country – including wealthy districts. Reardon found that:

- Chicago's growth rate is higher than 96 percent of all school districts in the United States;
- Among the 100 largest school districts in the country, Chicago has the highest growth rate between third and eighth grade;
- The average Chicago student's test scores improved by roughly six grade-level equivalents in five years' time – 20 percent more growth on average; and
- Each successive 3rd grade cohort is outperforming the cohort that came before it, which shows that students are entering 3rd grade better prepared for success than their predecessors.

These gains came at a time when the State of Illinois had the least equitable funding system in the country, proving that Chicago educators and students are doing remarkable work.

To build on this unprecedented growth, the FY2019 budget increases base school-level funding by more than \$60 million and provides a series of targeted investments at schools with high needs to support our mission of providing every child in every neighborhood with a high-quality education while also operating with a balanced budget that promotes long-term financial stability.

Investing in the CPS Vision

CPS continues to invest in areas that drive student achievement and reflect the values and priorities of the administration as outlined in the 3-Year Vision, which focuses on academic progress, financial stability, and a district-wide commitment to integrity.

To build on the district's record-setting academic progress, CPS is investing \$3.1 billion in school budgets for FY2019 school year, an increase of more than \$60 million compared to the current school year. Through strategic investments to promote more equitable access to high quality resources, communities throughout Chicago will benefit from expanded access to programming like International Baccalaureate (IB) and STEM (Science, Technology, Engineering and Math) programs; expansion of free full-day Pre-K

for four-year-olds; additional resources for at-risk students; and new postsecondary counselors to help high school students prepare for success after graduation.

In FY2019, CPS will increase the Student Based Budgeting (SBB) rate by 2.5 percent to support academic programming and higher teacher salaries. In addition to the SBB rate, CPS is increasing funding for low-income students by 6 percent and creating a special fund to support schools that are experiencing sharp enrollment drops. Together, these investments will provide high quality instructional supports and resources to district schools.

Building for the Future and Investing in High-Quality Learning Environments

The FY2019 budget also includes nearly \$1 billion in capital spending — the largest single-year investment since the Mayor of the City of Chicago became accountable for the performance of CPS. For many students, this will mean new annexes and classrooms. For others, it will mean modernized school buildings that are safe and ready for the new school year. For every student in the city, this will mean access to digital learning tools and a state-of-the-art high school science lab.

21st Century Science Labs

As the first phase of a three-year, \$75 million dollar investment in high school science labs, CPS will be adding, upgrading, or renovating high school science labs in FY2019 to ensure students receive a robust science education that is aligned to the Next Generation Science Standards (NGSS) and prepares them to excel in the 21st Century economy. CPS is finalizing the first group of science lab renovations and has budgeted \$28 million for this initiative in FY2019.

Modern Computing Resources for All Students

To improve access to modern technology in schools throughout Chicago, the district is beginning a 4-year, \$125 million investment that will ensure all schools have the devices and internet connectivity needed for students to engage with the modern educational resources that teachers are choosing to utilize throughout the city.

In FY2019, CPS is allocating \$50 million to support the district's highest-need schools. CPS will provide new equipment to support the use of classroom technology for 12,500 students at 24 schools — many of which lack enough devices for all students or have computers that have reached the end of their useful life. An additional 40 schools will receive new devices and equipment to supplement their current resources, which will reach approximately 22,000 additional students.. School wireless networks will also be upgraded in 66 schools to provide increased capacity for access to online resources. Additionally, district-wide management software will be deployed to provide greater controls of devices within the classroom.

In each of the following three years, CPS will invest \$25 million each year to build on current technology in schools, so that by FY2022 all students are able to access a computer and use modern educational resources under the instruction of a teacher.

A Significant Step Toward Universal Pre-K for Four-Year-Olds

CPS and Mayor Emanuel believe that universal full-day pre-kindergarten has the power to level the playing field for students of all economic backgrounds. To ensure our youngest Chicagoans are prepared for success by the time they arrive in kindergarten, the FY2019 budget includes funding to carry out the first step in Mayor Emanuel's ambitious plan to provide universal, free full-day Pre-K for all 4-year-olds by 2021. This year, CPS will create 180 additional full-day Pre-K classrooms to provide an additional 3,700 children with access to high quality early childhood education.

Research shows that students benefit from accessing high-quality instruction earlier in life, and expanding access to Pre-K will help level the playing field and narrow the achievement gap for Chicago's youngest students.

Once Mayor Emanuel's Pre-K expansion is fully implemented, CPS will have provided students with an additional 3.5 years of classroom time since 2011.

Relieving Overcrowding and Investing in After-School Space

The FY2019 capital plan also includes \$138 million to build new annexes to alleviate overcrowding and provide additional classroom space at Dirksen, Palmer, Rogers and Waters elementary schools. Additionally, CPS is working with community leaders in the Belmont-Cragin community to identify a location for a proposed new elementary school to address overcrowding in the area.

CPS will also invest \$46 million to make critical site improvements to playgrounds, play lots, and turf fields at schools across the city.

To accelerate academic progress in neighborhoods throughout Chicago, CPS is investing \$247 million in building renovations and new construction to address critical academic needs identified by the community at the following schools:

- **McDade, Poe and Decatur**, all classical elementary schools that currently serve students in grades K-6, will expand to serve grades K-8 and receive additions and renovations to support their expanded grade structure. McDade and Decatur will receive additions due to their current space limitations, and Poe, which currently has sufficient space, will be renovated to ensure it effectively supports a K-8 structure.
- **Hancock High School** will receive a new, state-of-the-art school building to ensure that students have access to a high-quality selective enrollment facility on the southwest side.
- **Hyde Park High School** will receive significant building renovations to better support the school's International Baccalaureate program.
- A new **Near West Side High School** will be built to support the growing student population in the area and establish a high quality high school in the community. CPS is working with the community to identify a location for the new school.
- **Prosser Career Academy** will receive a new CTE wing to support Chicago Builds, a 2-year training program in the building trades for 11th and 12th grade students who are interested in pursuing a profitable career in the building trades after high school graduation.

- **Rickover Naval Academy** will relocate to the former Luther North High School facility, pending a final agreement to purchase the facility. In May 2018, the Board of Education approved the purchase of Luther North, which would be renovated and become the new home of Rickover so that the school can accommodate more students and better support their current high quality academics.
- **Senn High School** will be renovated to repurpose the space that Rickover will be vacating so that it can effectively supplement Senn's current space and continue the school's academic growth and ability to attract students.
-

Investments in Academic Excellence

New investments in neighborhood schools will provide more than 5,000 additional students with new opportunities to learn in high-quality academic settings, including IB, STEM, magnet and classical schools in West Englewood, Pilsen, Bronzeville, Gage Park, South Lawndale, West Woodlawn and other communities throughout the city. Specifically:

- More than 1,800 additional students will have access to proven IB programs, on top of the more than 16,000 students who already receive an IB education in the nation's largest IB network;
- Nearly 2,100 additional students will be able to engage with the advanced coursework and professional exposure provided through new Early College STEM programs, building on the five current Early College STEM schools that serve over 3,800 students;
- Through the conversion of three schools into STEM magnet schools, nearly 1,000 additional students will have access to STEM magnet programming, building on the over 6,600 students who currently benefit from these programs; and
- To meet demand for rigorous classical elementary schools, CPS is creating two new classical schools, which will serve more than 350 students next year in entry-grades and grow to serve more than 1,100 students. With the addition of these schools, CPS will be able to provide more than 2,600 students with access to a classical school in 2018-19.

In addition to those significant programming investments, CPS will be adding a team of 10 new postsecondary counselors to support an additional 7,000 students in high needs schools as they create post-secondary plans through *Learn.Plan.Succeed.*, the district's groundbreaking initiative to ensure that all high school graduates have a plan to be successful in the next phase of their life. The new post-secondary counselors will build on the work being done by the new Postsecondary Navigators, who are employees of the City Colleges of Chicago charged with supporting 1,000 students as they create thoughtful postsecondary plans.

Support for At-Risk Students

In addition to investing in high quality academics throughout Chicago, school budgets for the 2018-19 school year include funds to support at-risk students and ensure every child in every school has the resources they need to be successful.

For the first time, CPS has created a Small Schools Fund for schools with low enrollment, some of which have experienced a sharp enrollment decline in recent years. The district is setting aside \$10 million for 129 schools to ensure those students receive a rich academic experience in schools that can continue to retain and attract their students. In some cases, this will allow schools to continue specialized academic programming by retaining teaching staff; in other cases, it will allow schools to continue valuable after-school programs.

In addition to the Small Schools Fund, CPS will provide \$14 million in additional funding for low-income students by raising the rate for Supplemental Aid (formerly Supplemental General State Aid) from \$857 per student to \$910 per student, a 6 percent increase. Research has shown that students from low income households generally require additional resources to be successful, and the increase in funding for these students will help ensure all students have the support they need to reach their full potential.

Finally, CPS is providing \$5 million in supplemental funding to protect schools that would otherwise lose more than 3 percent of SBB funding this year — even if they saw a significant enrollment drop between the fall of 2016 and the fall of 2017. This protection will help ensure that significant enrollment declines do not result in dramatic funding changes at any school.

Improving Efforts to Protect Students

CPS will launch an Office of Student Protections and Title IX, an unprecedented long-term commitment to ensure learning environments are free from sexual violence, harassment, and discrimination. The 20-member team, which will be formed this summer and report to the CEO, will have a mandate to advocate for students and coordinate the district's response to any allegation of abuse. The Office of the Inspector General will investigate allegations of abuse against CPS staff; as the district continues to move forward with these plans, additional announcements about funding and staffing will be made.

In addition, CPS will be re-checking the backgrounds of all current CPS employees, coaches, and volunteers to ensure anyone working with students is evaluated under the district's stringent, centralized background check process.

The district will also implement a public awareness campaign in schools, district offices, and City of Chicago facilities to raise awareness of child abuse and the responsibilities of reporting suspected abuse. This campaign will be developed in the coming months and implemented during the 2018-19 school year, and we will be providing regular updates at cps.edu/protectingstudents.

Ensuring Equity in Access to a High-Quality Education

Equity is a core component of the CPS Vision and in order to sustain the progress that our students have made in the past decade, we must examine our policies and programs to see where inequity exists—whether in resources, staffing, academic supports, social and emotional supports, or access to high quality programs—and take steps to eliminate it. In support of that goal, CPS will establish an Office of Equity that is charged with developing, implementing, and reporting on district efforts to

address the strategic priorities for diversity, equity, and inclusion. We have launched the search for the Chief Equity Officer who will lead this critical work.

We will continue improving our school application program GoCPS to further improve both equity and diversity in our schools. GoCPS was utilized by more than 93 percent of incoming freshman (26,909) in its first year. An overwhelming majority (92 percent, or 24,806) of those students were matched to a school on their application, and 81 percent of those were offered a seat at one of their top three school choices.

Additional Investments for FY2019

In FY2019, we will also invest nearly \$2 million to restructure the network system to better support the unique needs of elementary and high schools. Under the revised structure, which will be in place for the 2018-19 school year, all elementary schools will remain in their current networks, and all high schools will be placed into four new networks that are better designed to support their needs.

To ensure that our schools are clean, positive learning environments for all students, CPS will invest in 200 additional custodians; 100 custodians dedicated to our schools and another 100 to work with us during the summer, preparing classrooms, interior and exterior spaces to provide students with a high-quality learning experience to start the school year beginning in the fall.

Investments are Producing Results

These investments are integral to the academic gains CPS' students have made in a short period of time. CPS is now recognized nationally as a leader in urban education:

- In a landmark study of statewide educational outcomes, the University of Illinois – Chicago found that CPS students are outperforming their peers in every major racial and ethnic group throughout the state. UIC analyzed 15 years of Illinois test score data to make comparisons between subgroups.
- In its academic progress report, CPS reported dramatic improvements since 2011 on key metrics including participation in the arts, math and reading growth, graduation rates, freshman on-track to graduate, attendance, and dropout rates.
- CPS students have achieved a record high graduation rate, with 77.5 percent of students earning a diploma. The graduation rate has steadily risen over the past seven years, growing more than 21 percentage points since 2011 when just over half of CPS students earned a high school diploma.
- According to a University of Chicago's *To and Through Report*, roughly 44 percent of CPS graduates now enroll in a four-year college or university – matching the national college enrollment rate.
- U.S. News and World Report heralded eight CPS high schools among the top ten schools in Illinois including two in the Top 100 nationally in 2018.
- The CPS 2017 graduating class received a record high \$1.24 billion in scholarship offers, an increase of more than \$80 million in scholarship dollars over the previous class year.
- Record rates of student participation and proficiency in Advanced Placement (AP) coursework has increased by over 43 percent since the 2010-11 school year and earned CPS its second

College Board's AP District of the Year Award since 2011. In the 2016-17 school year, the number of students earning a "3" or higher on at least one AP exam nearly doubled.

- In recent years CPS students achieved record scores on the Northwest Evaluation Association Measure of Academic Progress (NWEA-MAP) which measures academic achievement in grades 3-8. In 2017, a record 61.4 percent of students met or exceeded the national testing average in reading and 55.9 percent of students met or exceeded the average in math. For the fifth year in a row, CPS students have outscored national peers in both subjects.
- CPS suspension and expulsion rates have reached record lows for the district. By transitioning from exclusionary disciplinary practices to research based preventative approaches, the district has decreased out of school suspension rates by 76 percent and the expulsion rate has decreased by 59 percent since 2012.
- The Chicago Police Department announced that crime along Safe Passage routes has fallen by nearly one third since the 2012-13 school year. The program provides students with the confidence that they can travel to and from school safely and has improved attendance at the schools served. Crime along Safe Passage routes has declined by 32 percent since 2012, according to CPS crime statistics.

FY2019 Budget Overview

In FY2019, CPS is on a firmer revenue footing after years of chronic underfunding by the state. This is largely thanks to the Illinois General Assembly continuing to expand its financial support of public education by passing a state budget in a timely fashion. Under Public Act 100-586, as part of \$350 million in new education funding statewide, CPS is budgeted to receive \$65 million in added Evidence-Based Model funding and \$18.5 million in early childhood funding in FY2019. The state will also contribute \$239 million in pension support for the annual cost of Chicago teachers' pensions, an increase from prior years and a dramatic improvement in teacher pension equity in Illinois.

The FY2019 revenue budget also anticipates a \$75 million increase in property tax revenues and a \$12 million increase in Personal Property Replacement Taxes (PPRT) revenues. With lower diversions into the debt service fund, this leads to an increase of \$91 million and \$36 million respectively for operating use, as indicated in Table 1. This is spurred by a steady increase of new property in Chicago, as well as a general improvement in the state's business climate.

However, revenue generation will continue to be a significant priority for CPS in the years to come.

- Federal funding is pressured because of declining funding levels from the Trump administration.
- By statute, the State has declared that it intends to ramp up its education funding to fully fund the EBF model. This represents a great stride toward rectifying the historical underfunding of all local education agencies in Illinois. CPS was pleased to see the State live up to its commitment in this fiscal year and expects it will do the same in coming years.
- CPS does not have an unlimited ability to increase its property tax revenues, which are its main source of local revenue. Because of the Property Tax Extension Limitation Law, if federal and state revenues were to slip, increases to CPS' collection of property tax would likely still

be capped at the rate of inflation, which has averaged around 2 percent in the past few years.

Budget Overview Table 1: FY2019 Proposed Operating Budget (Millions)

| | FY2018 Budget | FY2019 Budget | FY2019 vs. FY2018 Budget |
|------------------------------|--------------------------|--------------------------|---|
| Property Tax | \$ 2,808.7 | \$ 2,899.4 | \$ 90.7 |
| Replacement Tax | \$ 90.4 | \$ 126.2 | \$ 35.8 |
| TIF Surplus | \$ 88.3 | \$ 22.3 | \$ (66.0) |
| All Other Local | \$ 181.1 | \$ 214.2 | \$ 33.1 |
| Total Local | \$ 3,168.5 | \$ 3,262.1 | \$ 93.6 |
| State | \$ 1,466.4 | \$ 1,610.2 | \$ 143.8 |
| State Pension Support | \$ 233.0 | \$ 238.9 | \$ 5.9 |
| Federal | \$ 773.0 | \$ 805.4 | \$ 32.4 |
| Investment Income | \$ 1.1 | \$ 5.0 | \$ 3.9 |
| Total Reserves | \$ 57.4 | \$ 62.6 | \$ 5.2 |
| Total Revenue | \$ 5,699.4 | \$ 5,984.2 | \$ 284.8 |
| Total Expenditure | \$ 5,699.4 | \$ 5,984.2 | \$ 284.8 |

For additional details on the FY2019 operating budget please see Appendix II of this chapter, as well as the Revenue Chapter of the Budget Book.

FY2019 Capital Budget Overview

As referenced previously in this chapter, the FY2019 budget for Chicago Public Schools includes a capital budget totaling \$989 million of investments in long-term district priorities, improvements to make sure every high school in the city offers state-of-the-art access to science labs and district-wide access to digital learning tools. Building significantly onto the \$136 million in investments made in the FY2018 capital budget, this proposed plan is the largest single-year capital plan since 1998. To support schools throughout the city, the FY2019 capital plan provides funding in five main areas: critical facility needs, overcrowding relief, educational programs, site improvements, and IT and security upgrades.

Under the leadership of Mayor Rahm Emanuel, CPS and the Board of Education have invested nearly \$4 billion since FY2012 across the city to build new schools, provide playgrounds and air conditioning, improve access to technology with new computers and increased bandwidth, expand academic programs, and make core investments to fix and maintain our facilities. Today, there are nearly \$791 million worth of major capital projects underway at over 185 schools. Each project supports CPS' vision of equitably expanding high-quality academic options for families across the city.

The FY2019 capital budget is funded by proceeds from remaining prior year bond issuances backed by the Capital Improvement Tax (CIT) and state revenues, upcoming bond issuances, and potential outside resources as they become identified. The FY2018 capital budget was funded primarily through bonds issued in November 2017.

For additional details on the sources and uses of the FY2019 capital budget, please see the capital chapter of the Budget Book. Full details on the FY2019 capital budget are available on the interactive capital plan website: www.cps.edu/capitalplan. The site allows users to quickly select projects by school, geographic area, type, and year.

FY2019 Debt Budget Overview

The FY2019 budget includes total appropriations of approximately \$607 million for principal and interest payments on the district's outstanding bonds.

CPS funds its Capital Improvement Program largely through the issuance of bonds. Bonds are debt instruments that are similar to a loan, requiring annual principal and interest payments. In FY2018, due to advocacy from parents, educators and courageous elected officials from Chicago and throughout the state, the State of Illinois approved Public Act 100-465 (PA 100-465). This created a new funding formula for school districts throughout the State, including CPS. The new Evidence-Based Funding (EBF) formula replaces the prior General State Aid (GSA) formula. As a result of PA 100-465 and the EBF Formula, most of the outstanding CPS bonds that were previously repaid from GSA revenues will now be paid by EBF revenues going forward.

CPS' Capital Improvement Program, described in the Capital chapter, funds investments such as school additions and renovations, playgrounds, air conditioning, WiFi networks, and technology devices. The Capital Improvement Program also funds core investments in facilities, such as repairing or replacing infrastructure and mechanical systems. These investments create high-quality learning environments in schools throughout Chicago to support a world-class education for our students.

As of June 30, 2018, the Board of Education has approximately \$8.2 billion of outstanding long-term debt and \$600 million of outstanding short-term debt.

For additional information on the FY2019 Debt budget, please see the Debt chapter of the budget book.

Appendix I: FY2018 Operating Budget Financial Performance

Due largely to the state's payment of prior year categorical grant revenues and spending levels below budget, CPS is estimated to end the year with revenues exceeding expenditures by \$232 million. The end-of-year surplus improves the district's financial position by reducing the need for short-term borrowing.

Appendix I Table 1: FY2018 Year-End Estimates (millions)

| | FY2018 Budget | FY2018 Estimated End of Year | Variance |
|---------------------------------|-------------------|---------------------------------|-------------------|
| REVENUES | | | |
| Property Tax | \$ 2,808.7 | \$ 2,808.7 | \$ - |
| Replacement Tax | \$ 90.4 | \$ 109.8 | \$ 19.4 |
| TIF Surplus | \$ 88.3 | \$ 87.9 | \$ (0.4) |
| All Other Local | \$ 181.1 | \$ 180.1 | \$ (1.0) |
| State | \$ 1,466.4 | \$ 1,615.1 | \$ 148.7 |
| State Pension Support | \$ 233.0 | \$ 233.0 | \$ - |
| Federal | \$ 773.0 | \$ 676.8 | \$ (96.2) |
| Investment Income | \$ 1.1 | \$ 5.6 | \$ 4.5 |
| Total Revenue | \$ 5,642.0 | \$ 5,717.0 | \$ 75.0 |
| EXPENDITURES | | | |
| Salaries | \$ 2,409.3 | \$ 2,498.2 | \$ 88.9 |
| Benefits | \$ 1,400.0 | \$ 1,362.6 | \$ (37.4) |
| Contracts | \$ 1,220.8 | \$ 1,215.4 | \$ (5.4) |
| Contingencies | \$ 302.7 | \$ 21.7 | \$ (281.0) |
| Commodities | \$ 242.8 | \$ 241.1 | \$ (1.7) |
| Transportation | \$ 106.7 | \$ 106.0 | \$ (0.7) |
| Equipment | \$ 17.1 | \$ 40.1 | \$ 23.0 |
| Others | \$ - | \$ - | \$ - |
| Total Expenditure | \$ 5,699.4 | \$ 5,485.1 | \$ (214.3) |
| Revenue (less than) Expenditure | \$ (57.4) | \$ 231.9 | \$ 289.3 |

Revenues

Local Revenue

While second half receipts for property taxes are still pending, the year-end total of property tax revenue is projected to come in close to the originally budgeted amount of \$2.9 billion. Personal Property Replacement Tax (PPRT) revenues are projected to come in \$19 million above budget due to higher than expected statewide receipts of corporate income.

State Revenue

Under the new Evidence-Based Funding (EBF) model, CPS in FY2018 received \$6 million less than originally budgeted in EBF revenues. This was a result of other school districts being further from their

adequacy targets than expected. However, as the state began to catch up on categorical grant payments, CPS received \$157 million of prior year categorical grant revenues in FY2018. This made up for the shortfall in EBF revenue and drove a significant positive variance in state funding in FY2018.

Federal Revenue

Federal revenues received in FY2018 were \$96 million lower than budgeted. A large driver of this was a \$14 million shortfall in Medicaid claims as compared to budget, due to a \$7.5 million prior year rate adjustment and lower than expected fee-for-service reimbursements. Much of the remaining \$82 million of reduced federal revenues was offset by a corresponding reduction in expenditures typically reimbursed with federal funds.

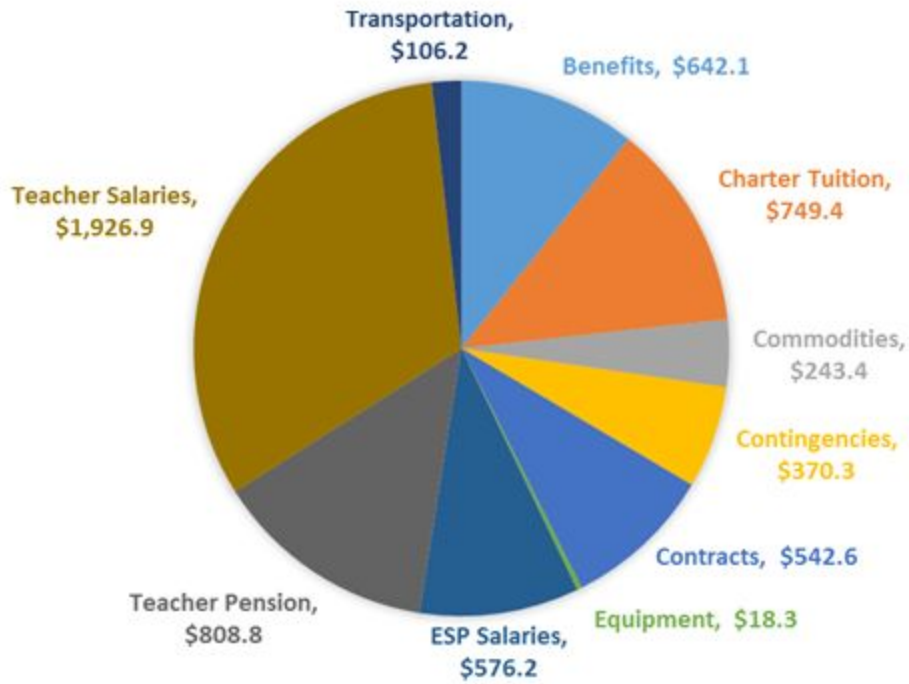
Expenditures

Estimated expenditures are \$214 million lower than the FY2018 budget. This underspend is driven by three main categories: interest expense, grant and school-based contingencies, and healthcare. The decrease in FY2018 interest expense was driven by reduced reliance on short-term borrowing due to better than expected state revenue receipts. As mentioned further below, funds budgeted in contingencies may not spend their full budgeted amount especially in the case where anticipated grant funds are not received. Finally, the district's healthcare expenditures were lower due to less aggressive claims costs growth than anticipated.

Appendix II: FY2018-FY2019 Summary Information

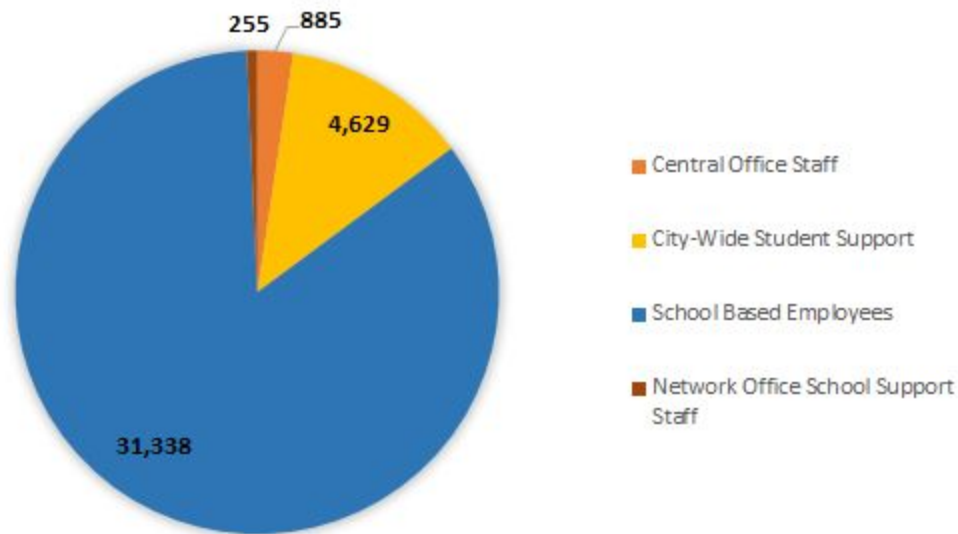
The FY2019 operating budget is approximately \$5.98 billion. 66 percent of the budget is tied to teacher and education support personnel salaries and benefits (including pension costs). Charter tuition makes up nearly 13 percent of the operating budget while commodities (utilities, textbooks, supplies), transportation, contractual services, contingencies, and equipment make up the remaining 21 percent.

Appendix II Chart 1: Budget by Expense Category (millions)



The FY2019 budget includes 37,107 FTE, an increase of 596 FTE from the FY2018 budget. 97% of all positions in the FY2019 budget provide direct support to schools.

Appendix II Chart 2: Of the 37,107 Positions in the FY2019 Budget, 97% Directly Support Schools (FTEs)



Appendix II Table 1: FY2018 Projected Expenditures vs. FY2019 Budget

| | FY2017 Expenditures | FY2018 Projected Expenditures | FY2019 Proposed Budget |
|--------------------|--------------------------------|--|-----------------------------------|
| Salaries | \$ 2,396,974,636 | \$ 2,498,194,479 | \$ 2,503,054,231 |
| Benefits | \$ 1,321,011,088 | \$ 1,362,603,985 | \$ 1,450,893,752 |
| Contracts | \$ 1,154,464,572 | \$ 1,215,413,087 | \$ 1,292,007,640 |
| Commodities | \$ 251,491,543 | \$ 241,094,447 | \$ 243,402,221 |
| Transportation | \$ 95,972,620 | \$ 106,002,311 | \$ 106,176,571 |
| Equipment | \$ 31,975,332 | \$ 40,098,461 | \$ 18,332,592 |
| Others | \$ 4,806,006 | \$ - | \$ - |
| Contingencies | \$ 41,061,843 | \$ 21,741,262 | \$ 370,329,894 |
| Grand Total | \$ 5,297,757,640 | \$ 5,485,148,032 | \$ 5,984,196,901 |

Salaries and Benefits. 70 percent of FY2018 operating expenditures were on employee salaries and benefits. The increase from FY2018 to the FY2019 salary budget reflects a combination of factors. Vacancy savings from positions unfilled during the course of FY2018 caused a reduction in FY2018 spending, but this is partially offset by the addition of positions to the FY2019 budget. Additionally funds that are held in contingency often get transferred and spent on salary and benefits during the year (see contingencies below for additional detail) which accounts for the relatively low increase from FY2018 spending to FY2019 budget. Finally, the transition to an outsourced facilities management model also shifts over \$25 million from salary spend to contract spend as employees transition to vendor management. Additional benefit spending in FY2019 reflects increased pension contributions and healthcare costs.

Contracts. This category includes tuition for charter schools and private therapeutic schools and payments for clinicians - such as physical therapists and nurses - that are not CPS staff. This category also includes early childhood education programs provided by community partners, and programs such as Safe Passage. In addition, this category includes repair contracts, legal services, waste removal, janitorial services, engineering, and other services. The increase from the FY2018 Budget is due to the shift to outsourced facilities management services.

Commodities. Commodities include spending on items such as food and utilities (which make up the largest share), as well as instructional supplies such as textbooks, software, and other supplies, such as postage and paper. The increase from FY2018 spend is due to utilities cost increases.

Equipment. Equipment pays for the cost of furniture, computers, and similar other non-consumable items. The equipment budget is down from FY2018 spending as schools transfer funds into the equipment account for purchases throughout the school year.

Transportation. The cost of bus service is the vast majority of the Transportation budget, but it also includes costs for CTA passes and reimbursement that the district is legally required to provide. The FY2019 budget for transportation is relatively flat as compared to FY2018 expenditures, due to the continual implementation of route optimizations.

Contingencies. This account type includes three categories of spending. The first category represents funding that has been budgeted but not yet allocated to specific accounts or units where it will eventually be spent. Under the SBB system, schools are not required to allocate all of their funds, but can hold some in contingency while they determine how they want to spend it. Similarly, the district holds grant funds in contingency, particularly if the grant is not yet confirmed. Spending should rarely take place from contingency accounts, which is why the budget is significantly higher than the actual expenditures.

Revenue

After years of chronic underfunding by the state, CPS finds itself on significantly firmer revenue footing in FY2019. With the Illinois General Assembly having passed a state budget that includes \$350 million of expanded financial support for public education as part of Public Act 100-586, CPS is budgeted to receive \$65 million in added Evidence-Based Funding (EBF) model revenue, and \$18.5 million in early childhood funding. Additionally, CPS is expecting \$239 million in pension support from the state — which is an increase from prior years and a dramatic improvement in teacher pension equity in Illinois.

The FY2019 revenue budget also includes a \$75 million increase in property tax revenues and a \$12 million increase in Personal Property Replacement Taxes (PPRT) revenues. With lower diversions into the debt service fund, this leads to an increase of \$91 million and \$36 million respectively for operating use, as indicated in Table 3. This is spurred by a steady increase of new property in Chicago, as well as a general improvement in the state’s business climate.

However, revenue generation will continue to be a significant priority for CPS in the years to come.

- Federal funding is pressured because of declining funding levels from the Trump administration.
- By statute, the State has declared that it intends to ramp up its education funding to fully fund the EBF model. This represents a great stride toward rectifying the historical underfunding of all local education agencies in Illinois. CPS was pleased to see the State live up to its commitment in this fiscal year and expects it will do the same in coming years.
- CPS does not have an unlimited ability to increase its property tax revenues, which are its main source of local revenue. Because of the Property Tax Extension Limitation Law, if federal and state revenues were to slip, increases to CPS’ collection of property tax would likely still be capped at the rate of inflation, which has averaged around 2 percent in the past few years.

Table 1: All Funds by Revenue Source (\$ in millions)

| | FY18 Budget | FY18 Projected End of Year | FY19 Budget | FY19 vs. FY18 Budget |
|-----------------------|------------------|----------------------------|------------------|----------------------|
| Local Revenues | | | | |
| Property Tax | \$2,909.4 | \$2,909.4 | \$2,984.3 | \$74.9 |
| Replacement Tax | \$148.7 | \$168.1 | \$161.1 | \$12.4 |
| Other Local | \$414.6 | \$388.3 | \$381.6 | -\$33.0 |
| Total Local | \$3,472.7 | \$3,465.8 | \$3,527.0 | \$54.3 |
| State Revenues | | | | |
| EBF | \$1,546.2 | \$1,540.3 | \$1,646.3 | \$100.1 |
| Capital | \$13.3 | \$13.3 | \$13.3 | \$0.0 |
| Other State | \$521.0 | \$631.9 | \$532.8 | \$11.8 |
| Total State | \$2,080.5 | \$2,185.5 | \$2,192.4 | \$111.9 |

| | | | | |
|--------------------------|-----------|-----------|-----------|---------|
| | | | | |
| Federal | \$813.4 | \$720.7 | \$836.7 | \$23.3 |
| | | | | |
| Investment Income | \$1.1 | \$5.6 | \$5.0 | \$3.9 |
| | | | | |
| Total Revenue | \$6,367.7 | \$6,377.6 | \$6,561.1 | \$193.4 |

Table 2 illustrates how CPS revenues are distributed into operating, debt service, and capital funds. While FY2019 total revenues are \$6.6 billion, only \$5.9 billion are available for operations.

Table 2: FY2019 Revenue Sources Allocated for Debt, Capital, and Operating Funds (\$ in millions)

| | Total | Amount for Debt Service | Amount for Capital | Balance for Operating Budget |
|--------------------------|--------------|--------------------------------|---------------------------|-------------------------------------|
| Local Revenues | | | | |
| Property Tax | \$2,984.3 | \$81.2 | \$3.7 | \$2,899.4 |
| Replacement Tax | \$161.1 | \$34.9 | \$0.0 | \$126.2 |
| Other Local | \$381.6 | \$112.5 | \$32.7 | \$236.5 |
| Total Local | \$3,527.0 | \$228.6 | \$36.4 | \$3,262.1 |
| | | | | |
| State Revenues | | | | |
| EBF | \$1,646.3 | \$328.0 | \$0.0 | \$1,318.3 |
| Capital | \$13.3 | \$0.0 | \$13.3 | \$0.0 |
| Other State | \$532.8 | \$0.0 | \$2.0 | \$530.8 |
| Total State | \$2,192.4 | \$328.0 | \$15.3 | \$1,849.1 |
| | | | | |
| Federal | \$836.7 | \$24.7 | \$6.6 | \$805.4 |
| | | | | |
| Investment Income | \$5.0 | \$0.0 | \$0.0 | \$5.0 |
| | | | | |
| Total Revenue | \$6,561.1 | \$581.3 | \$58.3 | \$5,921.6 |

Revenue Projections

This section summarizes the district's major revenue sources and its projected FY2019 revenue from each source. Additional details about each revenue sources is provided in the Interactive Budget on the

CPS budget website: www.cps.edu/budget.

FY2019 operating revenues are budgeted at \$5.9 billion, an increase of \$280 million from our FY2018 budget and \$205 million more than our FY2018 estimated end-of-year operating revenues.

Table 3: FY2019 Operating Revenues (\$ in millions)

| | FY18 Budget | FY18 Estimated End of Year | Variance Estimated vs Budget | FY19 Budget | FY19 vs. FY18 Budget |
|------------------------------|------------------------|---|---|------------------------|---------------------------------|
| Property Tax | 2,808.7 | 2,808.7 | 0.0 | 2,899.4 | 90.7 |
| Replacement Tax | 90.4 | 109.8 | 19.4 | 126.2 | 35.8 |
| TIF Surplus | 88.3 | 87.9 | -0.4 | 22.3 | -66.0 |
| All Other Local | 181.1 | 180.1 | -1.0 | 214.2 | 33.1 |
| Total Local | 3,168.5 | 3,186.6 | 18.1 | 3,262.1 | 93.6 |
| State | 1,466.4 | 1,615.1 | 148.7 | 1,610.2 | 143.8 |
| State Pension Support | 233.0 | 233.0 | 0.0 | 238.9 | 5.9 |
| Federal | 773.0 | 676.8 | -96.2 | 805.4 | 32.4 |
| Investment Income | 1.1 | 5.6 | 4.5 | 5.0 | 3.9 |
| Total Revenue | 5,642.0 | 5,717.1 | 75.1 | 5,921.6 | 279.6 |

Local Revenues

Property Taxes

Property tax revenue — CPS' largest revenue source — is projected to be \$2,984 million in FY2019. Of this total, \$81 million is dedicated for debt service and \$4 million is restricted for capital use, resulting in a total of \$2,899 million available for operating purposes, which includes the district's pension costs. This is an increase in operating revenue of \$91 million over the FY2018 budget. This increase includes \$50 million from FY2018's 2.1 percent rate of inflation, on existing and new property. Property value growth contributes \$24 million in increased education levy revenues over FY2018 and another \$15 million in the Chicago Teachers Pension Fund levy. There is also an assumed \$2 million worth of revenue growth from the Transit Tax Increment Financing (TIF) that was created in FY2018. The amount of debt service backed by property taxes has gone down by \$14 million compared to FY2018 because of the end of the levy backed by the issuance of Public Building Commission (PBC) bonds.

CPS is one of several school districts in Illinois whose ability to levy local property taxes is limited by the Property Tax Extension Limitation Law (PTELL). This law stipulates that the increases in property tax extensions within a district are limited to the lesser of five percent, or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year. New construction falls outside this extension limit and is taxed at the rate permitted by the allowable extension increase under PTELL on existing property.

The CPI increase for 2018 property tax extensions (levied in 2017) held steady at 2.1 percent, the highest CPI increase since 2011 and in line with the average annual CPI growth over the last two decades.[1] As a result, the increase in extensions on existing property for FY2019 will be modest, in line with the increase in FY2018. This sustained recent low growth in property tax revenues has placed greater pressure on our other major revenue sources in recent years. Property tax revenues now make up less than half of the district's total revenue. Without the reinstatement of the pension levy in FY2017, which Mayor Emanuel sought in Springfield, the pressure on other funding sources would be even greater.

Like other government bodies, CPS has a 60-day revenue recognition period. This allows the district to recognize FY2018-budgeted revenues received prior to August 29, 2018 as FY2018 revenues, and shifts our fiscal year revenues to be in line with the year in which property taxes are collected.

Personal Property Replacement Taxes (PPRT)

PPRT revenue is budgeted to increase from \$149 million in FY2018 to \$161 million in FY2019, largely due to an improving business climate in Illinois. This figure includes \$35 million set aside for debt service and leaves \$126 million for operating purposes, which is \$36 million higher than FY2018. Debt costs are lower in FY2019 compared to FY2018 by \$23 million, decreasing the diversion of PPRT revenues away from district operating funds.

Replacement taxes "replace" money that was lost by local governments when their powers to impose personal property taxes on corporations, partnerships, and other business entities were taken away by state legislation in the 1970s. The tax is currently imposed at a rate of 2.5 percent of federal taxable income for corporations, and 1.5 percent of federal taxable income for partnerships, trusts, and subchapter S corporations.

The state collects and then distributes PPRT to local taxing districts. Taxing districts in Cook County receive 51.7 percent of collections, which is divided among the county's taxing bodies based on each district's share of personal property collections in 1976. CPS receives 27.1 percent of the total Cook County share, which is equivalent to 14.0 percent of the statewide total.

The PPRT includes an additional state income tax on corporations and partnerships, a tax on businesses that sell gas or water, a 0.5 percent fee on all gross charges for telecommunications services excluding wireless services, and a per-kilowatt tax on electricity distributors. The primary driver of PPRT is corporate income tax receipts, which are closely tied to corporate profits.

Corporate profits have steadily improved since the end of calendar year 2015 in a climate of generally improving economic performance throughout the state and the country, thereby increasing gross corporate income tax receipts collected by the state of Illinois.

A portion of the state's total corporate income taxes are first deposited into a Refund Fund to pay business income tax refunds. The size of that portion is determined by the Illinois Department of Revenue (IDOR), based on the size of revenues and business demand for refunds. In FY2018, that refund rate was 17.5 percent of all corporate income tax collections, leaving the remaining 82.5 percent that is largely disbursed to local governments. This budget assumes that the refund rate will decline to 15.5 percent for FY2019, as the state cites a lower than expected demand for refunds by businesses. This ensures that local governments including CPS receive a greater proportion of all statewide

corporate income tax revenues.

TIF Surplus and Other Local Resources

CPS has received more than \$1.3 billion in TIF funds for capital investments in schools throughout the city over the past decade. From FY2017 to FY2019 alone, there will have been a total of \$26.1 million in TIF-funded projects for renovations and improvements in eight CPS schools. \$18 million of TIF money will be spent on five school projects in FY2019.

On top of capital expenditures on schools, Mayor Emanuel is also committed to declaring a surplus of TIF funds each year. In July 2015, the Mayor announced a freeze on new spending in downtown TIF districts, which created an estimated \$250 million in additional TIF surplus over five years. In FY2019, CPS is anticipating that TIF surplus revenues will decrease to a more normal level of \$22 million.

“All other local” revenue includes the pension payment made by the City of Chicago on behalf of CPS employees to the Municipal Employees’ Annuity and Benefit Fund of Chicago (MEABF), and is estimated to be \$52 million in FY2019. It is recorded as revenue as required by the Governmental Accounting Standards Board (GASB).

Local Contributions to Capital

FY2019 local contributions to capital projects are expected to be \$32.5 million. This includes \$18 million in TIF-related project reimbursements and \$14.5 million from other local funding sources.

State Revenue

CPS is now in the second year of the statewide Evidence Based Funding (EBF) formula, the successor to General State Aid (GSA) that was enacted in FY2018 as Public Act 100-465 after the Illinois General Assembly passed Senate Bill 1947 in August 2017. In the first year since its passage, by restoring some of the funding that high-need districts like CPS have lost over the past several years, EBF has righted some of the inequities that has been a consistent feature of education funding in Illinois.

For decades, GSA was based on the concept that the state would make up the difference between a local school district’s ability to raise local revenue (primarily from property taxes and PPRT) and a predetermined per-student “foundation level”. That system was designed to ensure that each school district received at least a minimum level of funding per student.

However, from 2010 onwards, the state held the “foundation level” constant at \$6,119, and statewide appropriations for education funding failed even to meet that low level, resulting in the state deciding to “prorate” GSA distributions at a fraction of what they should have been. This deeply entrenched inequities in education funding throughout Illinois. As a result of underfunding and the proration of GSA, CPS was shorted by more than \$500 million that it should have been statutorily guaranteed since 2010.

In addition to the lost revenue CPS has experienced via GSA proration, charter schools that are approved by the Illinois State Charter Commission receive funding directly from the state. This state funding is deducted from what CPS would otherwise receive for state aid. This diversion under GSA continues under EBF. In FY2018, there were five state-approved charter schools, which diverted a total of \$29 million in EBF away from the district. The magnitude of that diversion is likely to decrease in

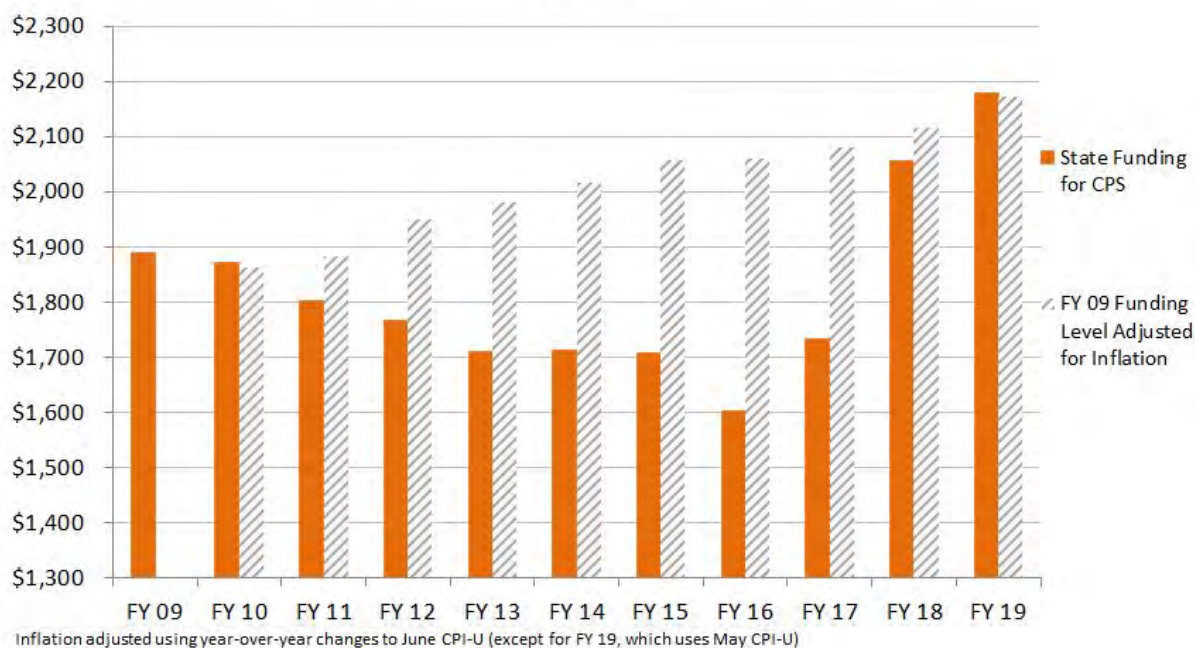
FY2019 with lowered enrollment in state-approved charter schools, largely because of Amandla Charter School's voluntary closure at the end of School Year 2017-2018.

Under the new system of EBF, districts are no longer simply allocated money up to a per-student foundation level. Instead, they are separated into four tiers, based on the percentage of an Adequacy Target that a school district is able to fulfill with local resources that fiscal year. Adequacy Targets are determined by how much it would cost to provide each student in Illinois with core investments, with added weight based on whether the student is low-income, an English Learner, and/or requires special education interventions. A Regionalization Factor is included to adjust for regional variations in employee salaries throughout the state. In addition, the EBF formula addresses long-standing pension inequities by ensuring that the state picks up the CPS teacher normal pension cost, estimated at \$227 million in FY2019.

Tier 1 school districts receive the most newly appropriated "tier-funded" dollars as part of this FY2018 switch to the new EBF school funding formula. In FY2018, Tier 1 districts are those whose local resources make up less than 64% of their Adequacy Targets. Per ISBE, CPS' local effort was enough to raise 62.91% of its Adequacy Target, and CPS is therefore considered a Tier 1 school district, among the least adequately locally funded in the state.

EBF was also designed to replace four other existing grants: (1) Funding for Children Requiring Special Education, (2) Special Education Personnel, (3) Special Education Summer School, and (4) Bilingual Education. By rolling more state funding into a means-tested formula, and by forcing more dollars through that formula to districts with high numbers of English Learners and low-income students, EBF begins to correct the errors of the previous GSA formula.

Chart 1: FY2019 - State Funding Continues to Grow, Catching Up to FY 2009 levels after inflation
State Funding for CPS; GSA/EBM, Block Grants, Bilingual, and Pensions
(\$ in millions)



State Funding Source Details

In FY2018, EBF provided CPS with an extra \$470 million in budgeted state aid revenue, CPS’ main source of state operating revenue. Under EBF, CPS was budgeted to receive \$1,530 million in FY2018, of which \$323 million was earmarked for debt service. This partially makes up for the years of underfunding under GSA, where the district had up to 20% of statewide enrollment but only 15% of state funding, even though its students required greater funding than the statewide average.

Under Public Act 100-586, the FY2019 Illinois state budget — that was passed by the Illinois General Assembly on May 31, 2018 and signed by the Governor on June 4, 2018 — continued to make up for lost years of funding by appropriating an additional \$350 million in new statewide EBF dollars and \$50 million in new statewide early childhood funding.

In FY2019, this new money in the statewide budget will translate to \$65 million more in EBF tier funding for CPS and another \$18.5 million more in early childhood funding. In FY2018, new money distributed on a tier basis only started flowing to school districts in April, with the Illinois School Board of Education requiring several months to process final calculations.[2] In comparison, the \$65 million in new tier money is scheduled to begin flowing to CPS in the first payment of FY2019.

The state has many different mechanisms for funding education in Illinois. Besides EBF, state funding also comes in the form of pension contributions, categorical grants, block grants, and other sources. In FY2019, state education funding is estimated to total \$13.1 billion statewide. CPS estimates receiving a total of \$2.2 billion in state funds in FY2019.

Categorical Grants

Prior to Public Act 100-465's passage, CPS received two block grants: the General Education Block Grant and Educational Services Block Grant. The grant amounts were computed by multiplying the state appropriation for the programs included in the grant by the Board's percentage share of those programs in FY95. The General Education Block Grant consisted of grants for early childhood education, truants alternative optional education program (TAOEP), and agricultural education. The Educational Services Block Grant consisted of grants for special education, state free and reduced meals, and pupil transportation.

Public Act 100-465 rolled four grants into the EBF funding formula, and left nine of the grants outside of the EBF formula. Instead of receiving a statutorily-defined percentage of total appropriation on eight of these grants, CPS will have to submit claims like all other districts.

The early childhood block grant remains unchanged from GSA. CPS will receive a pre-defined 37% of total state appropriation of the grant. In FY2019, the state appropriated an added \$50 million to the statewide early childhood block grant, meaning CPS will have an extra \$18.5 million in budgeted revenue to fund its early childhood Pre-K programs.

The district expects that all other grant revenues will stay constant at FY2018 budgeted levels, as CPS' claims are largely expected to stay the same. (The bilingual grant is an exception because it is fully folded into the EBF formula as of FY2019.) The added amount in EBF disbursements is the same as what it would otherwise have been as a separate grant, hence effectively holding bilingual funding harmless from FY2018.

State Contribution for Capital

The FY2019 budget includes \$15.3 million in State contributions for capital projects. This contribution is comprised of \$13.3 million in gaming revenue to support construction of new schools, \$1 million in other State grants, \$0.8 million from Illinois Green Infrastructure Grants, and \$0.3 million funded through state environmental fines.

Federal Revenues

Most federal grants require the Board to provide supplemental educational services for children from low-income or non-English speaking families, or for neglected and delinquent children from preschool through 12th grade. These grants are dedicated to specific purposes and cannot supplant local programs. Medicaid reimbursement and Impact Aid are the only federal funding that is without any restriction.

Every Student Succeeds Act (ESSA) (previously known to as No Child Left Behind)

- **Title I-A – Low Income:** Allocated based on a district's poverty count, this is the largest grant received under the ESSA. The grant allows the district to provide supplemental programs to improve the academic achievement of low-income students. For FY2019, CPS estimates that Title I will be received at \$231 million. This includes an anticipated reduction of \$2 million in the formula-based Title I grant from FY2018 to FY2019. The anticipated total grant award for FY2019 is \$251 million, which includes allowable carryover of \$20 million from the previous year.
- **Title I-A - II Empower:** This grant is a statewide system of differentiated supports and accountability to improve student learning, purposely designed to develop capacity to meet

student needs. As of FY2019, Title I-A - II Empower is to replace the Title I-A - School Improvement Grant 1003(a). CPS anticipates a multi-million dollar program that has not been approved to date. CPS has set-aside a sufficient amount within its revenue assumptions to compensate for the reimbursable program.

- **Title I-A – School Improvement Grants 1003(g):** School Improvement Grants help ensure that all students have reading and math skills at grade level. The total amount available for FY2019 is estimated at \$4.4 million under these grants. A reduction of \$600 thousand in funding from FY2018 is due to no new grants being awarded and grant expiration in FY2019.
- **Title I-D – Neglected/Delinquent:** This grant targets the educational services for neglected or delinquent children and youth in local and state institutions to assist them in attaining state academic achievement standards. Programs include academic tutoring, counseling, and other curricular activities. The anticipated allocation and carryover for FY2019 will stay level at \$2.2 million.
- **Title II-A – Improving Teacher Quality:** Class size reduction, recruitment and training, mentoring, and other support services to improve teacher quality are funded through this grant. Due to the Federal funding model, CPS is anticipating a reduction of \$10 million from FY2018 to FY2019. CPS anticipates a total of \$21 million to be awarded for the FY2019 Title II-A grant, which includes a current award of \$19.4 million and an estimated \$1.6 million in carryover from the previous year.
- **Title III-A – Language Acquisition:** Funding is provided to support students with limited English proficiency who meet eligibility requirements. The total funding available for the Language Acquisition grant will stay level at \$12 million for FY2019, which comprises the estimated current-year allocation of \$7 million and carryover of \$5 million.
- **Title IV-A – Student Support and Academic Enrichment Grants:** Funding is provided to increase the capacity of states, local educational agencies, schools, and local communities to provide all students with access to a well-rounded education, improve school conditions for student learning, and provide technology in order to improve the academic achievement and digital literacy of all students. CPS anticipates a total of \$13 million to be awarded for the FY2019 Title IV-A grant.
- **Title IV-B – 21st Century Community Learning Centers:** These grants provide opportunities for communities to establish schools as community learning centers and provide activities during after-school and evening hours. For FY2019, CPS estimates grant awards of \$6.9 million, which includes an increase of \$3.9 million from FY2018.
- **Title VII-A – Indian Education:** Funds from this grant are used to meet educational and culturally-related academic needs of American Indian and Alaska Native students. Funds are expected to increase from \$204,142 to \$210,023 for FY2019.

Individuals with Disabilities Education Act (IDEA)

IDEA grants provide supplemental funds for special education and related services to all children with disabilities from ages 3 through 21.

The IDEA grants include a number of programs.

- **IDEA Part B Flow-Through:** This is the largest IDEA grant, which is allocated based on a formula established by the state. The estimated award for the FY2019 totals \$98.6 million, which includes \$5 million in carryover funding from FY2018.
- **IDEA Room & Board:** This grant provides room and board reimbursement for students attending facilities outside of Chicago and is estimated at \$2.5 million.
- **Part B Preschool:** This grant offers both formula and competitive grants for special education

programs for children ages 3-5 with disabilities. CPS is expected to stay level at \$1.4 million from the formula grant and \$489,250 from a competitive grant for FY2019.

Including small competitive grants and carryover from the previous year in the preschool grant, total IDEA funding equals \$103 million in FY2019.

National School Lunch Program & Child and Adult Care Food Program

CPS offers breakfast, lunch, after school supper, after school snacks, Saturday breakfast and lunch, and Head Start snacks for afternoon classes during the school year. The district also serves breakfast and lunch during summer school.

Starting in 2012, CPS opted to participate in the Community Eligibility Provision program. All schools now are part of this program, which provides all students a free lunch regardless of income eligibility. CPS is reimbursed for all lunch meals at the maximum free reimbursement rate under the National School Lunch Program.

CPS' school breakfast programs provide breakfast in the classroom free of charge to all students regardless of income.

In addition, the USDA reimburses for free after school supper and free Head Start snacks under the Child and Adult Care Food Program. The nutrition department also takes advantage of the donated commodities program.

Federal reimbursements are projected to decrease from \$203 million in FY2018 to \$200 million in FY2019 due to a decrease in enrollment. These revenues include:

- \$131 million from school lunches
- \$48 million from breakfast programs
- \$13 million of donated food from the U.S. Department of Agriculture
- \$8 million of after school meals and Head Start snacks

Medicaid Reimbursement

Local education agencies are required to provide, at no cost to parents, special education and related services as delineated in the Individualized Education Program (IEP) or Individualized Family Service Plan (IFSP). Medicaid provides reimbursement for both the:

- Delivery of covered direct medical services provided to eligible children who have disabilities in accordance with IDEA, and the
- cost of specific administrative activities, including outreach activities designed to ensure that students have access to Medicaid covered programs and services.

Covered related services that can be billed to Medicaid include audiology, developmental assessments, medical equipment, medical services, medical supplies, nursing services, occupational therapy, physical therapy, psychological services, school health aide, social work, speech/language pathology, and transportation. When these services are provided under a child's IEP and that child is enrolled in Medicaid, the services are eligible for federal Medicaid reimbursement at the state's reimbursement rate, approximately half of the established cost to provide the service.

Medicaid revenues in FY2019 are expected to be \$35 million. Historically, Medicaid revenues have been

negatively impacted by prior year rate adjustments, lowered indirect cost rates, and lower bill rates. However, the FY2019 Medicaid revenues will be strengthened by new revenue retention initiatives focused on improving time capture, maximizing the claiming/billing process, and ensuring all claimable costs are reimbursed.

Other Federal Grants

Other Federal Grants include competitive grants for other specific purposes. Below is a brief description of major grants under this category:

- **Head Start:** The United States Department of Health and Human Services provides funds for the Head Start program, which focuses on educating children from birth to five years old who are in low-income families. The program provides comprehensive education, health, nutrition, and parent involvement services to these children. CPS Head Start programs are funded through the City of Chicago. CPS anticipates receiving \$36 million for the FY2019 Head Start program to serve all eligible enrolled students. In FY2018, Head Start funding to serve all eligible students was \$41 million. Head Start funds are allocated annually for the program period 12/01 - 11/30.
- **Carl D. Perkins:** This grant was established to develop academic and technical skills for career opportunities, specific job training, and occupational retraining. This grant targets students in secondary and postsecondary education. The FY2019 Perkins formula grant is anticipated to be \$6.1 million as compared to \$6.2 million in FY2018. In addition, the FY2019 budget includes an estimated rollover of \$648,246.
- **E-Rate:** The Federal Communications Commission provides funding through its E-rate program to discount the cost of telecommunications, Internet access and internal connections for schools and libraries across the country. In FY2019, CPS estimates receiving \$15.9 million of Federal E-rate money to reimburse IT projects.

Federal Contribution for Capital

The Federal contributions for capital projects is flat to FY2018 and includes a total of \$6.6 million in Federal E-rate funding for upgrades to the district's IT infrastructure.

Federal Interest Subsidy under Qualified School Construction Bonds (QSCBs) and Build America Bonds (BABs)

In FY2019, CPS has budgeted to receive a direct federal subsidy payment of \$25 million for these two types of federally-subsidized bonds. This amount takes into consideration an allowance assumption of 7.5% for federal sequestration and has not changed from our FY2018 assumptions. See the Debt Management chapter for more information.

[1] <http://www.revenue.state.il.us/localgovernment/propertytax/cpihistory.pdf>

[2] https://www.isbe.net/Documents/EBFF_Passing_Release.pdf

Pensions

Teachers and other employees have worked hard for their pensions, and the district's priority is to protect employee benefits while preserving investments in schools to continue the academic progress our students have made.

For many years, pensions have been the single largest driver of the district's structural deficit, as CPS teachers are part of the Chicago Teachers' Pension Fund (CTPF), which historically has been funded entirely by Chicago taxpayers with little support — until recently — from the state. At the same time, Chicago taxpayers also help support the Teachers' Retirement System (TRS), which is the pension fund for teachers outside of CPS. This has meant that Chicago taxpayers supported their own teachers' pension fund, as well as and paid into the state teachers fund.

As part of education funding reform, the state has begun to address this long standing inequity. In the near-term, the state has begun paying for the normal cost of CPS teacher pensions, and in the long-term this will deliver full pension equity for CPS. To address the remaining near-term costs borne by CPS, the state reinstated a CPS teacher pension property tax levy in FY2017, which dedicates additional Chicago property tax dollars to the Chicago Teacher Pension Fund.

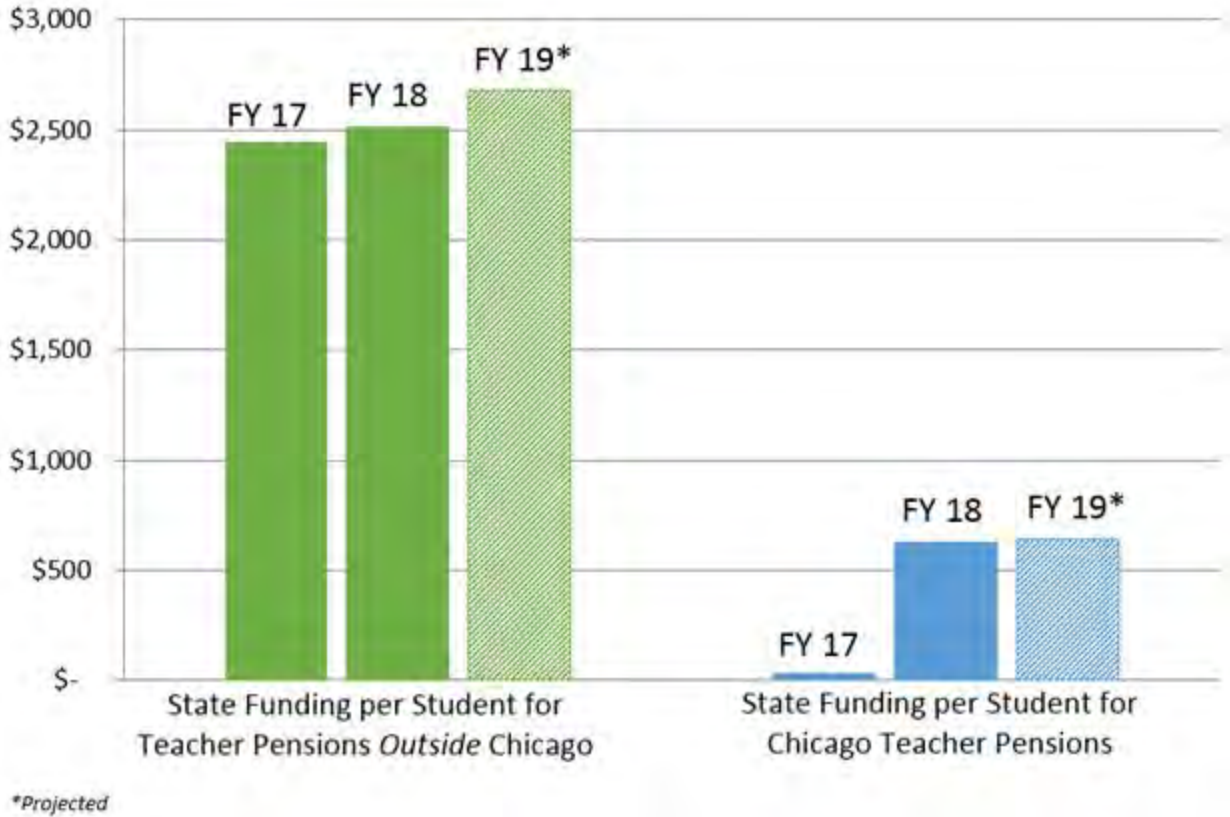
CPS Teacher Pension Burden Remains Large, But Has Improved in Recent Years

The passage of state education funding reform has begun to address a pension system that for many years placed CPS in a uniquely difficult financial situation.

Even though both CPTF and TRS are governed by state statute, there has been a vast difference in how pensions are funded. The state picking up CPS teacher pension normal cost relieves CPS of approximately 28% of its annual teacher pension contribution, while nearly 100% of teacher pensions outside of Chicago are paid for by the state.

In FY2018, the state made a \$4.1 billion contribution to TRS. This amounts to a pension contribution for downstate and suburban school districts of \$2,512 per student, while CPS received \$623 per student (Chart 1). Those amounts are expected to grow to \$2,683 and \$639, respectively, in FY2019.

Chart 1: State Per-Pupil Contribution Disparity for Teacher Pension Funds



CPS’ Pension Contribution Requirements

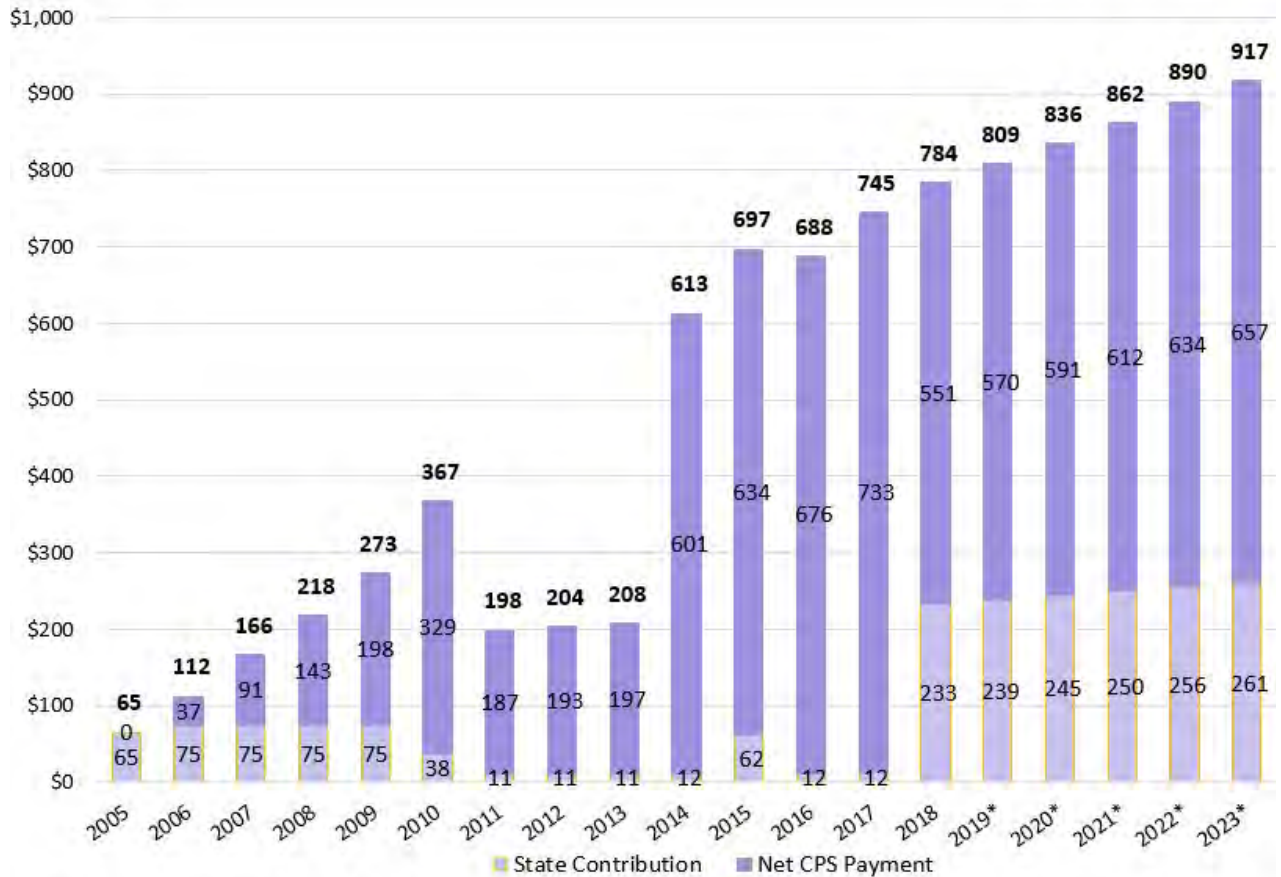
Teachers and other employees with teaching certificates (e.g., principals) who work at CPS participate in the CTPF.

CPS is required to make an annual contribution to CTPF, based on an actuarial calculation sufficient to bring to 90 percent the “funded ratio” of actuarial assets to liabilities by 2059. By statute, CPS is also allowed to offset its contribution by the amount of any state funding contributed to the pension fund.

In FY2018, CPS contributed \$551 million for Chicago pensions out of its own resources, with the state picking up the other \$233 million. Of the \$233 million in state funding, \$221 million is for CTPF normal cost and \$12 million is for “additional” state contributions. These “additional” State contributions are statutorily-required to offset the portion of the cost of benefit increases enacted under Public Act 90-0582, and are calculated as 0.544% of the Fund’s total teacher payroll.

The \$551 million contribution represents a 25% reduction over CPS’ required FY2017 contribution of \$733 million. In FY2019, CPS is required to pay \$570 million of the total \$809 million employer contribution, with the state paying the other \$239 million.

Chart 2: CPS' Required Employer Contributions to CTPF Grows Dramatically; EBF Formula Needs Annual Funding Increases to Close Remaining Pension Equity Gap (\$ in millions)



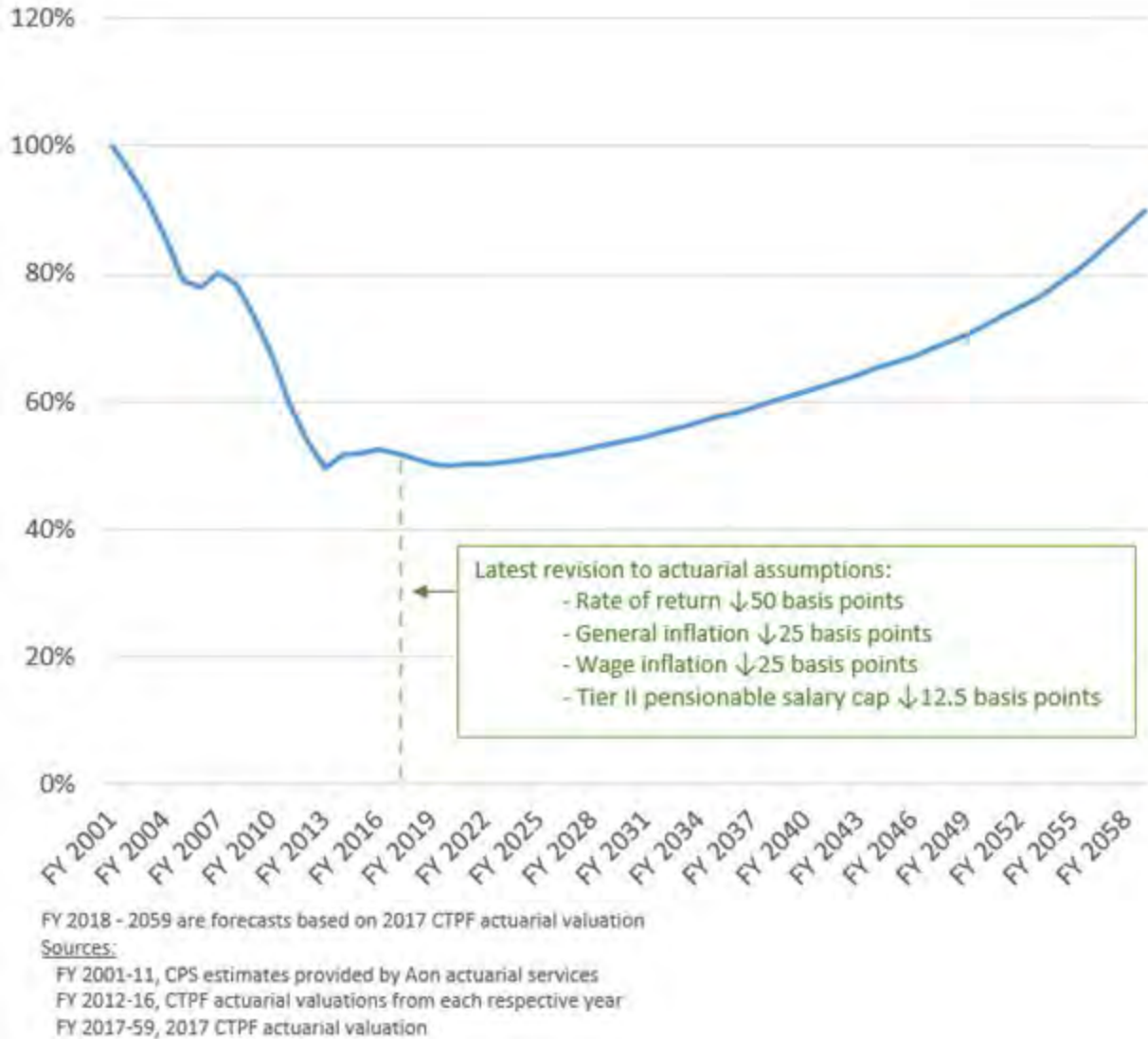
* Forecast based on CTPF 2017 actuarial valuation

At the individual level, employees covered by CTPF also are required by statute to contribute 9 percent of their salary to pensions (“employee contribution”). However, from 1981 through 2017, CPS paid 7 of the 9 percent for a total of \$127 million budgeted in FY2017 for participants in CTPF, in addition to its own employer contribution. Under the 2015-19 Collective Bargaining Agreement with the Chicago Teachers’ Union, CPS no longer pays 7 percent for employees hired on or after January 1, 2017.

Decline in Funded Ratio Led to Increased CPS Contributions

Up until June 30, 2001, CTPF had a funded ratio of 100 percent, and according to state law, CPS did not have to make an employer contribution. By June 30, 2004, the funded ratio had dropped to 86 percent, below a 90 percent threshold, and therefore CPS was statutorily required, beginning in FY2006, to make employer contributions.

Chart 3: CTPF Funded Ratio Has Generally Decreased Since Late '90's, Bottoming Out in FY 2013.
Funding Ratio of CTPF (Actuarial Value of Assets)



For the FY2017 CTPF valuation, the fund — in conjunction with a new fund actuary and the fund’s regular assumptions review schedule — made a series of changes which negatively impacted the funded ratio and UAAL. Those changes were:

- Reduction in assumed rate of return from 7.75% to 7.25%
- Reduction in general inflation assumption from 2.75% to 2.50%
- Reduction in wage inflation assumption from 3.50% to 3.25%
- Reduction in future increases in pension and pensionable salary cap from 1.375% to 1.25% for current and future Tier 2 members

While these assumption changes would appear to negatively impact the health of the fund overall, the

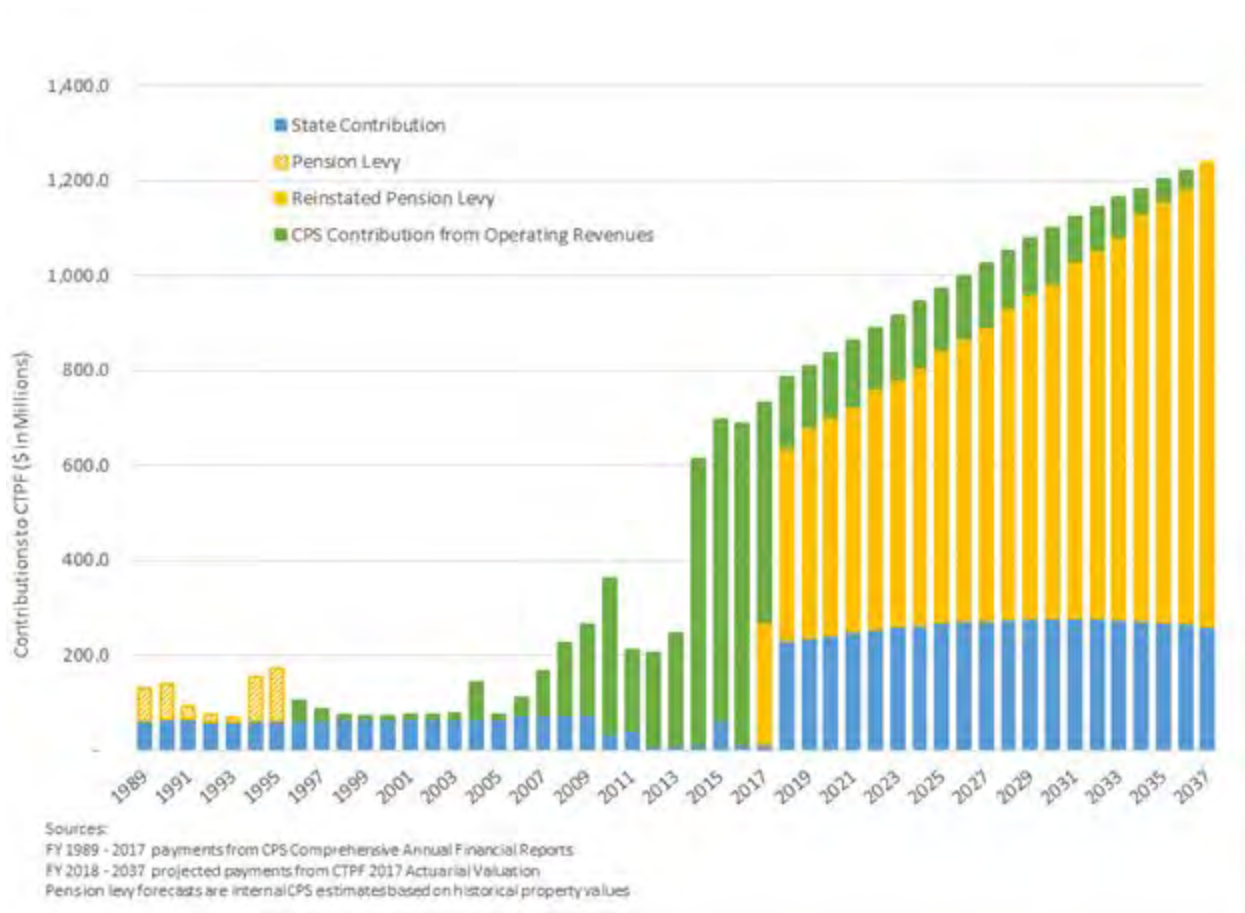
fund experienced favorable demographic changes and actual investment returns higher than the assumed rate. The combination of these factors meant CPS' required annual employer contribution remained relatively unchanged, having ultimately little impact on CPS' financial picture.

CPS' Pension Contributions Continue to Grow

While CPS' pension contributions continue to grow until 2059, some of the burden has been eliminated by the state beginning to pick up CPS' teacher pension normal cost and a dedicated pension levy that was enacted at 0.383% in FY2017 and increased to 0.567% in FY2018 and beyond. Yet, until the remainder of that burden is eliminated through the state fully funding the state's new Evidence Based Funding model, which will provide additional resources to CPS and other school districts that primarily educate low-income students, that burden will continue to be borne by Chicago taxpayers.

While much of that burden will continue to fall on Chicago taxpayers, the growth in dedicated pension levy and in state funding of CTPF normal cost is expected to outpace the growth in the required employer contribution such that by FY2037, CPS expects that those revenue sources will cover the entire annual teacher pension cost.

Chart 4: CPS Employer Pension Contributions Will Continue to Grow Every Year, But CPS Operations Funding Will Be Decreasingly Burdened by Pensions



Schools and Networks

To build on the record-setting progress schools throughout Chicago have made, CPS is investing \$3.1 billion in school-level funding in FY2019.

FY2019 is the sixth year that Chicago Public Schools has used Student Based Budgeting (SBB) to fund schools. SBB allocates funds to schools on a per-pupil basis, which creates greater consistency in funding across the district and ensures that funding is fair and equitable, as dollars follow the students.

For FY2019, CPS is increasing the SBB rate by 2.5 percent to support academic programming and higher teacher salaries. The base SBB rate for FY2019 is \$4,397 per pupil, compared to \$4,290 in FY2018.

In addition to the SBB rate, CPS is increasing funding for low-income students by 6 percent and creating a special fund to support schools that are experiencing sharp enrollment drops. Together, these investments will provide high quality instructional supports and resources to district schools.

ENROLLMENT

CPS has had declining enrollment for many years. One of the reasons for this is due to the decline in birth rate – a trend not just affecting Chicago, but Illinois and the country as a whole. (See Appendix A for more information about enrollment and demographics.)

Budgets for the 2018-19 school year are based on each school’s 20th day enrollment during the 2017-18 school year. This represents a change from previous years’ methodology, when budgets were based on enrollment projections for the upcoming year and adjusted in the fall to account for actual enrollment.

Funding schools based on prior year enrollment will ensure schools will not see a budget reduction in the fall, even if enrollment declines. However, if a school’s enrollment next fall exceeds 20th day enrollment from fall of the 2017-18 school year, they will receive additional funding to support those additional students. This new model will allow schools to plan confidently for the year ahead and without concerns about a potential budget reduction in the fall. It will also provide school-based staff with greater certainty about their positions in the new year.

Table 1: FY2018 Enrollment by School Type Used to Set FY2019 School Budgets

| School Type | FY2018 20th Day Enrollment | | |
|---|----------------------------|----------------|----------------|
| | PreK | K-12 | Total |
| Traditional District-Run Schools | 18,237 | 287,902 | 306,139 |
| Charter Schools | 215 | 57,186 | 57,401 |
| Contract Schools | 0 | 2,564 | 2,564 |
| District Specialty Schools | 989 | 1,037 | 2,026 |
| District Options Schools | 0 | 567 | 567 |
| ALOP/SAFE | 0 | 2,685 | 2,685 |
| Total District Enrollment | 19,441 | 351,941 | 371,382 |

NUMBER OF SCHOOLS

Per CPS definition, a school:

1. is officially authorized by the Chicago Board of Education;
2. is based in one or more buildings inside the geographic boundaries of the City of Chicago;
3. has or will have one of the following governance structures: a local school council, an appointed local school council, a board of directors or a board of governors;
4. employs at least one administrator to lead the school;
5. employs at least one credentialed person to provide instruction to students;
6. provides an appropriate curriculum for each grade level served that, at a minimum, meets all requirements of the Illinois State Code;
7. requires progression towards a terminal grade level within a single school, regardless of physical location;
8. is not defined under Illinois School Code as something other than a school (e.g., an Alternative Learning Opportunity Program is not a school); and
9. has or is intended to have at least one actively enrolled student during the school year.

Based on this definition, there are 644 schools in FY2019, compared to 646 schools in FY2018. Table 2 gives the school count by school type.

Table 2: Number of CPS Schools by School Type, FY2018 and FY2019

| School Type | Description | FY2018 | FY2019 |
|------------------------------|---|------------|------------|
| Traditional district schools | District-run schools funded through Student Based Budgeting | 500 | 499 |
| Charter schools | Public schools managed by independent operators and certified under state charter law | 122 | 121 |
| Contract schools | Public schools managed by independent operators under a contract with the district | 9 | 9 |
| District specialty schools | District-run schools that primarily serve students with significant diverse learning needs or early childhood students. | 10 | 10 |
| District options schools | District-run high schools for students in restricted environments or students who need educational alternatives to traditional high schools | 4 | 4 |
| SAFE school programs | Schools managed by independent operators for students who have been expelled from other schools due to violence | 1 | 1 |
| Total schools | | 646 | 644 |
| Not counted as schools: | | | |
| ALOP programs | Programs managed by independent operators that provide educational options for students who have dropped out of school and seek to return | 10 | 10 |

The following table explains the change in school count between FY2018 and FY2019.

Table 3: School Openings and Closings Between FY2018 and FY2019

| School Short Name | | |
|---------------------------------|---|-----------|
| Traditional District Schools | Description | Change |
| BRONZEVILLE CLASSICAL | New school | +1 |
| SOR JUANA INES DE LA CRUZ | New school | +1 |
| JENNER | Consolidated by board action | -1 |
| CASTELLANOS | Consolidated by board action | -1 |
| ROBESON HS | Closed by board action | -1 |
| | Net Change in Traditional District Schools | -1 |
| Charter Schools | | |
| ACE TECH HS | Closed by board action | -1 |
| | Net Change in Charter Schools | -1 |
| | | |
| District Options Schools | Net Change in District Options Schools | 0 |
| ALOP Programs | Net Change in ALOP Programs | 0 |
| SAFE Schools | Net Change in SAFE Schools | 0 |

SCHOOL BUDGET OVERVIEW

The FY2019 budget contains more than \$3.7 billion budgeted at school units, including over \$2.2 billion budgeted for core instruction at 644 schools. The following tables show fund and position allocations by school type and funding category:

Table 4: FY2019 Funding in School Budgets, by School Type and Funding Category (in millions)

| School Type | Core Instruction | Supp. Diverse Learners | Bilingual | Early Childhood | Other Programs | Discretionary | Operations | Total |
|-----------------------|------------------|------------------------|-----------|-----------------|----------------|---------------|------------|-------------|
| District Elementary | \$1,150,031 | \$413,274 | \$20,389 | \$141,163 | \$61,302 | \$280,410 | \$100,163 | \$2,166,731 |
| District High Schools | \$444,757 | \$128,068 | \$3,627 | \$183 | \$35,442 | \$85,213 | \$38,359 | \$735,649 |
| Contract | \$15,398 | \$4,020 | - | - | \$88 | \$3,402 | \$6,721 | \$29,628 |
| ALOP | \$16,885 | \$2,207 | - | - | \$91 | \$3,937 | \$7,598 | \$30,718 |
| Specialty | \$8,551 | \$29,282 | \$491 | \$7,579 | \$93 | \$1,737 | \$1,302 | \$49,035 |
| District Options | \$6,034 | \$3,504 | - | - | \$10,140 | \$765 | \$239 | \$20,683 |
| SAFE | \$641 | \$165 | - | - | \$0 | \$27 | \$292 | \$1,125 |
| Subtotal | \$1,642,296 | \$580,519 | \$24,507 | \$148,925 | \$107,156 | \$375,490 | \$154,675 | \$3,033,569 |

| | | | | | | | | |
|--------------|--------------------|------------------|-----------------|------------------|------------------|------------------|------------------|--------------------|
| Charters | \$621,043 | \$18,271 | - | - | \$2,037 | \$35,412 | \$3,296 | \$680,058 |
| Total | \$2,263,339 | \$598,790 | \$24,507 | \$148,925 | \$109,193 | \$410,902 | \$157,971 | \$3,713,627 |

Table 5: FY2019 Positions in School Budgets, by School Type and Funding Category (FTEs)

| School Type | Core Instruction | Supp. Diverse Learners | Bilingual | Early Childhood | Other Programs | Discretionary | Operations | Total |
|-----------------------|------------------|------------------------|--------------|-----------------|----------------|----------------|----------------|-----------------|
| District Elementary | 10,139.5 | 5,312.0 | 173.0 | 1,763.7 | 552.5 | 2,545.2 | 2,433.0 | 22,918.9 |
| District High Schools | 4,058.0 | 1,473.5 | 32.0 | 2.0 | 314.6 | 837.6 | 839.0 | 7,556.7 |
| Charter/ Contract | - | - | - | - | - | - | 121.0 | 121.0 |
| ALOP | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Specialty | 67.0 | 408.5 | 5.0 | 89.0 | 2.0 | 4.0 | 27.0 | 602.5 |
| District Options | 50.0 | 31.4 | - | - | 78.5 | 2.0 | 6.0 | 167.9 |
| SAFE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Total | 14,314.5 | 7,225.4 | 210.0 | 1,854.7 | 947.6 | 3,388.8 | 3,426.0 | 31,367.0 |

The following sections discuss Funding for Core Instruction and Additional Funding Received by Schools, including funding for diverse learners, bilingual, early childhood, other programs, discretionary funds, and operations.

FUNDING FOR CORE INSTRUCTION

Traditional District Schools

Traditional district schools are funded through SBB. The only district-run schools that do not fall in this category are the ten specialty schools and four district options schools, which are discussed in later sections.

In addition to increasing the SBB rate for all schools, CPS has allocated an additional \$14 million for district-run schools with low enrollment and another \$5 million for district-run schools that would have otherwise seen an SBB funding reduction of more than 3 percent this year. This supplemental funding is being provided to help ensure all schools, and especially those that serve at-risk students, are able to offer high quality academics in the 2018-19 school year.

In the aggregate, SBB funding for district-run schools is increasing by more than \$52 million from 20th day of FY2018.

Table 6: FY2019 Schools and Enrollment

| Traditional District Schools | FY2018 20 th Day | FY2019 Budgeted | Change | % Change |
|------------------------------|-----------------------------|-----------------|--------|----------|
| Number of schools | 501 | 500 | -1 | -0.2% |
| Number of K-12 students | 287,902 | 288,403* | 501 | 0.2% |

| | | | | |
|--------------------------|---------|---------|------|------|
| SBB funding, in millions | \$1,304 | \$1,356 | \$52 | 4.0% |
|--------------------------|---------|---------|------|------|

*Although school budgeting for FY19 is based on 20th Day enrollment from FY2018, a small number of schools are budgeted at higher enrollment counts if their school's enrollment is expected to increase as a result of a district initiative.

Table 7: Positions Budgeted by District Schools Using SBB Funds (FTEs)

| Category | Job Title | FY2018 Budget | FY2019 Budget |
|-----------------------------|--|-----------------|-----------------|
| TEACHERS | Teachers | 10,743.9 | 10,901.8 |
| | Assistant Principals | 462.5 | 470.3 |
| | School Counselors / Social Workers / Nurse | 127.4 | 143.3 |
| | Coaches / Instructional Leaders / Other Teachers | 80.8 | 26.1 |
| EDUCATION SUPPORT PERSONNEL | Teacher Assistants | 349.9 | 187.3 |
| | School Clerks | 100.8 | 107.3 |
| | Instructor Assistants | 47.9 | 22.5 |
| | School Security Officers | 66.6 | 111.1 |
| | School Clerk Assistants | 47.7 | 61.8 |
| | Technology Coordinators | 46.4 | 58.8 |
| | Guidance Counselor Assistants | 45.6 | 50.0 |
| | Other Education Support Personnel | 314.1 | 324.9 |
| | TOTAL | 12,433.6 | 12,465.2 |

Note: In FY2018, funding for special education teachers and support assistants was provided through SBB. In FY2019, these personnel costs are funded centrally. Additional positions may be funded above centrally-provided allocations at principal discretion. For comparison's sake, the above table excludes 2,687.0 special education teachers and 1,866.3 special education support assistants funded by SBB in FY2018, and 40.5 special education teachers and 20.7 special education support assistants funded by SBB in FY2019, because including those figures would not provide for an apples-to-apples comparison.

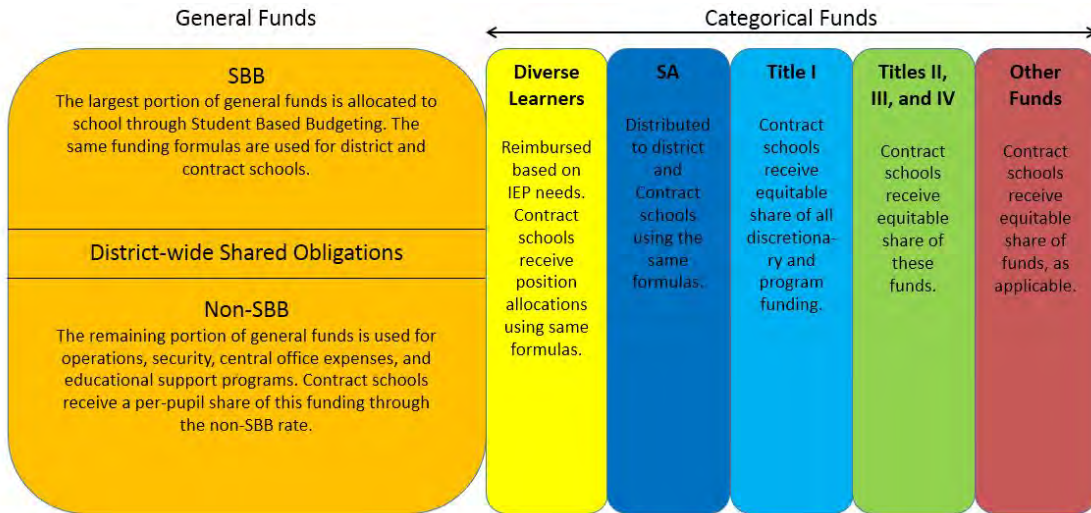
Contract Schools

Contract schools are public schools managed by independent operators. First established in Chicago in 1997, they offer an alternative to traditional district-managed schools. Contract schools have similar autonomies as charter schools with regard to budget and curricular operations.

As outlined in Chart 1, CPS provides tuition to contract schools in two components: SBB and non-SBB. Together, these tuition amounts provide contract schools with an equitable share of the district's

general funds budget.

Chart 1: Overview of CPS Operating Budget for Contract Funding



SBB is the largest portion of the general funds budget, and it is allocated to district and contract schools and Alternative Learning Opportunity Programs (ALOP) under the SBB model. The general funds budget also includes some funding categories that are considered district-wide shared obligations, such as the unfunded pension liability. Contract schools do not receive tuition funding based on these shared obligations. Funding for operations, security, central office expenses and education support programs are paid to contract schools through a second category of funding called “non-SBB” funding, rather than through citywide spending for district-run schools. This ensures that contract schools receive an equitable share of centralized spending and of each categorical funding source, where applicable. Finally, administrative fees are charged to contract schools so that they contribute equitably to district overhead costs. For more details on how contract schools will be funded in FY2019, please see Appendix B.

The base rate for non-SBB funding has increased from \$1,750 in FY2018 to \$2,004 in FY2019.

Table 8: SBB and Non-SBB Tuition Funding at Contract Schools

| Contract Schools | FY2018 20th Day | FY2019 Projected | Change | % Change |
|--|-----------------|------------------|--------------|-------------|
| Number of schools | 9 | 9 | 0 | |
| Number of K-12 students | 2,564 | 2,484 | -80 | -3.1% |
| SBB funding, in millions | \$14.8 | \$14.4 | -\$0.4 | -2.7% |
| Non-SBB funding, in millions | \$5.3 | \$5.9 | \$0.6 | 11.3% |
| Administrative fees (estimated), in millions | -\$0.6 | -\$0.6 | \$0.0 | 0.0% |
| Total general education tuition payments, in millions | \$19.5 | \$19.7 | \$0.2 | 1.0% |

Alternative Learning Opportunity Programs (ALOP)

Alternative Learning Opportunity Programs provide different educational options for at-risk youth who are not currently enrolled in school. Since 2011, CPS has expanded partnerships with providers that specialize in working with off-track youth and has more than doubled the number of available seats in options schools and programs.

Two ALOP programs were voluntarily closed by their providers in FY2018, bringing the total to 10. Twenty-eight charter and contract schools and three district-run schools serve the same population of at-risk youth who have dropped out of school and seek to return.

Table 9: SBB and Non-SBB Tuition Funding at ALOP Programs

| ALOP Programs | FY2018 20th Day | FY2019 Projected | Change | % Change |
|--|--------------------|---------------------|--------------|-------------|
| Number of programs | 10 | 10 | 0 | |
| Number of K-12 students | 2,684 | 2,602 | -82 | -3.1% |
| SBB funding, in millions | \$16.3 | \$15.9 | -\$0.4 | -2.5% |
| Non-SBB funding, in millions | \$5.8 | \$6.4 | \$0.6 | 10.3% |
| Administrative fees (estimated), in millions | -\$0.7 | -\$0.7 | \$0.0 | 0% |
| Total general education tuition payments, in millions | \$21.4 | \$21.6 | \$0.2 | 0.9% |

Specialty Schools

Seven specialty schools primarily serve students with significant diverse learning needs, and three early childhood centers serve only Pre-K students. Specialty schools include:

- Three early childhood centers serving only Pre-K students (Vick, Thomas, Stock)
- Three early childhood centers serving Pre-K students, but have a significant number of diverse learners enrolled in primary grades (Blair, Beard, Rudolph)
- Four high schools serving 100 percent diverse learners (Northside Learning, Southside, Graham, and Vaughn).

In FY2019, specialty schools will receive \$8.5 million in funding for core instruction, which represents 17.4 percent of their total budget of \$49 million. The remainder of specialty schools' budgets is for pre-K and diverse learner programming specific to each school. This funding is provided by the Department of Early Childhood Education or the Office of Diverse Learner Support Services. The costs of these schools are significantly higher than traditional schools when compared on a per-pupil basis, to account for the specific needs of the diverse learners they serve.

District Options Schools

District options schools serve students in confinement, at risk of dropping out of school, or who have dropped out and wish to return. District options schools include one school located at the Cook County Jail (York), one at the Cook County Juvenile Temporary Detention Center (Jefferson), one school that serves pregnant women (Simpson), and one school that serves returning dropouts and students at risk of dropping out (Peace & Education Coalition).

In FY2019, district options schools received a core allocation of \$6.0 million for teachers and administrative positions. In addition, they received \$10.1 million in supplemental Title I positions, which will help the schools address their unique challenges.

SAFE Schools

SAFE schools provide an educational option to students who have been expelled from another CPS school due to violence. CPS has one SAFE school, which is managed by an independent operator. The SBB and non-SBB tuition cost for this SAFE school is \$0.9 million, which is partially offset by a state Regional Safe Schools grant.

ADDITIONAL FUNDING RECEIVED BY SCHOOLS

Although funding for core instruction is typically the largest portion of a school's budget, schools receive additional funding to meet specific student needs, including funding for diverse learners, bilingual students, early childhood students, other programs, and school operations. See Appendix B for information on funding formulas for these allocations.

Diverse Learner Funding

In FY2019, schools received an allocation of centrally-funded special education teachers and paraprofessionals to serve diverse learners outside of cluster programs. This is a change from FY2018, when schools received a dollar allocation for special education positions that was combined with their SBB funds.

FY2019 allocations are based on the number of special education teachers and paraprofessionals needed to meet the IEP needs of students at the school (excluding students in cluster programs), as determined by a school-by-school review. Additionally, FY2019 allocations were determined from each schools' special education student population in April. Schools received both special education teacher and paraprofessional allocations based on the student population and the IEP needs within that student population.

Bilingual Education

Schools receive supplemental bilingual education teachers and per-pupil funds based on their number of English language learner (EL) students. There are two programs: Transitional Bilingual Education (TBE), for schools that have 20 or more EL students of the same language background, and Transitional Program of Instruction (TPI), for schools that have fewer than 20 EL students of the same language background. The Office of Language and Cultural Education (OLCE) tracks EL students and allocates supplemental bilingual teachers and funds to schools.

The FY2019 budget contains \$24.5 million in supplemental funding to schools, including 211 supplemental bilingual education teachers and coaches. Bilingual education is supported by local funding and dedicated state and federal funding.

Early Childhood

The FY2019 budget contains \$254 million in funding for early childhood programs at 356 elementary schools. This amount includes \$2.6 million of Title I funding that is used to fund some of the costs of 19 child-parent centers, and \$2.8 million for tuition-based Pre-K programs at district-run schools.

Early childhood programs serve Pre-K students, usually ages 3 and 4, and are funded from both a state

grant (Pre-School for All) and federal Head Start funds. CPS also provides funding to community-based providers for early childhood programs, as described more fully in the Early Childhood department narrative, but this funding is not reflected in school budgets.

To better meet family needs and ensure children are getting services that will set the foundation for long-term success, CPS has expanded its investment in Early Childhood education in FY2019 and will provide an additional 185 full-day preschool classrooms in high-need communities. The expansion of full-day pre-kindergarten is the first step in Mayor Rahm Emanuel’s four-year plan to provide all four-year-olds in Chicago with access to tuition-free early childhood education.

Other Programs

Some schools receive teaching positions or other additional funding for specific programs that are run at those schools. All programs except for STEM are funded from general funds. Details on these programs are found in their respective departmental narratives. Significant programs are included in the following table.

Table 10: Board Funded Programs

| | Positions (FTEs) | | | Budget (\$ millions) | | |
|------------------------------|------------------|---------------|-------------|----------------------|---------------|--------------|
| | FY2018 Budget | FY2019 Budget | Change | FY2018 Budget | FY2019 Budget | Change |
| Magnet Schools | 151.4 | 152.4 | 1.0 | \$17.4 | \$18.0 | \$0.6 |
| JROTC | 139.0 | 139.0 | 0.0 | \$14.5 | \$15.5 | \$1.0 |
| International Baccalaureate | 117.5 | 126.5 | 9.0 | \$13.3 | \$14.6 | \$1.3 |
| Magnet Cluster Programs | 100.0 | 100.0 | 0.0 | \$11.3 | \$11.8 | \$0.5 |
| STEM* | 41.0 | 50.0 | 9.0 | \$4.6 | \$5.8 | \$1.2 |
| Selective Enrollment HS | 35.0 | 35.0 | 0.0 | \$4.3 | \$4.5 | \$0.2 |
| Montessori Programs | 54.0 | 54.0 | 0.0 | \$3.8 | \$4.0 | \$0.2 |
| Critical Language Initiative | 30.0 | 30.0 | 0.0 | \$3.0 | \$3.2 | \$0.2 |
| Regional Gifted Centers | 20.8 | 20.0 | -0.8 | \$2.3 | \$2.4 | \$0.1 |
| Classical Schools | 14.7 | 19.0 | 4.3 | \$1.6 | \$1.9 | \$0.3 |
| Regional Gifted Centers ELL | 7.0 | 7.0 | 0.0 | \$0.8 | \$0.9 | \$0.1 |
| International Gifted | 2.0 | 2.0 | 0.0 | \$0.3 | \$0.3 | \$0.0 |
| Academic Centers | 1.0 | 1.0 | 0.0 | \$0.1 | \$0.1 | \$0.0 |
| Totals | 713.4 | 735.9 | 22.5 | \$77.2 | \$82.8 | \$5.6 |

*Includes grant funding.

Discretionary Funds

CPS is providing schools with an additional \$14 million for low income students in FY2019 by raising the rate for Supplemental Aid (formerly Supplemental General State Aid) from \$857 per student to \$910 per student. Research has shown that students from low-income households generally require additional resources to be successful, and the increase in funding for these students will help ensure all of our

students have the support they need to reach their potential.

Supplemental Aid replaced Supplemental General State Aid (SGSA) in FY2019 for eligible pre-K-12 students. Based on changes to state funding laws, SGSA is no longer a separate stream of funding, but it is included in the overall allocation of state funding the district receives under the new Evidence-Based Funding (EBF) formula. As such, any remaining funds that schools have from their FY2018 allocation of SGSA will be carried over into FY2019, but FY2019 will be the last year that this practice will take place. A preliminary carryover will be distributed before school starts in fall 2018, and the final carryover amount will likely be distributed sometime after October 2018.

Moving forward and as part of the FY2019 budget, district and contract schools will receive Supplemental Aid (SA) funding that follows the same spending rules as local funds, allows greater flexibility in how funds are used, and expires annually at the end of the fiscal year. Funds are distributed to the schools in proportion to the number of enrolled pupils 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.

A total of \$230 million in Supplemental Aid funding will be provided to schools as part of the FY2019 budget.

Title I of the Federal Every Student Succeeds Act (ESSA) provides funds to schools with high concentrations of low-income, educationally disadvantaged students who require supplementary services. Approximately 87 percent of CPS schools qualify for Title I discretionary funding. The FY2019 budget contains \$184 million in Title I discretionary funding for CPS schools.

Non-Education Expenses

Schools have received additional positions, services and funding for various operational expenses. In FY2019, the following non-education funding appears in schools budgets:

- **Security:** School security officers and security aides are assigned to schools by the Office of Safety and Security. Security positions are budgeted at schools.
- **Food Service:** This includes the labor costs of the lunchroom staff; the food costs required to provide lunch and breakfast are budgeted centrally.

Other operational expenses are managed centrally, rather than in schools, to gain district-wide efficiency and savings. Among the positions managed centrally are bus aides, engineers and custodians. Please refer to the department narratives for more details about each of these operational areas.

Private Schools

Students, teachers and parents of private/nonpublic schools are entitled to federal support through Every Student Succeeds Act (ESSA) (Title I, Title II, Title III, Title IV) and the Individuals with Disabilities Education Act (IDEA). CPS must set aside a share of the federal funds it receives to make services available to eligible private/nonpublic school students, teachers and parents. However, these funds are not paid directly to the private schools; instead, CPS operates these programs on behalf of eligible students, teachers and parents.

Each year, CPS oversees and manages services for approximately 60,000 students in 240 private schools, totaling almost \$30 million. In addition, we oversee services for children who attend five residential sites that specialize in serving children under the guardianship of the Illinois Department of Children and Family Services.

The following table shows the allocations for each of the federal programs. Funding is proportionate to the number of eligible students in each private school compared to the student’s designated CPS neighborhood school. FY2019 amounts are projections; the final amounts will be determined after the district’s FY2019 application is approved by the Illinois State Board of Education. The decline in these funding sources for private school programs is due to an overall decline in the district’s federal revenue.

Table 11: FY2018 Budget for Private School Programs

| Federal Program | FY2017 Budget | FY2018 Budget | FY2019 Budget |
|--|----------------------|----------------------|----------------------|
| Title I (Improving Academic Achievement of Disadvantaged Students) | \$18,067,351 | \$19,078,805 | \$18,999,805 |
| Title IIA (Improving Teacher Quality) | \$1,279,425 | \$3,308,326 | \$2,942,957 |
| Title III (English Language Learners) | \$291,746 | \$330,016 | \$351,658 |
| Title IVA | \$0 | \$0 | \$519,658 |
| Individual Disabilities Education Act (IDEA) | \$3,735,391 | \$3,654,898 | \$2,171,830 |
| Title I, Part D (Neglected) | \$559,690 | \$544,359 | \$507,839 |
| Total | \$23,933,603 | \$26,916,404 | \$25,493,747 |

NETWORKS

District-run schools are organized into networks, which provide administrative support, strategic direction, and leadership development to the schools within the network.

Networks are led by network chiefs, who are responsible for building effective schools with strong leaders by developing a professional development plan, collecting and assessing data to drive interventions, supporting schools in the development and implementation of their Continuous Improvement Work Plan, collaborating on best practices with other networks and enhancing community and parental involvement. Networks are supported by deputy chiefs, data strategists, instructional support leaders, and administrative support. Each network also has a Social Emotional Learning Specialist and a Specialized Services Administrator, although these positions appear in the budgets for Office of College and Careers and the Office of Diverse Learners, respectively. All network chiefs and their offices report to the Office of Network Support. HS networks will also have a designated Network Operations manager, data strategist and shared executive assistant.

For the 2018-19 school year, CPS will be moving from a 13-network structure to a 17-network structure, which will be organized by geographic region and grade level. The four new networks will serve only high schools, allowing them to specialize in the unique needs of high schools and support the unique instructional needs of high schools and ensure all networks are able to better facilitate high quality

instruction. The 13 existing networks will retain their elementary schools, while the four new networks will support the city’s high schools. In addition to the networks, schools may be managed as an Independent School (ISP) or by the Academy for Urban School Leadership (AUSL). ISP and AUSL schools do not belong to any of the 17 geographic networks.

Table 12: FY2019 Network Structure

| Network | City Planning Zones |
|----------------|--|
| 1 | Sauganash, Reed-Dunning, Albany Irving |
| 2 | Ravenswood |
| 3 | Austin, Belmont-Cragin |
| 4 | Logan, Lincoln Park |
| 5 | Humboldt Park, Garfield, West Humboldt, North Lawndale |
| 6 | Near North, Near West, Loop, Bridgeport, Chinatown |
| 7 | Pilsen, Little Village |
| 8 | McKinley Park |
| 9 | Bronzeville, Hyde Park, Woodlawn |
| 10 | Beverly, Midway, Chicago Lawn, Ashburn |
| 11 | Englewood, Auburn-Gresham |
| 12 | Chatham, South Shore |
| 13 | Far South, Far East |
| 14 | New High School Network 1 |
| 15 | New High School Network 2 |
| 16 | New High School Network 3 |
| 17 | New High School Network 4 |
| AUSL | |
| ISP | |

In FY2019, consistent with prior years, each network will receive a \$55,000 non-personnel budget for administrative expenses and professional development.

Personnel dollars were distributed among the 13 elementary networks based on need. Each network will receive a foundation allocation, but additional dollars will be given to networks with higher poverty levels and/or higher concentrations of low-performing schools. Each of the high school networks will receive a chief, operations manager, data strategist, and part-time administrative assistant.

Table 13: FY2019 Network Budgets

| Network | Personnel | Non-Personnel | FY2019 Budget |
|--------------|---------------------|------------------|---------------------|
| 1 | \$1,405,460 | \$55,000 | \$1,460,460 |
| 2 | \$1,297,875 | \$55,000 | \$1,352,875 |
| 3 | \$1,607,921 | \$55,000 | \$1,662,921 |
| 4 | \$1,225,549 | \$55,000 | \$1,280,549 |
| 5 | \$1,410,300 | \$55,000 | \$1,465,300 |
| 6 | \$1,444,619 | \$55,000 | \$1,499,619 |
| 7 | \$1,244,701 | \$55,000 | \$1,299,701 |
| 8 | \$1,506,546 | \$55,000 | \$1,561,546 |
| 9 | \$1,426,371 | \$55,000 | \$1,481,371 |
| 10 | \$1,234,934 | \$55,000 | \$1,289,934 |
| 11 | \$1,701,333 | \$55,000 | \$1,756,333 |
| 12 | \$1,286,234 | \$55,000 | \$1,341,234 |
| 13 | \$1,578,178 | \$55,000 | \$1,633,178 |
| 14 | \$511,483 | \$55,000 | \$566,483 |
| 15 | \$511,483 | \$55,000 | \$566,483 |
| 16 | \$511,483 | \$55,000 | \$566,483 |
| 17 | \$511,483 | \$55,000 | \$566,483 |
| Total | \$20,415,953 | \$880,000 | \$21,350,953 |

Aside from the addition of Networks 14-17, the only other addition to geographic network budgets was 39 grant-funded Early Childhood positions, transferred from the Early Childhood department to allow staff to work more closely with their respective networks. Non-personnel costs are funded through general education funds, while positions are funded through general education, Title I and Title II funds.

Table 14: Total Budgets for 17 Networks (in millions)

| Network Budgets | FY2017 | FY2018 | FY2019 |
|--|---------------|---------------|---------------|
| Regular positions | \$14.2 | \$14.3 | \$20.4 |
| Hourly/overtime salary and non-personnel | \$0.8 | \$0.7 | \$0.9 |
| Total | \$15.0 | \$15.0 | \$21.3 |

Department Narratives Overview

Departments within Chicago Public Schools provide, direct, and oversee resources to students, parents, families, teachers, partners, and community. They are divided into two functions: Central Office and Citywide. The Central Office departments provide instructional and administrative support services throughout the district. Citywide departments include teachers, program funding, and other resources that directly support schools but are not allocated to individual schools – rather they are managed and monitored by a Central Office department.

The following department narratives explain the role that each department plays in the district with a focus on how they serve students. These department narratives also include tables that show the total dollars, by fund, associated with each department’s mission and major programs. If a department is comprised of multiple Central Office and Citywide units, their budgets have been aggregated.

An example of a department’s budget summary is provided below:

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 4,141,627 | \$ 4,087,522 | \$ 4,080,206 | \$ 3,843,773 | \$ 2,525,226 |
| ESSA Federal Funds | \$ 183,245 | \$ 79,198 | \$ 79,198 | \$ 45,190 | \$ 51,727 |
| Other Grants | \$ 127,867 | \$ 183,769 | \$ 181,883 | \$ 151,279 | \$ 186,065 |
| Total Department | \$ 4,452,739 | \$ 4,350,489 | \$ 4,341,287 | \$ 4,040,242 | \$ 2,763,018 |

2017 Actual Expenses are categorized by funding source (as are all other columns) to inform readers of the amount spent by the department during FY2017.

The 2018 Approved Budget reflects the original budget for each department at the beginning of FY2018. During the course of the fiscal year, intra-fund and intra-department transfers, reorganizations, or newly awarded grants may alter a department’s budget relative to the original or approved budget. The **2018 Ending Budget** reflects those changes.

In certain instances, an amount may be budgeted within contingency if revenues are reasonably certain to be collected but not yet realized, or if funding will be transferred to other units for activities related to the department chiefly responsible for the stewardship of these dollars, but the transaction has not yet occurred.

In addition to reporting the final department budget, **2018 Projected Expenditures** reflects OMB’s estimate of the year end spending for each department at the time of budget preparation.

The **2019 Proposed Budget** represents the amount allocated to the department for the fiscal year starting July 1, 2018 and ending on June 30, 2019.

Amounts **Budgeted at Schools** are for programs that are managed by the department but whose

funding is included in schools' budgets.

For more detail on the various funding sources, please refer to the *Revenue* chapter included in this budget book.

Office of Access and Enrollment

MISSION

The Office of Access and Enrollment (OAE) manages the application, testing, selection, notification, and projection processes for all district elementary and high schools, charter high schools, and designated preschools.

The Office of Access and Enrollment is dedicated to increasing student achievement by ensuring that all students have equal access to high-quality programs that fit their educational needs.

MAJOR PROGRAMS

- Manages and oversees the application, testing, selection, projection, and transfer process for all district-managed and designated charter schools and programs.
- Coordinates and executes testing for Selective Enrollment elementary and high schools.
- Facilitates Principal Discretion process for Selective Enrollment high schools.
- Provides training and communication about navigating the process including the annual creation of the Elementary and High School Guide, and training clerks and counselors on best practices related to the application process.
- Coordinates annual Appeals process to ensure that all applications were accurately processed during the application period and remedy any possible CPS errors
- Provides year-round information, guidance, and assistance regarding the application process to parents, school staff, administrators, and community residents.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General funds | \$ 2,617,574 | \$ 3,617,789 | \$ 4,286,117 | \$ 4,158,981 | \$ 5,886,855 |
| Total Department | \$ 2,617,574 | \$ 3,617,789 | \$ 4,286,117 | \$ 4,158,981 | \$ 5,886,855 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 16.0 | 17.0 | 18.0 |
| Total Department | 16.0 | 17.0 | 18.0 |

MAJOR ACCOMPLISHMENTS

The Office of Access and Enrollment launched GoCPS, the new high school application process that allows families to apply to any district or charter high school on a single application. GoCPS includes the following components:

- New research and activation phase that allows families early access to program eligibility

- New common application for Pre-K to 9th grade (launched in October; did not include charter elementary schools or non-magnet preschools)
- Ongoing training and community outreach (e.g., Network Back-to-School Bashes, Bud Billiken Parade)
- First-ever Chicago Transit Authority Marketing Campaign
- A new student selection system, issuing single best offers for Non-Selective HS applicants
- A new waitlist module that provides additional transparency for all parents
- A call center to provide timely and accurate information to stakeholders

KEY BUDGET INITIATIVES

- Refine the GoCPS online application: offer and waitlist system to include additional elementary features and limit the need for backend workarounds.
- Develop additional marketing to accompany GoCPS process training and material development for all participating schools.
- Extend call center hours and days to meet peak demand times within the application cycle.
- Manage testing for the GoCPS application process for elementary and high schools, including the administration of the NWEA MAP to non-CPS students and admissions exams for all CPS Selective Enrollment schools and programs.
- Expand school training and marketing support to drive parent and family understanding of the application process and how to rank programs.
- Update GoCPS student selection system and data management to adjust for new eligibility and selections criteria. Additionally, gather/configure current data and set up the system for next year.

Department of Student Assessment

MISSION

The mission of the Department of Student Assessment is to support the implementation of a balanced assessment system in all schools and to provide district stakeholders with the assessment data and resources needed to advance student achievement.

MAJOR WORKSTREAMS

- **Balanced Assessment Systems and Practices:** The Department of Student Assessment supports schools in establishing and sustaining balanced assessment systems that effectively measure the depth and breadth of student learning and monitor student progress towards college and career readiness. The systems also produce actionable data to inform planning for instruction, academic support, and resource allocation. The Department of Student Assessment is focused on helping all schools who designated Balanced Assessment & Grading a CIWP priority category to design and implement high-quality action plans.
- **Elementary School Assessment:** The Department of Student Assessment supports the CPS Balanced Literacy Initiative through assessment administration, cycles of coaching site visits to schools, and district-wide professional learning focused on the implementation of diagnostic, intervention, and progress monitoring cycles.
- **High School Assessment:** The Department of Student Assessment supports the CPS Vision goal of 50% of 11th grade students meeting the College Readiness Benchmark by 2019 through the support of student practice for the PSAT/SAT in Khan Academy’s Official SAT Practice and through the strategic use of PSAT/SAT assessment results.
- **Assessment Administration, Processing, and Reporting:** The Department of Student Assessment is responsible for the successful administration of all national, state, and district-required assessments. This includes policy and practice support and guidance during pre-administration preparation, test administration, data cleaning, and results reporting. The team’s focus is on providing valid, timely and usable data to end users to help educators advance student achievement.
- **PK - 12 Curriculum System Project:** The Department of Student Assessment will play a significant role in the design and implementation of the PK - 12 Curriculum System Project. This includes the procurement, implementation, and management of the student assessment platform and assessment content.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------|----------------------|---------------------|-----------------------------|----------------------|
| General Funds | \$ 4,815,763 | \$ 6,374,383 | \$ 6,420,125 | \$5,946,131 | \$ 6,064,046 |
| School Generated Funds | \$ - | \$ 146,155 | \$ 146,155 | \$ 105,714 | \$ 22,319 |
| Other Grant Funds | \$ 233,798 | \$ - | \$ - | \$ - | \$ - |
| Total Department | \$ 5,049,561 | \$ 6,520,538 | \$ 6,566,280 | \$ 6,051,845 | \$ 6,086,365 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|--------------------------------|------------------------------|--------------------------------|
| General Funds | 8.0 | 10.0 | 11.0 |
| Total Department | 8.0 | 10.0 | 11.0 |

MAJOR ACCOMPLISHMENTS

- Achieved the required 95% district-wide participation rate for the PARCC assessment in SY17, the first time in 3 years of administering the assessment that the district attained that participation rate.
- Collaborated with the Office of Early Childhood to train all CPS Kindergarten teachers to successfully complete the new, state-required Kindergarten Individual Development Survey (KIDS).
- Chicago Public Schools was awarded the “Proof of Practice” Award from the Council of Great City Schools for its accomplishments in the SAT All In Challenge. In SY17-18 CPS 11th graders completed 1.8 million practice problems on Official SAT Practice in Khan Academy. Combined, CPS 11th graders completed 43,000 hours of practice in Khan Academy. Over 1,100 CPS students using Official SAT Practice improved their scores by 100 or more points from the fall PSAT/NMSQT to the spring SAT.
- The Department of Student Assessment’s goal for SY18 is for 50% of 11th graders to practice 6 or more hours on Official SAT Practice in Khan Academy because Khan research associated a 30 point gain in SAT scores after 6 hours of practice. Chicago Public Schools competed against other large urban districts in the Official SAT Practice All-In Challenge. CPS won the Official SAT Practice: Proof of Practice Award for Depth for the Highest percent of students who have practiced 6 hours or more on Official SAT Practice in Khan Academy. As a result, CPS earned \$15,000 from the College Board. The final data for SY18 shows that 89% (n=15,318) of district school students have linked their College Board and Khan Academy accounts and almost 21% (n=3,672) of 11th graders practiced 6 or more hours. This priority supports the CPS Vision goal of 50% of students meeting SAT College Readiness Benchmarks by SY19.
- Managed the first-time administration of PSAT9, PSAT10, and SAT assessments in CPS high schools and supported high schools’ transition from the ACT to the SAT. Despite taking a new assessment in SY17, CPS students maintained comparable performance to previous performance on the ACT.
- In grades K-2, the Department of Student Assessment is focusing on helping schools improve their targeted support to students reading far below proficiency. For schools who use Amplify as their K-2 progress monitoring tool, nationwide data indicates that schools who have higher rates of progress monitoring fidelity seeing higher reading gains with their students. The Department of Student Assessment provides bi-weekly reports to network teams on their schools' progress monitoring fidelity rates and has provided tools and resources to support positive follow up. As a result, the PM fidelity rate from BOY to MOY district-wide rose 10 percentage points from 37% to 47%. The Department of Student Assessment has also supported the Balanced Literacy cohort schools through a cycle of 4 site visits to build teacher teams' capacity. Through the site visits from BOY to MOY, cohort schools increased their PM fidelity rates 13 percentage points from 37% to 50%.

KEY BUDGET INITIATIVES

- PK-12 Curriculum System - Assessment
 - Student Assessment Platform: a platform that supports the entire process of creating, assembling, managing, administering, scoring, displaying, interpreting and exporting high quality assessments and the resulting data. The platform is a key component of the PK-12 Curriculum System.

Office of Internal Audit and Compliance

MISSION

The Office of Internal Audit and Compliance (IAC) is an independent and objective assurance and management advisory team responsible for:

- Assessing organizational risk through periodic enterprise risk assessment with the goal of both defining a risk-based internal audit plan and informing enterprise risk management strategies.
- Evaluating the effectiveness of the internal controls and business processes designed to help management achieve operational and financial compliance and strategic objectives.
- Assessing compliance to applicable laws, regulations, ordinances, Board rules, ethics policies, contracts, grants, and administrative policies and procedures.
- Completing projects to assist management in improving organizational efficiency and effectiveness, and minimizing organizational risk through the integration of leading practices and innovative business strategies.

IAC’s work is performed in accordance with applicable standards such as those established by the American Institute of Certified Public Accountants, the Institute of Internal Auditors, and the Government Accountability Office.

MAJOR PROGRAMS

- **Internal Audits:** Perform internal audits, reviews, and activities designed to assess the adequacy of the internal control environment, efficient utilization of resources, safeguarding of assets, and production of accurate, reliable, and timely data. Includes providing management with effective recommendations designed to remediate exceptions, improve processes, and eliminate, mitigate, or transfer risk.
- **School Audits:** Perform audits of school-based financial, accounting, and operational processes to determine compliance with applicable Board rules, administrative policies and procedures, and codes of conduct.
- **English Language Learners Program (EL) Compliance Audits:** Perform audits of schools’ EL Program to determine compliance with Illinois Administrative Code 228 requirements for EL programs and assess current status of corrective action plans that resulted from past program audits performed by the Office of Language and Cultural Education (OLCE).
- **Management Advisory:** Perform management advisory projects across an array of business processes and departments with the objective of identifying opportunities, mitigating risk, and/or improving effectiveness and efficiency.
- **Title IX Compliance Monitoring:** Perform tasks outlined in the current consent decree with the U.S. Department of Education Office of Civil Rights (OCR) to ensure district high schools are on track to obtaining Title IX compliance.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|--|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| | | | | | |

| | | | | | |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General Funds | \$ 4,141,627 | \$ 4,087,522 | \$ 4,080,590 | \$ 3,243,773 | \$ 2,712,495 |
| ESSA Federal Funds | \$ 183,245 | \$ 79,198 | \$ 79,198 | \$ 45,190 | \$ 51,727 |
| Other Grant Funds | \$ 127,867 | \$ 183,769 | \$ 181,883 | \$ 151,279 | \$ |
| Total Department | \$ 4,452,739 | \$ 4,350,489 | \$ 4,341,670 | \$ 3,440,242 | \$ 2,764,222 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 14.0 | 14.0 | 15.0 |
| Other Grant Funds | 2.0 | 3.0 | 3.0 |
| Total Department | 16.0 | 17.0 | 18.0 |

MAJOR ACCOMPLISHMENTS

- Through a series of online webinars, provided school clerks, assistant principals, and principals with information on common audit findings to both allow them to understand the cause and help prevent recurring findings. Over 400 school personnel in total attended the webinars.
- In Partnership with FACE², conducted a contract requirements awareness session with all Safe Haven vendors to help ensure that they remain compliant with contracts and provide expected services to students.
- Conducted a comprehensive payroll audit, identified the need for broader payroll process optimization, and provided management with detailed recommendations to improve overall payroll processing accuracy.
- Performed ongoing data analytics over school-based transactions to: 1) proactively detect issues, identify root causes, facilitate conversations, promote needed training, and provide recommendations for improvements; and 2) expand ongoing audit coverage across all schools. Key in-scope transactions include cash receipts, cash disbursement, journal entries, vendor payments, enrollment changes, and grade changes.
- Expanded the coverage of English Learners (EL) Program Reviews to include several charter and traditional schools with EL populations of 19 or fewer from the same language background. The expansion enables increased verification of EL programming improvement for more students within the EL program.

KEY BUDGET INITIATIVES

- Perform an updated risk assessment and execute the Internal Audit Plan to align with the district's risks, goals, and strategic initiatives.
- Perform desk audit procedures for new principals and provide them with a snapshot of their school's data results with areas of improvement and recommendations.
- Continuously monitor data trends and collaborate with business process owners to decrease the number of overall findings and implement additional internal controls.

Office of the Board of Education

MISSION

The Chicago Board of Education is responsible for the governance and oversight of Chicago Public Schools. It establishes policies, standards, goals, and initiatives to ensure accountability and provide a world-class education that prepares our students for success in college and career. The Board Office supports the Chicago Board of Education in its mission.

MAJOR PROGRAMS

- Administering Chicago Board of Education meetings, including the release of meeting agendas, registration of speakers and attendees, recording of meeting proceedings, and logging of Board actions
- Hosting Board Member Office Hours to allow members of the public to speak with Board members about important issues
- Maintaining Board Rules & Policies and the CPS Archive
- Executing and processing contracts, agreements, and legal instruments
- Providing supports and services to key stakeholders, including www.cpsboe.org and phone service at (773) 553-1600

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 882,462 | \$ 1,005,136 | \$ 1,005,136 | \$ 928,772 | \$ 992,484 |
| Total Department | \$ 882,462 | \$ 1,005,136 | \$ 1,005,136 | \$ 928,772 | \$ 992,484 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 7.0 | 7.0 | 7.0 |
| Total Department | 7.0 | 7.0 | 7.0 |

MAJOR ACCOMPLISHMENTS

Through office hours, community office hours, and school visits, board members have increased the opportunity for community engagement, meeting with parents, teachers, community members, and additional stakeholders.

KEY BUDGET INITIATIVES

Overall, the Board Office maintained a flat budget from FY18, reducing non-personnel costs by 17%. Since FY12, the Office has reduced its budget by 61% while maintaining a consistent level of service and effective operation.

The Chief Education Office (CEdO)

MISSION

The Chief Education Office creates the framework for excellence in Chicago Public Schools and ensures that students flourish, teachers thrive, and principals lead a focused and effective continuous improvement agenda. We share accountability with our schools for achieving excellence and an unwavering commitment to fulfilling the vision of success for all students in Chicago Public Schools.

MAJOR PROGRAMS

The Chief Education Office oversees seven offices and directly manages four departments:

- **Office of Network Support (ONS)** manages 13 K-12 networks of schools, the Service Leadership Academies (SLA), the Academy for Urban School Leadership (AUSL) and Principal Quality (PQ).
- **Office of Teaching & Learning (T&L)** provides all stakeholders with educational resources that will result in high-quality curriculum and instruction that engages and empower students. The Office of Early Childhood Education (OECE) is part of T&L and manages school-based childhood preschool programs. The Department of Personalized Learning is also part of T&L and provides schools with the data, tools, and professional development opportunities needed to adopt personalized learning.
- **Office of Diverse Learner Support & Services (ODLSS)** provides high-quality specially-designed instructional supports and services for all students receiving specialized services within their least restrictive environments.
- **Office of Language & Cultural Education (OLCE)** provides native language instruction, develops English language skills, and promotes world language instruction that is high-quality, research-based, and reflective of student cultures. OLCE also oversees the mandates around bilingual education and department programs serve as the catalyst for students to achieve the State Seal of Biliteracy and schools implementing Dual Language Education Programs throughout the district.
- **Office of College & Career Success (OCCS)** works with schools, networks, and communities to ensure that every student at every grade level is provided individualized supports and opportunities to keep them engaged, on-track, and accelerating toward success in college, career, and life.
- **Department of Education Policy & Procedures** communicates and facilitates the strategic implementation of Board policies and procedures to ensure equity and fair standards for all CPS students.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 1,028,820 | \$ 1,224,063 | \$ 1,150,914 | \$ 968,294 | \$ 1,137,634 |
| Total Department | \$ 1,028,820 | \$ 1,224,063 | \$ 1,150,914 | \$ 968,294 | \$ 1,137,634 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 6.0 | 5.0 | 5.0 |
| Total Department | 6.0 | 5.0 | 5.0 |

OBJECTIVES

- Provide schools with a common vision for excellent schools, including expectations for student learning and high-quality and rigorous instruction.
- Continue to narrow the achievement gap by curating and developing high-quality curricular options, differentiated instruction, and targeted supports for students.
- Increase academic expectations by providing challenging opportunities to deepen student learning. Orient the daily work of academic departments to create conditions for successful schools through supportive policies and procedures and foundational systems, structures, and tools — building capacity to execute the work and equitable alignment of resources.
- Ensure all academic departments are reciprocally accountable for the success of schools and are a value added resource to schools, students, and their families.
- Promote the use of data to drive decision making at the classroom, school, network, and central office levels to drive continuous improvement.
- Help schools stay focused on the instructional priorities by delivering high-quality, streamlined, and timely communication from central office.
- Enact a district-wide structure and culture focused on supporting schools and proactive management to identify and remove systemic barriers to success through smart, cross-organizational collaboration.

MAJOR ACCOMPLISHMENTS

- **Implementation of a comprehensive, research-based, district-wide vision and strategic plan:** The Chief Education Office previously announced a strategic three-year vision titled “CPS: *Success Starts Here.*” Implementation has begun for the vision that makes three commitments, building on recent successes and reflecting the values and priorities of the administration:
 - **Academic Progress:** Provide a high quality public education for every child, in every neighborhood, that prepares each for success in college, career, and civic life. CPS will continue to support student academic progress as demonstrated through improved test scores, record-high attendance rates, increased freshman-on-track rates, and increased graduation and college enrollment rates. The district will continue to expand access to

IB, AP, STEM, and other proven programs to ensure that our students are prepared for a globally connected and changing world.

- **Financial Stability:** Financial stability allows CPS students to build on academic gains without disruptions to the classroom. Through innovative management and administrative practices, CPS can reduce costs by ensuring that CPS is run efficiently and effectively. The district will continue to take steps towards financial stability and urge the state to provide the equitable funding that Chicago students deserve.
- **Integrity:** By establishing trust and a shared vision, the district and its stakeholders can work collaboratively to achieve positive results. By prioritizing active communication and transparency, the district can engage with stakeholders, community members, and other partners to receive feedback about how to best serve the community.
- **Academic Quality Improving Throughout the District:** Through continued targeted supports, CPS schools will experience continued progress throughout the academic spectrum, and according to key performance indicators such as graduation rate, college enrollment, and assessment data, CPS students continue to show progress since 2011.
- **Postsecondary Planning - “Learn. Plan. Succeed.”:** The Chief Education Office continues to support the new graduation initiative designed to guide postsecondary success for students of all levels by requiring that school staff meet with them to ensure that they have developed plans for life after graduation. CPS is the first large urban district in the country to require this postsecondary plan in order to receive a diploma.

“Learn. Plan. Succeed.” is an evidence-based approach designed to support all students on a path to success after graduation — whether it's a two or four-year college, a career, an apprenticeship, an internship or the military. CPS will give credit to several recognized postsecondary paths to ensure a level playing field for all students. While CPS' goal is to make sure every student can graduate with the skills and resources to pursue higher education, CPS also believes that there is more than one path to a successful future.

- **Fostered Community Engagement Through Convening Councils:** The inaugural Teacher Advisory Council continues to create avenues for teacher input and feedback on district initiatives and decisions. The council produced recommendations and projects to address teacher retention and morale. The CEO/CEdO Principal Advisory Council vetted district strategies and projects while the Student Advisory Council recommends changes to positively affect the overall student experience.
- **Central Office Coherence, Professional Development, and Accountability:** CPS continues to work with University of Illinois at Chicago Professor Dr. Shelby Cosner to deliver high-quality and continuous professional development to academic chiefs and directors in order to better align practices across Central Office and strengthen supports for schools.

The University of Chicago's Survey Labs helps CPS survey principals and assistant principals about Central Office supports. The survey allows for school leaders to provide honest feedback on Central Office effectiveness and the results will be used to improve school support.

- **Universal Enrollment “GoCPS!”:** GoCPS is CPS' new online system that streamlines all of the application processes for CPS schools with the goal of promoting transparency, efficiency, and

equity. GoCPS! is now the central hub for researching, exploring and applying to pre-K, elementary and high school and offers a wide variety of school and program options.

KEY BUDGET INITIATIVES

- **Continue to support specialty program expansion:** The Chief Education Office will increase access to specialty programs, including those that yield college and career credentials. Programs include IB, STEM, AP, Dual Credit and Dual Enrollment, JROTC, and CTE.
- **Continue to support investment in STEM Programs:** The Chief Education Office continues to expand STEM programs into more high schools in the upcoming year in support of 21st Century Learning Standards. CPS will look to equitably distribute these programs, taking into consideration the landscape of programmatic offerings across the district.
- **Expansion of Early Childhood Programming:** The Chief Education Office will support the expansion of pre-Kindergarten (pre-K) programs across the city to support the Mayor's goal of free pre-K for every 4-year old in Chicago.
- **Universal Curriculum:** The Chief Education Office is releasing an RFP to identify external partners to develop a modern, culturally-relevant and rigorous curriculum that all teachers, students and parents can access. The plan to develop the curriculum spans multiple years and the investment is being made as part of a larger plan to ensure equitable access to high-quality curriculum.
- **Central Office Coherence and Operational Effectiveness:** In order to ensure Central Office departments are working as effectively and efficiently as possible, ongoing professional development is being provided on continuous improvement and related disciplines, e.g. project management.
- **Network Refresh** - Restructuring the network system to eliminate the one-size-fits-all-model by establishing four additional high school networks. This will allow core department teams to be focused on a responsive model for content based professional learning to department chairs and school teams as a means to support their work around continuous improvement. (Detail on the new network system can be found in the Schools & Networks chapter.)

Office of College and Career Success

MISSION

The Office of College and Career Success (OCCS) works with schools, Networks, and communities to ensure that every student at every grade level is provided individualized supports and opportunities to keep them engaged, on-track and accelerating toward success in college, career and life.

MAJOR PROGRAMS

- **Five Key Departments:**
 - Student Support and Engagement
 - Social and Emotional Learning
 - School Counseling and Postsecondary Advising
 - Early College and Career Education
 - Computer Science
- **Learn.Plan.Succeed. (LPS):** LPS is a major initiative in partnership with the Chicago philanthropic community to create supports to help students plan for life after graduation. LPS is the first of its kind in the country and through a combination of targeted interventions, and supports, LPS will ensure that students are successfully planning for college, career and life.
- **Chicago's Bringing Experts to STEM Teaching (BEST):** CPS, the University of Illinois-Chicago, National Louis University, and Chicago's corporate community, initiated a program to recruit and train experienced professionals in STEM (science, technology, engineering and math) fields to become teachers in CPS schools.
- **Competency-Based Learning:** As part of the state's *Postsecondary and Workforce Readiness Act*, Chicago Public Schools will pilot competency-based learning in six schools beginning in the 2018-2019 school year. The six schools participating in the pilot are Gwendolyn Brooks College Preparatory Academy HS, Southside Occupational Academy High School, Robert Lindblom Math & Science Academy HS, Consuella B York Alternative HS, Benito Juarez Community Academy High School, and Walter Payton College Preparatory High School. Students will advance once they have demonstrated mastery, and receive more time and personalized instruction if needed.
- **Centers for Excellence:** Partnering with higher education institutions (Northwestern University and University of Illinois) and corporate partners to build teacher capacity to deliver high-quality hands-on instruction based on current practices in the field.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 290,193 | \$ 455,368 | \$ 328,804 | \$ 266,778 | \$ 532,369 |
| Other Grant Funds | \$ - | \$ - | \$1,660 | \$- | \$ 64,072 |
| School Generated Funds | \$ - | \$ - | \$2,386 | \$- | \$ 40,736 |
| Total Department | \$ 290,193 | \$ 455,368 | \$ 332,850 | \$ 266,778 | \$ 637,177 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 3.0 | 3.0 | 3.7 |
| School Generated Funds | 0.0 | 0.0 | 0.3 |
| Total Department | 3.0 | 3.0 | 4.0 |

MAJOR ACCOMPLISHMENTS

- Improved performance management practices and data tools to drive sound planning, implementation with fidelity, outcomes that meet/exceed targets, and continuous improvement.
- Chicago's BEST is moving ahead with plans to develop a pipeline of STEM teachers in coordination with corporate and higher education partners. Baxter International Inc., one of the first companies to join with Chicago's BEST, has provided funding to the University of Illinois-Chicago and National Louis University to provide training to help transition STEM professionals into teaching roles in district-run schools.
- Much work has been done to prepare for the 2018-2019 competency-based learning pilot in six schools. Professional development for teachers and administrators is ongoing as is collaborating with students and the community in developing the individual models for each school. Work continues on creating systems and structures to truly measure what a student demonstrates s/he knows and how to advance students once they have demonstrated mastery. An additional five schools have been approved to expand the pilot for the 2019-2020 school year: Back of the Yards College Prep, Curie High School, Disney II Magnet High School, Northside College Prep, and Phoenix Military Academy.
- Partnered with Apple and Northwestern University to establish a new Center for Excellence at Lane Tech College Prep which will serve as a teaching and learning hub to introduce and train teachers in Apple's Everyone Can Code curriculum.

KEY BUDGET INITIATIVES

- **Launching Competency-Based Learning Pilot:** FY19 will be the first year of a 5-year state pilot around competency-based learning. Chicago was selected as one of twelve pilot districts throughout the state with 6 high schools beginning the pilot in the upcoming school year, with another 5 launching the following year. The three main elements of the competency-based pilot are that 1) students move when they demonstrate proficiency, 2) adaptive competencies (such as behavior and SEL skills) are measured separately, and 3) out-of-school learning is captured for in-school credit.

Office of Communications

MISSION

The Office of Communications promotes the district’s vision, mission, activities and priorities, as well as aids schools by promoting their good work and assisting in crisis situations, through a full range of tools, channels and strategies designed to engage key internal and external stakeholders.

MAJOR PROGRAMS

Communications Administration: The communications office plans, manages and executes the district’s communications to inform the public and all stakeholders about the initiatives and activities of the district. We provide proactive communications support to all departments, networks, and schools in situations involving media, digital and web content, stakeholder communications and other internal and external communications.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------|----------------------|---------------------|-----------------------------|----------------------|
| General Funds | \$ 1,265,836 | \$ 1,826,541 | \$ 1,682,350 | \$ 1,219,347 | \$ 1,582,894 |
| ESSA Federal Funds | \$ 9,361 | \$ - | \$ - | \$ - | \$ - |
| Total Department | \$ 1,275,197 | \$ 1,826,541 | \$ 1,682,350 | \$ 1,219,347 | \$ 1,582,894 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 14.0 | 16.0 | 14.0 |
| Total Department | 14.0 | 16.0 | 14.0 |

MAJOR ACCOMPLISHMENTS

- Enhanced online communication channels to help parents and the public access key information about major announcements and activities. To date:
 - Started an analytics program to measure and track engagement and efficacy across our digital platforms.
 - CPS’ Facebook account has grown to over 60,000 followers, a 10.7% increase since the start of FY18;
 - CPS’ Twitter account has grown to over 43,000 followers, a 17.9% increase since the start of FY18;
 - CPS launched an Instagram account in FY18 and has over 2,100 followers
 - More than quadrupled the CEO’s Twitter following since April 2017
- Further investment in video content yielded following results:

- 341K Facebook video views totaling nearly 2,300 hours in FY 18
 - 102K Twitter views totaling more than 377 hours in FY 18.
- Launched CEO Newsletter
- Assisted with launch of GoCPS, the district's new common application system, including promoting use of website and creating materials for distribution to schools and students.

KEY BUDGET INITIATIVES

- Continue to align Communications' resources to best communicate with CPS families, principals, members of the media, as well as other key internal and external stakeholders.

Department of Computer Science

MISSION

The Department of Computer Science, building on the foundation of the groundbreaking CS4All initiative, provides access to rigorous, relevant computer science courses and lesson units and facilitates the design and development of high-quality computer science (CS) learning environments that incubate innovative thinkers, creativity, and collaboration. Working to ensure a successful implementation of the new CS graduation policy, our goal is to increase student preparedness for the 21st Century. Our department also engages in multi-tiered supports for teachers, school leaders, counselors, and other school, network, and central office staff in order to develop a healthy culture of success around this new core subject.

MAJOR PROGRAMS

- **High School Computer Science Graduation Requirement** is a key program of the Department of Computer Science. CS works to facilitate this requirement and ensure schools and educators have the proper supports to implement the requirement for the class of 2020 and beyond.
- **Ready, Set, Go Framework** builds a foundation of computer science teaching and learning equitably across the district. This framework divides teaching, learning, and assessment of computer science skills into 3 phases:
 - **Ready:** In K-5, students are exposed and introduced to computer science and higher-order thinking skills in the primary space;
 - **Set:** In grades 6-8, students integrate computation into science and math with the goal of preparing students to pass the algebra exam and increase persistence and confidence, preparing them for success in high school, and
 - **Go:** In high school, students have a growing pathway of computer science courses that provide foundational knowledge for students no matter what they choose in their post-secondary pursuits.
- **Apple Everyone Can Code (ECC)** is a partnership with Apple, City Colleges of Chicago, the Mayor's Office, and several local corporate partners. The goal is to provide a pipeline to post-secondary opportunities in CS as well as careers in coding and app development. This partnership includes free Apple coding curriculum for in-class and coding clubs, a volunteer program that provides mentoring for students and teachers, summer internship opportunities for CPS high school students, development of a new CTE pathway, as well as creation of dual credit and dual enrollment opportunities with City Colleges.
- **1Million Program** is a five-year program that will put over 25,000 Internet-accessible devices into the hands of students across the district. The purpose of this program is to increase student access to the Internet outside the classroom and along with it, their ability to complete homework and other projects. This year the program is expanding to include adding SAT prep access to 3,000 additional devices so that students who typically had limited access to online test prep via Khan Academy will now be able to get access. This project will also provide technical experience to students via summer internships and ongoing tech support activities during the school year. Year one yielded over 6,000 devices to students at 14 different CPS high schools. Year 2 is expected to impact over 12,000 additional students. There is also a collaboration with Columbia University to research the impact of the program.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------|----------------------|--------------------|-----------------------------|----------------------|
| General Funds | \$ - | \$462,378 | \$ 441,908 | \$ 210,506 | \$ 498,315 |
| ESSA Federal Funds | \$ - | \$ 248,100 | \$ 269,935 | \$ 147,477 | \$ 248,885 |
| Other Grant Funds | \$ - | \$ 1,323,531 | \$1,835,471 | \$ 1,289,590 | \$ 1,634,800 |
| School Generated Funds | \$ - | \$ - | \$ 1,248 | \$ 1,248 | \$ - |
| Total Department | \$ - | \$ 2,034,009 | \$2,548,562 | \$1,648,821 | \$ 2,382,000 |

Department was part of Early College and Career in FY2017

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 5.0 | 3.0 | 3.0 |
| ESSA Federal Funds | 2.0 | 2.0 | 2.0 |
| Other Grant Funds | 15.0 | 10.4 | 10.0 |
| Total Department | 22.0 | 15.4 | 15.0 |

MAJOR ACCOMPLISHMENTS

- In February 2016, the Board of Education passed a revised graduation policy that now includes a one-credit CS requirement beginning with the class of 2020.
- Of the current 97 district-run high schools, 74 are currently running an approved CS course that counts towards the graduation requirement, and 8 have strong plans to begin implementation SY18-19.
- We are continuing to help fund cohorts of CS teachers who are working towards earning an ISBE approved CS endorsement. There are currently about 100 CPS teachers enrolled in the program with NEIU and ISU. This effort will attract and train existing teachers in the district and pre-service teachers in Illinois to help support the graduation requirement.
- With the majority of CS teachers not having a true CS background, the need for additional professional development exists. This year, with the support of our CS teacher advisory committee, we were able to identify key CS content areas where teachers require more support. As a result, we have developed a PD schedule that includes support in these key content areas (Web, robotics, app development, etc.).
- We have created a robust Peer Coach model in support of implementing the new graduation requirement.
- We have launched a program that integrates computational thinking into mathematics and science to improve school readiness to offer computer science courses in the near future.
- As part of the 1M Program, 6,800 students who would not typically have access to internet at home have received wireless internet devices so that they are now able complete web-based homework assignments without having to leave home.

- We have launched a Center for Excellence at Lane Tech High School funded by Apple in partnership with Northwestern University.

KEY BUDGET INITIATIVES

- Our department will continue to support and increase the number of high schools implementing the new Computer Science (CS) graduation requirement. Besides continuing to work with school admin on implementation plans, we will help fund additional course instruction and city-wide teaching candidates who can offer more sections of computer science at the schools that need the resources. The addition of a high school integration specialist is key in this support.
- We will continue to build out curriculum and instruction support that provides targeted, job-embedded professional development in computational-thinking instructional practices including authentic assessments, cooperative learning, and project and program-based learning. The addition of a curriculum manager is key in this support.
- This summer, we will continue our externship program for teachers. Two teachers will be chosen to work for our partner, Chicago Mercantile Exchange (CME), in their IT department. These teachers will gain hands-on work experience in a high-tech company and bring those experiences back to their classrooms and share them with other teachers via lesson units to be developed from their 5-week experience. We will continue Leadership Institute for the ongoing development of school and district leaders to support high-quality CS learning environments.
- In addition to the externship program, CME sponsors an exchange program with Belfast, Ireland. Our department head and one CS teacher will travel to Belfast, Ireland to observe their professional development and educational practices. In return, we will host one of their administrators and CS teachers here in Chicago. We will continue to develop support staff through quarterly school counselor and scheduler outreach, as well as network chiefs and ISL's, with the objective of arming these key stakeholders with the information useful for their support of student planning and matriculation.
- We will continue to build teacher capacity via extensive professional learning and through additional teacher cohorts seeking the CS credential.
- We will expand our peer coaching model to reach more high school teachers, as well as implementing this model at the K-8 schools. The addition of an instructional coach is key in this support.
- We will expand CS offerings at the elementary school level. The addition of a elementary integration and curriculum specialist is key in this support.

Office of Diverse Learner Supports and Services

MISSION

The Office of Diverse Learner Supports and Services (ODLSS) provides high quality specially designed instructional supports and services for all diverse learners within their least restrictive environments. ODLSS works collaboratively with schools, networks, students, families, and other external stakeholders to prepare students for success in college, career and life. This team provides the tools, guidance, supports, and services necessary to ensure that all Diverse Learners receive meaningful, rigorous and relevant access to grade-level core instruction within their neighborhood school, school of choice or the school closest to their residence.

MAJOR PROGRAMS

- **Service Delivery:** Diverse Learner Service Delivery works to provide both direct and consultative services to students with disabilities, including students with visual or hearing impairments, as well as those who must receive services in a hospital setting due to a medical or psychiatric condition. Services provided include instruction on the expanded core curriculum, orientation and mobility, and curriculum access. Assistive technology itinerant staff support students (ages 3-21) who require services or devices as noted in student's Individualized Education Program (IEP) or 504 Plan in the areas of communication or curriculum. Devices are allocated for student usage and mitigate visual, physical, and curricular-access barriers. Services provided include assessment, equipment allocation and customization, training, and repair, citywide travel trainers and transition specialists deliver secondary-transition supports, services, and opportunities for transition age students in collaboration with outside agencies including the Department of Rehabilitation Services. The transition team is responsible for the Illinois State Board of Education (ISBE) Indicator 13 and 14 audits and supports school teams to meet compliance for these two indicators.
- **Supports and Services:** Diverse Learner Supports and Services provides guidance for special education and limited general health requirements as well as medical compliance and direct and indirect mandated IEP/504 services. The department manages a team of over 1,300 related services providers (RSPs) in the areas of nursing, psychology, social work, speech-language pathology, occupational therapy, audiology, physical therapy, and the citywide assessment teams (CATs). The CATs are responsible for completing assessment planning, evaluations, eligibility determinations and IEP development for students who are determined to be eligible for services, as well as for the district's non-attending students in accordance with the Individuals with Disabilities Education Act (IDEA). This includes preschool age eligible children who are aging into CPS as well as students who are parentally placed in private schools in the City of Chicago or who reside in Chicago or both. The CATs also consist of citywide teachers and RSPs who conduct child find activities and developmental screenings. Citywide Early Childhood Special Education itinerant teachers provide direct instruction, as well as support for the transition and enrollment of students moving from early intervention, community-based Head Start programs into CPS schools. Supports and services also ensures that special education services are provided to all students with IEPs and 504 plans in compliance with state and federal legal mandates. ODLSS school assignment teams identify school locations that can meet the educational needs of Diverse Learners, including those students who cannot have their full needs met within a regular school setting and may require drug treatment programs, services in a residential program, or services in a private therapeutic school.
- **Quality Instruction:** ODLSS works to support educators throughout the district so that they can

provide high quality instruction that meets the needs of every student's IEP. ODLSS helps support quality instruction by assigning a special education administrator (SEA) to each network to provide instructional guidance and coach special education teachers. In addition, professional development is offered to all special education teachers and general education teachers on best practices on inclusionary instruction and quality indicators for cluster programs. The goal is to provide coaching and professional development in each network and on an on-going basis to support positive academic outcomes for special education students.

- **Procedures & Standards:** Procedures and Standards is responsible for ensuring the district's compliance with federal and state laws governing the identification, evaluation, placement, and provision of a free appropriate public education, including procedural safeguards, for students with disabilities. The Procedures & Standards unit includes district representatives (DR) that work with network offices, principals, and case managers to ensure that all IEPs are created on an equitable basis, pursuant to state and federal laws as well as adhering to ODLSS internal procedures for the district. DRs attend IEP meetings throughout the district and have the authority to commit resources and services for students with disabilities. DRs work with parents/guardians, principals, case managers, and special education teachers in all district, charter, contract, and non-public schools to determine the appropriate learning environment for each student and to support IEP decisions for students with disabilities. The unit also includes behavior analysts that build district capacity to provide and monitor evidence based behavioral strategies for students with disabilities, including autism, that exhibit behavioral needs. Other key administrators and attorneys in the Procedures & Standards unit will represent the district in due process/504 hearings and mediations; coordinate and oversee the investigation of state complaints and 504 complaints; assist with the resolution of disputes involving the identification, evaluation, services, or placement of students with disabilities; provide technical assistance to parents, school administrators and other school personnel regarding special education laws, procedures and compliance requirements; support meaningful parental participation; and provide technical assistance to school administration with respect to disciplinary procedures for students with disabilities.
- **Resource Management and Accountability:** Resource Management and Accountability provides financial and operational support to schools, networks, and central office departments including allocation of special education teachers, paraprofessionals, and centrally-managed related service providers to schools so that every child is provided with the services outlined in his or her IEP. The unit focuses heavily on data analytics to provide guidance to make informed decisions around instruction, resource allocations, and student progress. An increased focus on data analytics will allow the department to focus on schools or networks that require increased instructional support and help to identify programs that are effective and create growth for our students with disabilities.
- **Professional Development:** Professional Development is responsible for designing, coordinating, and implementing all ODLSS professional development and follow-up, which includes progress monitoring and evaluation of professional development effectiveness for central office, networks, and schools. Professional Development is facilitated by the DR or SEA for each network with intentional and strategic goals and objectives as well as ongoing supports and feedback to ensure that implementation of PD is effective and promotes systemic change in instruction. Professional development helps build professional capacity to support increased student growth, development and student success. The ODLSS professional development department collaborates with Teaching and Learning, OLCE, and other departments to provide the most comprehensive professional learning opportunities for CPS staff.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|--|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 200,138,426 | \$ 220,527,948 | \$ 218,273,987 | \$ 217,380,000 | \$ 229,263,745 |
| Other Grant Funds | \$ 17,640,118 | \$ 20,250,093 | \$ 20,199,937 | \$ 18,100,000 | \$ 21,136,655 |
| School Generated Funds | \$ - | \$ - | \$ 600 | \$ - | \$ - |
| Total Department | \$ 217,778,544 | \$ 240,778,041 | \$ 238,474,524 | \$ 235,480,000 | \$ 250,400,400 |
| Special Educ. Funding Budgeted at Schools* | \$ 210,297,609 | \$ 176,308,463 | \$ 179,991,170 | \$ 174,495,125 | \$ 598,789,613 |
| Special Educ. Funding in SBB Budgets** | \$387,060,852 | \$386,307,718 | \$374,067,738 | \$373,930,571 | \$ - |
| Grand Total | \$815,137,005 | \$803,394,222 | \$792,533,432 | \$783,905,696 | \$ 849,190,013 |

**The new PCTC funding model for charter schools, introduced in FY2018, includes special education funding in the general tuition funding that charter schools receive. Thus, there was a significant reduction (\$60+ million) of special education funding at charter schools between FY2017 and FY2018, as direct funding for special education shifted to PCTC tuition. FY2018 and FY2019 amounts include only the supplemental special education funding that charter schools receive.*

***In FY2017 and FY2018, schools received special education funding in their SBB allocation. Special education funding in SBB budgets is identified by program number -- usually program number 127725, but also any program number in the range 120000-124999.*

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|--|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 1,409.5 | 1,424.7 | 1,441.2 |
| Other Grant Funds | 155.6 | 158.4 | 159.4 |
| Total Department | 1,565.1 | 1,583.1 | 1,600.6 |
| Centrally-Funded Positions Budgeted at Schools | 2,161.9 | 2,266.4 | 7,225.9 |
| Special Education Positions in SBB Budgets | 4,831.6 | 4,959.4 | 0.0 |
| Grand Total | 8,558.6 | 8,808.9 | 8,826.5 |

MAJOR ACCOMPLISHMENTS

- Created “Principal Professional Learning Communities” (PLCs) in each network and conducted a year-long series of training sessions with over 130 principals to improve the delivery of special education services at their schools.
- Expanded efforts to recruit related service providers to address statewide and nationwide shortages of candidates. Efforts included:
 - Partnered with Lewis University to create program for health service nurses to earn credentials to become certified school nurses. First cohort of 16 candidates are expected to graduate in August 2018 and will be able to fill school nurse vacancies for the 2018-19 school year.
 - Created psychology internship program allowing students in psychologist training programs to do field work at Chicago Public Schools.
 - Continued to partner with university programs in every discipline to expose students to a school environment as a potential career path upon graduation.
- Expanded school-based positions to bolster academic and social-emotional support for diverse learners in high-needs schools, including:
 - **30 English Learner Specialists at 30 Schools:** English Language Specialists are teachers who will support students who are identified as both special education and English learners by providing early academic interventions and academic support to supplement classroom learning.
 - **16 Bilingual Paraprofessionals at 11 Schools:** CPS has identified 11 schools with high rates of dually identified English learner and diverse learners populations that could benefit from additional classroom support from bilingual paraprofessionals.
 - **10 Social-Emotional Specialist Positions at 10 Schools:** To support schools with higher-than-average suspension rates and behavioral incidences, CPS will provide funding equivalent to an additional full-time position to support a comprehensive model of social and emotional support at each school. This investment is intended to help students with behavioral challenges who need social-emotional support instead of special education support. Services will be provided through a combination of CPS school social workers, counselors and school psychologists.
 - **9 Behavior Support Specialists (Citywide):** These paraprofessionals will assist in supporting school-based staff at schools that request additional guidance for serving their special education students. This team will assist schools throughout the city on an as-needed basis by helping to train paraprofessionals that support students in need of behavioral support and assisting teachers and classroom staff.
- Expanded outreach to parents of students with disabilities. Hired three parent support coordinators to serve as liaisons between parents and the department, and repurposed a project manager position to focus on resolving parent issues and complaints.

KEY BUDGET INITIATIVES

- Creating new translation unit within ODLSS to help schools build capacity to provide translation services for non-English speaking parents who are attending IEP meetings. Unit will include one manager and 9 translators.

- Providing funding for software development to create Spanish language templates for Individualized Education Programs (IEP).
- Reducing vacancies in related service provider (RSP) positions through stronger recruitment efforts, including:
 - Increased university partnerships in all RSP disciplines to offer pre-service practicum and internship opportunities for graduate students to become intimately familiar with CPS;
 - Instituted a compensated school psychology internship program with five interns in the 2017-18 school year and expanding to 15 interns in the 2018-19 school year;
 - Partnered with Lewis University to create training program allowing Health Service Nurses to earn credentials to become Certified School Nurses; first cohort launched in January 2018 with 16 students enrolled;
 - Partnered with Talent Office to have joint ODLSS/Talent representation at all RSP job fairs and trade shows in Illinois; and
 - Partnered with Talent to make early offers for all RSP disciplines.
- Increasing the number of centrally-funded itinerant teachers who serve students with disabilities in multiple schools. New positions include:
 - One new itinerant teacher for vision impairment
 - One new itinerant teacher for Early Childhood
 - One new speech language pathologist for the Assistive Technology team
- Increasing number of network-based administrative positions, including:
 - One additional Special Education Administrator to lead instructional quality efforts in Network 13
 - One additional District Representative to serve the Network 1 office, principals, and case managers to ensure that all IEPs are created on an equitable basis, and adhere to state and federal laws and ODLSS internal procedures.
 - One additional Speech-Language Coordinator to help support the 300+ speech language pathologists serving students
- Reorganized existing positions to take on new functions, including:
 - Director of Instructional Quality, who will lead district-wide efforts to improve quality of special education instruction.
 - Manager of District Representatives, who will coordinate the efforts of 29 district representatives serving district-run schools.
 - Claims Coordinator, who will focus on increasing revenue from state special education grants.

Office of Early Childhood Education Services

MISSION

The Office of Early Childhood Education (OECE) is committed to engaging young learners in high-quality educational experiences that support and respect the unique potential of each individual through best professional practices and meaningful family and community engagement.

MAJOR PROGRAMS

School-Based Early Childhood Preschool Programs

- **Chicago Early Learning Preschool Programs:** Provides high-quality full and half-day preschool programs for children ages 3-5 in CPS buildings, primarily for at-risk children. Students are taught by appropriately certified teachers and teacher assistants. Funding and supports come primarily from the Illinois early childhood block grant and federal Head Start funds.
- **Child Parent Centers (CPC):** Child Parent Centers provide comprehensive child and family support services in 19 locations across the city, focused in high need community areas.
- **Tuition Based Preschool (TBP):** The TBP model was developed in an effort to provide preschool programs for families in need of quality early childhood education and care programs for the entire working day. This program class size is 20 students and is offered in 13 classrooms at 11 sites. Schools must identify exactly 20 families that are in need of these services and able to pay the tuition. The costs for these programs are fully covered by the tuition charged to families.

Community Partnership Programs

- **Community Partnership Program-Community Based Preschool for All, Prevention Initiative and Home Visiting Programs (birth -5 years old):** In SY18-19, CPS will sub-grant a portion of the Illinois early childhood block grant to the Chicago Department of Family and Support Services (DFSS) to provide funding and oversight to community based organizations providing preschool, prevention initiative and home visiting services to benefit approximately 14,000 children. Recognizing the importance of reaching children at an early age, CPS has shifted resources to DFSS for the administrative alignment of funding with the following goals:
 - Support community based programs to comprehensively focus on children and families;
 - Provide a coherent vision of quality services focused on children and families for community-based early childhood providers;
 - Create a funding structure that allows the city to adequately fund programs;
 - Reduce eligibility barriers for children and families at the individual community-based organization level;
 - Provide coherent, comprehensive quality improvement supports for community-based providers; and build on the unified technology platform.
- **Early Childhood-Intergovernmental Agreement for the Early Learning Investment Program (IGA):** DFSS and CPS have an agreement to invest in high quality early childhood education for students most in need through support of Pre-K programs in the highest need communities. The chart below indicates where the 500 full-day seats are located throughout the district.

| Community Area | Number of FD Seats |
|------------------------|--------------------|
| Auburn Gresham | 20 |
| Austin | 60 |
| Douglas | 20 |
| East Garfield Park | 80 |
| Englewood | 120 |
| Grand Boulevard | 40 |
| Greater Grand Crossing | 20 |
| Lower Westside | 20 |
| Near Westside | 20 |
| North Lawndale | 20 |
| Rogers Park | 20 |
| Roseland | 40 |
| Woodlawn | 20 |
| Total | 500 |

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 362,224 | \$ 1,013,976 | \$ 1,053,828 | \$ 510,004 | \$ 4,989,858 |
| ESSA Federal Funds | \$ 49,397 | \$ 191,863 | \$ 191,863 | \$ 30,776 | \$ 31,156 |
| Other Grant Funds | \$ 6,381,341 | \$ 72,012,612 | \$ 87,570,037 | \$ 44,721,635 | \$ 87,437,062 |
| Total Department | \$ 6,792,962 | \$ 73,218,451 | \$ 88,815,728 | \$ 45,262,415 | \$ 92,458,076 |
| Budgeted at Schools | \$ 124,737,701 | \$ 131,681,833 | \$ 133,157,437 | \$ 130,373,743 | \$ 148,923,194 |
| Grand Total | \$ 131,530,663 | \$ 204,900,284 | \$ 221,973,165 | \$ 175,636,158 | \$ 241,381,270 |

*FY2019 budget increase reflects \$18.5 million increase in Pre-K funding and \$20 million full day preschool expansion for 4-year olds.

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|--------------------------------|------------------------------|--------------------------------|
| General Funds | 1.0 | 1.0 | 1.0 |
| ESSA Federal Funds | 1.0 | 0.3 | 0.3 |
| Other Grant Funds | 119.0 | 33.8 | 30.7 |
| Total Department | 121.0 | 35.1 | 32.0 |
| Budgeted at Schools | 1,671.0 | 1,717.0 | 1,885.0 |
| Grand Total | 1,792.0 | 1,752.1 | 1,917.0 |

MAJOR ACCOMPLISHMENTS

- **Standardizing Quality Standards Across CPS Preschool Programs:** Implemented the Chicago Early Learning Preschool Program Standards in 191 elementary schools to ensure all programs are reaching the highest-level quality across the district regardless of funding source.
- **Improving Pathways for Families to Access Preschool:**
 - Approximately 19,000 families submitted online applications to CPS preschool programs across the city during SY17-18, showing success of Mayoral initiative, Chicago Early Learning (CEL) Online application.
 - Moving towards our goal of providing comprehensive services to all preschool families, CPS expanded supports and services to over 10,000 families--an increase of 2,000 families from the previous school year.
- **Increased Access to Full Day:** Added opportunities for an additional 79 full day classrooms during SY17-18, a 27% increase from the previous school year.
- **Summer Institute** - In August 2017, the fifth annual Ready...Set...Teach! Summer Institute served over 1,400 preschool through second grade teachers, teacher assistants, district and community based organization staff in over 100 sessions with topics ranging from assessment systems to play-based learning; every participant walked away with hands-on, practical knowledge and research based instructional strategies. The institute represented our city’s collective dedication to providing high quality, cohesive, standard-aligned education opportunities for all early learners. The theme of the institute was “Look What Teachers Can Do!” – a phrase symbolizing the event’s dual focus of cultivating teacher leadership and highlighting the power of teaching practice.
 - 2017 was the second year of a collaboration with DFSS to host a Chicago Early Learning Parent Conference where 1,000 current and prospective parents, families, guardians and caregivers of students in preschool programs were provided a full day of workshops focused on parent empowerment. Topics included employment readiness, resources for parents of young children, preschool program options, early literacy, English as second language supports, diverse learning needs, and a range of services provided by partner non-profit agencies.
- **Winter Institute** – In February 2018, the first Ready...Set...Teach! Winter Institute served 1,100 educators across the city to provide a comprehensive professional learning experience for school based and community based organizations. Ready...Set...Teach! Is a comprehensive professional

learning experience for Chicago Early Childhood Educators, Administrators and Support Staff who work with students from birth through 2nd Grade.

KEY BUDGET INITIATIVES

- **Expansion of Pre-Kindergarten Programs:** CPS implemented the first phase of universal full-day pre-kindergarten for 4-year-olds, starting with an expansion for an additional 3,700 children for fall 2018. An additional 180 full-day CPS classrooms will be added and serve families most in need – or approximately 15,000 of the Chicago’s 4-year-olds. Expanding access to universal full-day pre-kindergarten is aligned to the CPS Vision for equity in education for all students. By the fall of 2021, pre-kindergarten will be universal for all 4-year-olds in Chicago.
- **Increasing Comprehensive Services and Supports:** The Office of Early Childhood implemented Universal Program Standards, which allowed 191 schools, approximately 10,000 students access to mental health, oral and physical health, and parent engagement supports and services. In school year 2018-2019 an additional 41 schools, approximately 2,600 will receive comprehensive services.
- **Increased Funding Supports to Schools:** Schools with full day preschool programs will receive \$7,000 per full day classroom to assist in providing classroom supports.

Office of Early College and Career Education

MISSION

The Office of Early College and Career Education (ECCE) provides access to rigorous, relevant college-level and career-focused courses and programming, and facilitates the design and development of high-quality, sustainable Science, Technology, Engineering and Math (STEM) learning environments that support postsecondary success through early college credit, professional credentials and work-based learning opportunities.

MAJOR PROGRAMS

- **Career and Technical Education (CTE)** programs engage students in advanced, career-focused curriculum, industry certification opportunities and work-based learning to drive increased graduation, college enrollment, and employability rates. Students are prepared for multiple pathways to postsecondary success.
- **Early College** programs focus on providing educational options for students to gain college credits, experiences, and rigor while in high school. This work includes: Early College STEM Schools (ECSS), Dual Credit, Dual Enrollment and CTE Articulation Agreements.
- **Early College STEM Schools:** Support STEM implementation in 8 Early College STEM schools with the goal of increasing the number of students that graduate with Early College Credit, increasing the number of students who graduate college-ready in math & science, and increasing the number of students that graduate with an AS/AAS in IT. At Crane High School, where the ECSS focus is the medical pathway, we are aligning the program with certifications. Program elements include early college courses, school-wide STEM instruction, work-based learning, STEM enrichment and IT career pathways.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 836,454 | \$ 1,164,556 | \$1,206,390 | \$ 908,948 | \$ 1,049,680 |
| ESSA Federal Funds | \$ 283,498 | \$ 2,831,849 | \$ 65,280 | \$ 7,713 | \$ 65,000 |
| Other Grant Funds | \$ 5,341,407 | \$ 10,816,036 | \$ 7,613,057 | \$ 6,231,830 | \$ 11,221,315 |
| School Generated Funds | \$ 478,876 | \$ 63,021 | \$ 292,105 | \$ 231,174 | \$71,710 |
| Total Department | \$ 6,940,235 | \$ 14,875,462 | \$ 9,176,832 | \$ 7,377,665 | \$12,407,705 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|--------------------------------|------------------------------|--------------------------------|
| General Funds | 2.0 | 3.0 | 2.0 |
| Other Grant Funds | 31.0 | 36.0 | 36.0 |
| Total Department | 33.0 | 39.0 | 38.0 |

MAJOR ACCOMPLISHMENTS

- Developed Jumpstart to Jobs and began recruiting for the SY19 launch of the program. Jumpstart to Jobs will allow seniors to earn 15+ college credits and a basic certificate in one of five industry pathways, providing students a semester of college credit and an opportunity in the marketplace upon graduating from high school.
- Received \$300k in funding from JPMorgan Chase for the third year in a row for a summer certification program that was honored by the Mayor's Office - the program provided training, work experiences, and opportunities to earn industry certifications for CTE students in IT, Health Sciences, Manufacturing, and Transportation.
- Continued focus on work-based learning through strategic partnerships with the Mayor's Office, the Department of Family and Support Services and organizations such as Peoples Gas and Labor Unions with nearly 1,700 internship opportunities in Summer 2017.
- Sodexo Magic, along with Local 399 and Triton College, partnered with CTE to implement a two-year apprenticeship program that will result in CPS graduates being hired as full-time building engineers in CPS schools.
- Expanded CTE instructional coaching support model to assist teachers with improving their rating on the CPS Framework for teaching. 94% of the teachers who have received coaching improved in at least one area on the REACH Framework.
- 2,694 seniors took CTE Nationally Standardized Assessments in 25 different pathways, including Ag Education, Allied Health, Architecture, Auto Body, Auto Tech, Broadcast Technology, Cabinet Making, Carpentry, CISCO, Computer Programming, Cosmetology, Culinary Arts, Diesel Technology, Digital Media, Early Childhood Education, Electricity, Gaming, Horticulture, Hospitality Management, HVAC, Medical and Health Careers, Medical Assisting, Teaching, Web Design, and Welding. 118 teachers participated.
- Provided CTE professional development to 16 new CTE teachers and 63 veteran CTE teachers focused on instructional strategies, integrating literacy and employability skills in the curriculum and improving certification attainment.
- Launched pilot STEM Certification process at 15 schools to evaluate, measure, and support progress for STEM integration.
- Implemented third year of K-12 STEM Leaders Institute to support and develop administrative leaders of STEM schools.
- Academy Coordination team did outreach and recruitment at over 489 elementary schools/high school fairs.

- CTE programs/schools received 56,201 applications through the GoCPS application process - approximately 21% of all high school applications submitted.

KEY BUDGET INITIATIVES

- Launch third cohort for Chicago Builds, a citywide CTE program focused on the trades - Electricity, Advanced Carpentry, HVAC, Welding, and General Construction. Students will participate in a two-year program geared towards exposing them to various trades, preparing them for apprenticeship opportunities and engaging in certification and work-based learning opportunities.
- Expand dual credit and dual enrollment programs to reach goal of 8,750 enrollments in SY 2018-2019. In FY18, 17 additional high schools offered dual credit programs, bringing the total number of high schools to nearly 80.
- STEM Specialists to provide targeted, job-embedded professional development in STEM-focused instructional practices, including: authentic assessments, cooperative learning, technology integration and transdisciplinary planning.
- Launch official STEM Certification for STEM Initiative (District-supported) schools; this certification process is a means to measure and improve program quality.

Office of Equity

MISSION

Equity is a moral imperative as outlined in the CPS vision and we must examine our policies and programs to see where inequity exists—whether in resources, staffing, academic supports, social and emotional supports, or access to high quality programs—and take steps to eliminate it.

As part of our commitment, we will establish an Office of Equity in the summer of 2018 that is charged with developing, implementing, and reporting on district efforts to address the strategic priorities for diversity, equity, and inclusion. We have launched the search for the Chief Equity Officer who will lead this critical work.

MAJOR PROGRAMS

Equity Plan Administration: Led by the Chief Equity Officer, the Equity office will create, implement and execute the District’s equity plan to establish and sustain a clear organizational commitment to Diversity, Equity, and Inclusion (DEI); builds a workforce for Chicago Public Schools that reflects and celebrates the diversity of Chicago and provides high-quality education to all students; ensures equity in students’ educational experiences and outcomes across Chicago to narrow racial disparities in academic, social & emotional, and post-secondary outcomes; and increases equity in operational and resource support for students and schools in all communities.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$- | \$- | \$- | \$- | \$1,021,209 |
| Total Department | \$- | \$- | \$- | \$- | \$ 1,021,209 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 0 | 0 | 4.0 |
| Total Department | 0 | 0 | 4.0 |

MAJOR ACCOMPLISHMENTS

N/A

KEY BUDGET INITIATIVES

N/A

Executive Office

MISSION

The Chief Executive Officer is responsible for ensuring that the district’s mission of providing a high-quality education to every child in every neighborhood is realized, steering innovations that improve academic outcomes, and putting the district’s finances on stable footing.

MAJOR PROGRAMS

- **Executive Administration:** Lead the district’s administration, including providing world-class education options that prepare all students for success and stabilizing the district’s finances.
- **Chief of Staff:** Directs the activities of senior leadership across departments to ensure strategic coordination in achieving the CPS mission.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 1,375,067 | \$ 1,295,792 | \$ 1,295,792 | \$ 1,288,263 | \$ 1,296,314 |
| Total Department | \$ 1,375,067 | \$ 1,295,792 | \$ 1,295,792 | \$ 1,288,263 | \$ 1,296,314 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------------|-----------------------------|-------------------------------|
| General Funds | 8.0 | 8.0 | 8.0 |
| Total Department | 8.0 | 8.0 | 8.0 |

KEY BUDGET INITIATIVES

- Further support the district’s plan around race and equity and protecting Chicago’s Children by creating a Diversity, Equity and Inclusion Office and a Title IX Office, including a Student Support Center.
- Align resources to equitably serve students across the district based on needs and to enhance educational outcomes.
- Position CPS to be more fiscally stable by adopting strategies that eliminate inefficiencies, streamline operations, and reduce non-classroom costs. Continue to promote policies and initiatives that maximize resources for the classroom.
- Provide all students with the opportunities they deserve and with the resources they need to realize their full potential. Treat every student as an individual by tailoring resources to support their unique learning needs.

- Improve academic quality at all schools through investments in school leadership and real-time data to improve classroom instruction.
- Foster increased trust in the district through improved transparency and communication with all stakeholders.
- Develop cycles of Continuous Improvement across Central and Network Offices to align goals, create more targeted KPIs, and ensure all work impacts schools.
- Establish customer service training for Central Office and establish regular communications cadence to foster internal alignment around the evaluation of actions through the lens of a school.
- Restructure the Network model to implement a district strategy for building coherence, creating efficiencies in resource allocations and creating a culture of shared accountability and collective impact.

Department of Facilities Operations and Maintenance

MISSION

The Department of Facilities Operations and Maintenance (O&M) has an active role in supporting CPS' mission of providing a high quality public education for every child, in every neighborhood that prepares each for success in college, career, and civic life. By managing the day-to-day operations of more than 700 schools, modular buildings, annexes, and administrative offices, the department ensures that the district's schools and facilities are clean, safe, heated and cooled, and dry, with the goal of creating positive and nurturing learning environments for all students.

MAJOR PROGRAMS

- **Integrated Facilities Management (IFM):** Under the IFM model, schools receive engineer and custodial services, O&M repair work through various trade vendors, landscaping, pest control, energy management and snow removal services.
 - **Engineer Services** provide preventative maintenance services to schools to keep critical building infrastructure and mechanical systems operational, ensuring maximum building safety, functionality, and long-term durability.
 - **Custodial Services** are provided to schools to keep facilities clean and habitable for students and staff.
- **Energy Management:** Activities aimed at developing projects to reduce the overall consumption of energy usage and spend in each school as well as strategically planning the procurement of natural gas and electricity.
- **Waste Removal and Recycling:** Schools are provided with uninterrupted trash and recycling service including collection, disposal, and equipment necessary for collection. Each school has waste and recycling dumpsters appropriate for building size and capacity.
- **Other Support Services:** The department also coordinates with the Capital and Real Estate departments to efficiently manage energy consumption, engineering, custodial, and O&M repair services needed to prepare buildings for renovations, property sales, and occupancy.
- **CPS Warehouse:** The CPS warehouse facilitates the collection and recycling of unused equipment, furniture, educational materials, and other assets for district schools and administrative offices.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------------|-----------------------|
| General Funds | \$ 313,950,987 | \$ 335,235,787 | \$ 345,377,589 | \$ 343,519,332 | \$ 356,935,679 |
| ESSA Federal Funds | \$ - | \$ - | \$ 900 | \$ - | \$ - |
| Lunchroom Funds | \$ - | \$ - | \$ 30,590 | \$ 30,290 | \$ 58,742 |
| Other Grant Funds | \$ 977,351 | \$ 833,550 | \$ 1,100,000 | \$ 569,844 | \$ 849,095 |
| School Generated Funds | \$ 234,282 | \$ 295,603 | \$ 762,611 | \$ 248,966 | \$ 560,620 |
| Total Department | \$ 315,162,620 | \$ 336,364,940 | \$ 347,271,690 | \$ 344,368,432 | \$ 358,404,136 |

| | | | | | |
|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Budgeted at Schools | \$ 12,055,841 | \$ - | \$ 9,197,010 | \$ 9,186,750 | \$ - |
| Grand Total | \$ 327,218,461 | \$ 336,364,940 | \$ 356,468,700 | \$ 353,555,182 | \$ 358,404,136 |

Position Summary

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 1,099.0 | 1,110.5 | 862.5* |
| Lunchroom Funds | 0.0 | 0.5 | 0.5 |
| Total Department | 1,099.0 | 1,111.0 | 863.0 |

*237 Local 143 engineer positions will be closed by August 31, 2018. These positions are not reflected in this total.

MAJOR ACCOMPLISHMENTS

- Restructured operations by:
 - Replacing a Special Projects Coordinator with a Human Resources Manager to help reduce custodial vacancies in support of the department’s overall mission; and
 - Repurposing the Vendor Management and Facilities Coordinator positions to build a finance and business analytics team focused on managing the department’s fiscal transactions as well as building and monitoring key performance indicators to track future performance.
- Restructured the facilities field team to build out a Quality Assurance Team who will provide oversight of vendors and ensure collaboration with principals on facilities needs.
- Developed key performance metrics and standard operating procedures for quality assurance process.
- Completed Phase I of the IFM pilot expansion, transitioning 292 schools and other facilities to the new asset management model effective July 1, 2017.
- Successfully completed repairs identified in early childhood areas (e.g., classrooms, playgrounds) at 153 schools.
- Focused on Building Automation System inventory, maintenance, and upgrades for 42 schools.
- The CPS Warehouse developed a scrap for cash program for district resources that are no longer viable. The program was initiated in February and the warehouse has collected \$28K that is being recycled back into operational costs.
- Initiated full building audits at every school to develop a baseline building management plan by school.

KEY BUDGET INITIATIVES

- Complete Phase II and III of the IFM transition for the balance of our district-managed schools and other facilities.
- Establish monthly quality assurance cadence with principals which will include monthly audits and planned visits with principals.
- Increase custodial services by adding 200 seasonal and 100 permanent custodians to improve cleanliness outcomes for schools.
- Reduce custodial vacancy rate by 50%.
- Implement the district’s [asset and inventory management policy](#) for facilities and the warehouse.

- Complete IT projects, including:
 - Creating an electronic quality assurance audit process and reporting tool,
 - Updating the facilities webpage,
 - Developing a district-wide dashboard to provide data transparency to parents and community partners, and
 - Establishing a service ticketing system for tracking issues related to building operations.

Family and Community Engagement in Education

MISSION

The office of Family and Community Engagement in Education works to empower students, teachers, and parents to ensure success in the educational process.

- Students are empowered to have more ownership over their learning
- Teachers are empowered through support systems
- Parents are empowered to be active stewards of their child's educational process

MAJOR PROGRAMS

- **Network Family and Community Engagement in Education (FACE²) Managers:** Nurture strong student support structures by fostering better informed, empowered, and engaged parents. FACE² Managers work with each Network to conduct parent workshops, implement district attendance and truancy strategies, conduct community needs assessments, and provide targeted outreach.
- **Parent University, Parent Training Centers, and Parent Engagement Centers:** Physical locations that provide parents/community with experiences intended to support a new outlook on education and the learning process that will transfer into positive outcomes for our students. Services may include GED classes, technology, and health and wellness classes.
- **Parent Engagement:** Creating an authentic academic atmosphere leveraging digital platforms that support personalized learning and engage parents in a process that mirrors their students' learning experience.
- **Faith-Based Initiatives:** A partnership with the faith-based community to provide education advocacy and crisis support services to CPS families. The Safe Haven program provides leadership and social-emotional programming in targeted communities. This program is provided to students at no cost during after-school hours, and over the winter, spring, and summer breaks.
- **Community Relations:** Facilitate meetings and workshops through Community Action Councils (CACs) that aid the development of community-specific educational plans.
- **Community Engagement:** Conduct community dialogue and focus groups and build leadership capacity through community conferences to support student outcomes.
- **Back-to-School Campaign:** An aggressive grassroots approach to building awareness and preparing families for strong attendance on the first day/week of school.
- **Local School Council (LSC) Relations:** Conduct LSC elections and train/support LSC members in fulfilling their statutory duties, which include principal evaluation, retention and selection, approval and monitoring of school budgets, and monitoring LSC members' compliance with statutory mandates.
- **21st Century Learning:** Resources designed to create and curate virtual curriculum, build capacity in students, educators, and community, and manage processes and systems that support the district's vision around personalized learning. Utilize digital content to close the generational learning gap and advance the skill sets of stakeholders.
- **CPS Connects:** Virtual and in-person student opportunities to take ownership over their own learning.
- **Title I Parent Involvement:** Facilitate parent involvement in Title I schools by working with principals and parents to comply with mandates for programming supported by Title I funds.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 4,479,125 | \$ 5,788,402 | \$ 5,622,902 | \$ 4,362,406 | \$ 5,406,363 |
| ESSA Federal Funds | \$ 1,062,319 | \$ 1,354,107 | \$ 1,354,107 | \$ 948,629 | \$ 1,496,317 |
| Other Grant Funds | \$ 344,598 | \$ 1,000,000 | \$ 1,015,032 | \$ 709,381 | \$ 500,000 |
| Total Department | \$ 5,886,042 | \$ 8,142,509 | \$ 7,992,041 | \$ 6,020,416 | \$ 7,402,680 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 33.0 | 32.0 | 32.0 |
| ESSA Federal Funds | 13.0 | 12.0 | 13.0 |
| Total Department | 46.0 | 44.0 | 45.0 |

MAJOR ACCOMPLISHMENTS

- Continued support of Safe Haven Program at 110 sites across the city. Provided services such as anti-bullying curriculum to over 4,500 children during summer, winter, and spring intercessions as well as after school.
- Through the CPS Connects initiative, over 66,000 students and 400 schools participated in LearnStorm, which provided free, Common Core-aligned, supplemental math programming.
- Trained LSC members on roles and responsibilities, including conducting effective meetings, school improvement plans, budgeting, principal evaluations, retention, and principal selection.
- Organized and facilitated community meetings and webinars with executive leadership for 20% FOR 20% campaign to help the CPS community fight for equal funding from Springfield.
- In 2017, opened an additional seven Parent Universities and five Parent Training Centers in schools across the city so that every network has a Parent University.
- For the first time in at least a decade, hosted 5 CEO community town halls throughout the district, with 12 CPS departments represented to answer questions; over 2,200 individuals attended.

KEY BUDGET INITIATIVES

- Increase supports and partnerships to aide in the reduction of truancy and improve attendance and reintegration.
- Increase school and community partnerships to enhance student resources and opportunities. 13 Network Back-to-School bashes occur in August to prepare students and families for the first day of school. Families have an opportunity engage with school staff and utilize academic resources.

- Increase communication with parents and community members by starting a Parent Board of Governors, continuing monthly Parent Advisory Council and Parent Leadership Network meetings, and offering classes at Parent University campuses throughout the district.

Finance

MISSION

The Finance Office oversees Accounting, Grant Funded Programs, Office of Management and Budget (OMB), Payroll Services, Risk Management, and Treasury. Finance develops and manages CPS' annual operating and capital budgets, prepares long-term financial projections, and secures both short term and long term resources to provide adequate liquidity. It exercises overall fiscal responsibility and is responsible for maintaining adequate internal controls. Finance actively partners with the CPS executive team to provide business advice and financial guidance to support educational priorities and student achievement, and leads diversity and outreach programs.

MAJOR PROGRAMS

- **Corporate Accounting, Disbursements, and Business Services** supports the instructional and administrative needs of CPS by utilizing and developing efficient financial systems, implementing cost-effective operating processes, and providing timely and accurate financial reporting. Corporate Accounting programs and initiatives include the timely processing of grant reimbursement and general aid claims; maintenance of the district's general ledger and monthly and annual financial closing processes; management of the district's External Financial Audit and Federal Single Audit; issuance of the internal and external financial statements and other regulatory reporting; tracking, recording and reporting for all public and private grants and donations; issuance of CPS diplomas and transcript requests; as well as asset and inventory management and all disbursements to vendors and employee related reimbursements.
- **Grant Funded Programs** supports strategic utilization of grant funds, aligning them with district priorities to increase student achievement. The Grants Office manages the development and on-time submission of formula grant applications and amendments, monitors the implementation of all grant initiatives, and supports schools and user departments to maximize use of grant dollars while minimizing risk to the district. The department is also responsible for coordinating tests performed as part of the district's A-133 audits and state monitoring visits. Grant Funded Programs support traditional, charter, and non-public schools in accordance with federal requirements.
- **Office of Payroll Services** manages the payroll processing for all CPS employees, in compliance with Board rules, government policies, and laws.
- **Office of Management and Budget (OMB)** provides fiscal support for the district by ensuring that the budget is balanced, expenditures remain within budget, budget decisions are based on solid analytical information, and public and CPS users have access to information that is transparent, easy to understand, and useful. OMB further ensures that the district accesses the full federal and state funding allocations available, that users of these funds meet reporting and compliance requirements, and that these funds fully support the district's objectives and goals to improve student achievement. OMB also coordinates with other departments to make any necessary adjustments and/or to initiate budget amendments in the event that projected revenues or expenses change.
- **Risk Management** manages the property and casualty exposure of the district's plant and operations through insurance policies, self-insurance claims administration, and risk transfer via vendor contracts.
- **Treasury** manages debt, investments, and cash flow activities to optimize liquidity, maximize investment earnings and obtain the most efficient financing for capital projects, given the Board's available resources and risk tolerance.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 27,705,465 | \$ 24,879,728 | \$ 31,627,413 | \$ 26,448,491 | \$ 26,571,669 |
| ESSA federal Funds | \$ 2,593,621 | \$ 31,299,261 | \$ 4,676,547 | \$ 4,031,104 | \$ 28,523,698 |
| Lunchroom Funds | \$ - | \$ - | \$ - | \$ - | \$ 81,710 |
| Other Grant Funds | \$ - | \$ 4,241,280 | \$ - | \$ - | \$ 3,042,406 |
| School Generated Funds | \$ 65,421 | \$ 286,195 | \$ 404,918 | \$ 83,004 | \$ 308,010 |
| Total Department | \$ 30,364,507 | \$ 60,706,464 | \$ 36,708,878 | \$ 30,562,599 | \$ 58,527,492 |

Note: The FY2018 and FY2019 budgets include funds to be spent in schools, but the FY2018 projected expenditure does not include funds that are transferred and spent in schools.

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 88.5 | 90.9 | 95.9 |
| ESSA Federal Funds | 24.5 | 29.1 | 28.1 |
| Lunchroom Funds | 0.0 | 0.0 | 1.0 |
| Other Grant Funds | 0.0 | 0.0 | 1.0 |
| Total Department | 113.0 | 120.0 | 126.0 |

MAJOR ACCOMPLISHMENTS

Corporate Accounting, Disbursements, and Business Services

- Successfully transitioned to new external financial auditors for the first time in 11 years.
- Completed the FY2017 Annual Financial Audit with no material weaknesses, significant deficiencies or control deficiencies.
- Received Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the district's Comprehensive Annual Financial Report (CAFR).
- Received the Association of School Business Officials (ASBO) Certificate for Excellence in Financial Reporting for the district's CAFR.
- Timely issuance of the Illinois State Board of Education Annual Financial Report.
- Compiled and filed the district's \$1 billion General State Aid Claim.
- Processed, compiled, and filed over \$2.2 billion in Federal and State grant claims.
- Completed the asset management inventory for over 300 CPS schools and provided training to over 400 employees on asset management procedures.

- Initiated district-wide rollout of State of Illinois ePay program, which gives all schools the ability to accept online debit and credit card, as well as eCheck payments for various fees collected at the school.

Office of Management and Budget

- Provided FY2019 budgets to school principals in April 2018, aligning the budgeting timeline with the school strategic planning process.
- Proposed FY2019 budget reflecting investments in school budgets, including increases in SBB rate for all schools and additional targeted funds for vulnerable schools and populations.
- FY2019 budget as proposed also includes investments in programmatic priorities to support schools and students throughout the city.

Office of Payroll Services

- Implemented new pension plans in compliance with new pension legislation introduced in July 2017.
- Completed extensive testing and implementation of all PeopleSoft tax updates culminating in the successful production and delivery of 46,454 W2 forms to current and former employees.
- Worked closely with partners in Talent in order to test and implement projects which include Open Enrollment for 2018 and the Leaving Insourcing initiative that launched in April 2018.

Risk Management

- Secured, for the first time, cyber liability coverage for the Board.
- Implemented the renewal of all of the lines of coverage for FY2019 and expanded coverage in certain areas of casualty liability.

Treasury

- Secured upgrades from all of the rating agencies. Fitch gave CPS a one notch upgrade and an upgraded outlook to stable. All the other rating agencies provided an upgraded outlook including two upgraded outlooks from S&P.
- Secured \$145 million of incremental budgetary relief beyond FY18 Original Budget, including:
 - \$68 million of reduced short-term interest costs through improved liquidity,
 - \$73 million from reduced debt service through debt refinancing and restructuring, and
 - \$4 million of incremental investment earnings.
- Reduced the amount of the short-term borrowing by \$456 million from \$1.55 billion in FY2017 to \$1.1 billion in FY2018. This reduction in the short-term borrowing reduced interest cost by \$68 million which is a structural budgetary savings and the second largest structural gap closing measure for FY2019. This was due to the district's improved liquidity situation.
- Secured \$210 million of budgetary relief for FY2019, including:
 - \$168 million from a debt refinancing/restructuring,
 - \$12 million further reduction in short-term interest borrowing costs,
 - \$15 million from incremental investment earnings, and
 - \$15 million of other Treasury savings initiatives.

Grant Funded Programs

- Developed and submitted more than 65 formula grant applications and amendments for federal and state funds to support the implementation of grant-funded programs aligned to district priorities, totaling more than \$640 million.
- Successfully closed out FY2017 Illinois State Board of Education monitoring cycle with no questioned costs on a scope covering over \$450 million in federal grants.
- Provided Title I services including supplemental instruction and academic counseling to eligible students of non-public, private schools as part of federally-required proportionate share services.

- Supported the allocation of equitable shares in state and federal funds to charter, contract, and alternative schools by reviewing program plans for more than 150 individual campuses and ensuring alignment to grant requirements.
- Continued implementation of services funded under the School Improvement Grants (SIG).

KEY BUDGET INITIATIVES

Corporate Accounting and Disbursements and Business Services

- Implement grants management software to streamline the grant claims process and maximize grant reimbursements.
- Develop procedures and processes to comply with the Illinois State Board of Education's new site-based expenditure reporting requirements.
- Complete district-wide asset and instructional materials inventory and the implementation of the new asset management software, TIPWeb-IT and TIPWeb-IM.
- Implement automated processes to streamline Accounts Payable functions, reducing the need for manual invoice processing, further decreasing the invoice backlog, and eliminating the need for temporary staff.
- Integrate the State of Illinois ePay program with the ASPEN student information system rollout to provide a comprehensive system for data and payment collection.

Office of Management and Budget

- Increase support for schools and departments, providing fiscal oversight and analysis to help ensure sound fiscal practices and spending.
- Partner with various central office departments to align FY2019 budget monitoring and FY2020 budget development with continuous improvement planning districtwide.
- Develop and publish a "Residents Guide" to FY2019 budget.

Office of Payroll Services

- Kronos improvements to reduce timekeeping submission errors.
- PeopleSoft Time and Labor overhaul to streamline payroll processing and reduce manual steps when completing bi-weekly payroll.
- Future codify payroll policies and processing guidelines in order to ensure consistent handling of employee payroll submissions and compliance with all FLSA and other government regulations.

Risk Management

- Explore alternative risk financing to reduce annual insurance renewal risk.
- Improve process around requiring insurance from vendors, including tracking insurance certifications.

Treasury

- Treasury continues to discuss the District's financial situation with key stakeholders including the rating agencies and expects to lower its interest rates through the district's improved financial situation.
- As mentioned earlier, Treasury executed on Fiscal Year 2018 transactions which generated \$145 million of FY2018 budgetary relief and \$210 million of budgetary relief for FY2019.
- Treasury will work to secure meaningful budgetary relief for Fiscal Year 2020, including further refunding savings from replacing higher costing debt at lower interest rates due to CPS' improved financial situation.
- Treasury will sell bonds to continue funding of the FY2019 capital plan.
- Treasury will continue to improve processes around cash collection across the District.

Grant Funded Programs

- Continue to work with various funders and partner organizations including to ensure schools and departments have ample options and opportunity to make use of grant funds to support their priorities.
- Begin implementation of school improvement grants under new IL EMPOWER initiative and support increased requirements for non-public schools as part of transition of Title I under Every Student Succeeds Act (ESSA).
- Build on proven internal controls and compliance practices, including additional training offerings for schools and user groups on grant requirements plus augmented proactive monitoring of planned grant expenses to ensure alignment to district priorities and grant requirements.

Freedom of Information Act (FOIA) Office

MISSION

The Freedom of Information Act (FOIA) Office oversees and coordinates all of the district’s FOIA requests. The office strives to employ best practices to ensure the district is transparent and in compliance with federal, state, and local regulations.

MAJOR PROGRAMS

The FOIA Office is charged with responding to the District’s FOIA requests pursuant to the Illinois Freedom of Information Act and the Illinois School Student Records Act.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 143,924 | \$ 467,888 | \$ 467,888 | \$ 437,888 | \$ 477,361 |
| Total Department | \$ 143,924 | \$ 467,888 | \$ 467,888 | \$ 437,888 | \$ 477,361 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 5.0 | 5.0 | 5.0 |
| Total Department | 5.0 | 5.0 | 5.0 |

MAJOR ACCOMPLISHMENTS

- Received and responded to 1,151 FOIA requests in FY18: an 11% increase from the previous year.
- Launched FOIA information sessions, an internal initiative to provide a better understanding of FOIA protocols and reporting rules.
- Improved internal process to gather documents, shortening the FOIA response time to requester by 38%.

BUDGET INITIATIVES

- Launch an internal management tracking system to further streamline the process of gathering documents.
- Continue improving response time and engagement with requesters.
- Ongoing collaboration with departments district-wide to increase accessibility of public information on the CPS website.

Information & Technology Services

MISSION

The Department of Information & Technology Services (ITS) provides innovative technology solutions that improve the quality of education for our students, reduce the administrative burden on our educators, facilitate parent interaction, increase community engagement, and support the district's mission of transparency by focusing on the ease and equity of access to information.

MAJOR PROGRAMS

- **Student Records and School Performance:** IMPACT student records system for daily school operations, and the data warehouse and "Dashboard" for maintenance and access to performance analytics
- **Operating and Supporting Systems:** Finance, HR/Payroll, Learning Hub, CPS.edu, and other supporting ITS functions, such as training and communications
- **Infrastructure Backbone:** Data center, telephones, and the data network, including school wireless networks and internet connections
- **Client Computing Support:** Computer engineering and support, including the help desk, field service support vendors, software licensing and device acquisitions
- **Enterprise Transformation:** Project Management Office (PMO), organizational change management, and enterprise architecture teams focused on establishing consistent and repeatable practice to facilitate the smooth migration to new systems, tools, and processes

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 48,354,869 | \$ 77,811,300 | \$ 83,407,432 | \$ 64,888,960 | \$ 86,015,942 |
| ESSA Federal Funds | \$ 683,122 | \$ 632,875 | \$ 659,998 | \$ 653,791 | \$ 340,813 |
| Other Grant Funds | \$ 125,182 | \$ 23,000 | \$ 49,986 | \$ 43,303 | \$ - |
| School Generated Funds | \$ 47,654 | \$ 40,077 | \$ 66,640 | \$ - | \$ - |
| Lunchroom Funds | \$- | \$- | \$ 9,870 | \$ - | \$ - |
| Total Department | \$ 49,210,827 | \$ 78,507,252 | \$ 84,193,926 | \$ 65,586,054 | \$ 86,356,755 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 128.0 | 126.0 | 135.0 |
| ESSA Federal Funds | 1.0 | 1.0 | 1.0 |
| Total Department | 129.0 | 127.0 | 136.0 |

MAJOR ACCOMPLISHMENTS

Productivity Enhancements

- Upgraded legacy property tax reporting application to a supported technology platform that allows for greater flexibility in configuration moving forward.

Infrastructure and Security Improvements

- Upgraded internet connection at all elementary schools to 100mbps and all high schools to 1GB speed.
- Completed wireless and fiber optic back bone upgrades (from 1Gb to 10Gb) at 106 schools and router upgrades at an additional 362 schools, providing enhanced network capacity and upgraded wireless infrastructure to support personalized learning and education technology initiatives.
- Implemented a Cloud Security Access Broker (CASB) to serve as an additional layer of protection between CPS Google Drive, which contains over 50 million documents, and the Internet.
- Implemented a new Virtual Private Network (VPN) client that incorporated two factor authentication for remote access to the CPS network.
- Implemented a cloud-based DNS security solution to improve protection against malware, phishing, and ransomware attacks.
- Replaced the existing CPS identity management platform to streamline account and access provisioning and improve Single Sign On (SSO) experience for staff and students, allowing more time to focus on instruction. This initiative also increases visibility and governance within an account's lifecycle, including privileged access to sensitive ITS systems.

Community Engagement

- Facilitated the successful launch of the GoCPS site to simplify the high school enrollment process for parents and students. GoCPS is a simple, mobile-friendly online application that allows students to apply to multiple CPS schools by filling out one form. Students rank their school choices in order of preference and receive an offer to their highest matched school.

Savings Initiatives

- Extended warranties on Central Office devices, saving approximately \$1.5M compared to purchasing new devices.
- Continued the implementation of school-based Managed Print Services (MPS) at an additional 47 schools, saving the district \$215,000 in actual printing expenditures in FY2018. In total, we have implemented MPS at 121 schools and saved approximately \$765,000 annually.

Staff Development

- ITS hosted a Googlepalooza/TechTalk professional development event for school-based staff. Approximately 1,100 people attended. The event included 87 unique sessions taught by both central office and school-based staff members. Topics varied from the technical break-fix to pedagogy using technology in the classroom, including best practices for using Google in schools.
- ITS hosted two TechCo Days @ Google. The spring session was attended by 150 TechCos from 133 schools. The fall session was attended by almost 200 staff from 140 schools.
- ITS worked with the Law department to develop and adopt a formal information security training curriculum, including a post training exam. Roughly 900 school principals and assistant principals participated in the training, along with 600+ Central Office employees. The FY2019 roadmap includes the extension of this training to all CPS employees.

KEY BUDGET INITIATIVES

The FY2019 ITS budget includes supports for the following high level areas of concentration.

- **Empower Academic Progress**
 - Network and Internet Capacity Improvements: Continue E-Rate LAN system improvement program to upgrade wireless infrastructure to the latest standards and increase capacity and speed. These upgrades will further enable personalized learning and move the district towards its goal of supporting robust device connectivity at every school by upgrading to high capacity caching routers.
 - Move to a Digital Ecosystem: Support the planning and implementation of the district's PK-12 Curriculum System, including the primary technical elements (digital ecosystem design/development, student assessment system selection/implementation, Knowledge Center re-launch, etc.) and the functional elements (50-school pilot, digital transition, policy revisions, training coordination/consolidation, etc.).
 - Update policies to accommodate new classroom technologies: Update the network acceptable use policy, web filtering rules, and digital citizenship curriculum to ensure our students are equipped with a framework to leverage the latest advancement in online learning.
- **Strengthen the CPS Information Security Posture**
 - Upgrade to Next Generation Firewall technology: Replace existing internal firewalls in the primary and disaster recovery data centers with next generation firewalls to better protect critical systems.
 - Disaster Recovery (DR): Continue the build out of our disaster recovery infrastructure for our critical Tier 1 applications. This phase will include DR for our Aspen Student Information System as well as expanding our DR environment to the cloud to reduce our capital requirements and decrease failover time.
- **Optimize Business Efficiency**
 - Replace IMPACT Student Information System: In January 2019, the district will migrate to a new student information system that provides teaching staff with a single tool for the management of critical school-based processes and parents with an improved portal experience and holistic student profile.
 - ServiceNow Implementation: ITS will replace the existing customer service platform for departmental service desks to facilitate the expansion of service tracking capabilities and customer service performance management for all administrative departments.
 - Accounts Payable Automation: Upgrade the Accounts Payable system to use document scanning with Optical Character Recognition (OCR) technology to automate and improve the accuracy of Invoice data capture into the system of record.
 - Vendor Management Improvements: Internal Accounts for schools will be consolidated into the General Ledger to comply with GASB 54 regulations. In addition, all school vendors will be given a CPS Vendor ID and will be managed in one central system of record.
- **Increase Data Analytic and Core Systems Capacity**
 - Data Governance Council: In order to better align data practices across the district and ensure the data needs of all users across the district, ITS (in collaboration with ONS and SQMR), will be reinstating the Data Governance Council. This will create a more clear pathway for approving data-related work (e.g., creating new metrics, releasing and sharing data, creating reports, etc.) and will set standards for how data is used.

Office of Innovation and Incubation

MISSION

As the designee for The Chicago Board of Education (BOE), the Office of Innovation and Incubation (I&I) manages a portfolio of approximately 121 charter schools, 9 contract schools, 10 Alternative Learning Opportunity Programs (ALOP), and 1 Safe School that educate more than 60,000 students. The office provides direct support to a diverse set of schools – Traditional and Options – for youth with varied needs that include, but are not limited to, students seeking alternatives to the neighborhood school, re-enrolled dropouts and young adults who are currently in school but significantly off-track for graduation, and students who have been expelled or are in need of alternative placement for behavioral reasons. The Options Schools include ALOP programs and Safe Schools, but also certain charter and contract schools.

MAJOR PROGRAMS

Below are the areas of focus that will allow the office to operate most efficiently and provide the highest level of customer service to our stakeholders. The responsibilities for each work function are also highlighted.

- **Authorization and Renewal of Schools.** This area of focus ensures that there is a rigorous process that leads to effective decision making for the opening of new schools and renewal of existing schools. To accomplish this, members of the team focus on the design, development, and readiness of all new, innovative school models and programs. This work includes ensuring that the district adheres to any and all provisions of the Illinois State Board of Education (ISBE) and the Illinois School Code regarding charter, contract, and alternative learning opportunities programs. This team is responsible for engaging with key internal and external stakeholders (parents, community and faith-based organizations, new school operators, business leaders, education advocacy groups, high performing authorizers, etc.) to develop, manage, and execute CPS' new and existing school development processes, which will be consistent, transparent, and aligned to best authorizing practices.
- **School Academic, Operational, and Fiscal Oversight & Accountability.** This area of focus is dedicated to supervising schools' ability to meet the district's academic, financial, and operational expectations, along with compliance-based systems and processes for charter, contract schools, and ALOPs. The team ensures that schools adhere to any and all compliance-related provisions as defined by Illinois School Code, BOE, and ISBE. The team is responsible for ensuring that school performance is both transparent and available to inform data-driven decisions at the district and school level.
- **Training, Support and Communication of Outcomes.** This area of focus ensures that charter boards, leadership, families, and communities have the necessary information needed to have an impact on the outcomes of the school while making informed decisions. Through training and streamlined communication, stakeholders will have access to the necessary tools, information, and available training to impact change while engaging in the key initiatives and processes.
- **Innovative Models and Best Practices.** As innovative models and best practices are identified across the charter and district educational settings, this area focuses on ensuring that others can learn from models and practices that create quality learning environments and efficient operations.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 1,066,555 | \$ 3,723,189 | \$ 3,076,420 | \$ 1,642,486 | \$ 4,334,532 |
| Other Grant Funds | \$ - | \$ 66,566 | \$ 66,566 | \$ 66,537 | \$ 66,132 |
| Total Department | \$ 1,066,555 | \$ 3,789,755 | \$ 3,142,986 | \$ 1,709,023 | \$ 4,400,664 |

Note: Increase in FY2019 budget due to additional expansion funds for new schools.

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 9.0 | 13.0 | 16.0 |
| Other Grant Funds | 1.0 | 1.0 | 1.0 |
| Total Department | 10.0 | 14.0 | 17.0 |

MAJOR ACCOMPLISHMENTS

Holding Charter and Contract Schools and Programs Accountable

- While charter, contract and options schools are allowed to have autonomy and make financial decisions that support the model, the district holds schools accountable to ensure that public funds are used in the interest of students and the school is financially viable. During FY2018, the district implemented its revised financial framework with clear and transparent expectations and accountability measures and launched the new tech-generated scorecard that provides schools and CPS with timely information to drive decisions that will lead to increased financial strength.
- In FY2018, I&I placed three charter school campuses and two contract campuses on the Academic Warning List. One charter campus successfully implemented their remediation plan and was removed from revocation status. The second charter campus showed substantial improvement, but will remain on the Warning List for one more year, submit a remediation plan, and track progress against the plan into FY2019. Finally, the third charter school failed to implement their remediation plan and demonstrated a decrease in performance, resulting in a contract revocation and will no longer operate beyond June 30, 2018. After evaluation during FY2017 and into FY2018, one contract school successfully implemented a remediation plan and was renewed, and one contract school will continue to be under review and was required to submit a remediation plan and demonstrate improvement.

Student Enrollment

- GoCPS was launched during FY2018 to provide all rising 9th grade students greater access to information and enrollment to quality options. To ensure that families have greater access to school options, I&I worked with charter schools which resulted in the voluntary participation of 100% of charter schools. Once the system was established, I&I partnered with Access and Enrollment and schools to prepare them for launch and resolve issues throughout

implementation.

New Schools

- The Chicago Board of Education approved one new charter school to open in FY2020. CPS received nine charter school proposals in response to its annual Request for Proposals for new charter and contract schools. After undergoing a rigorous and comprehensive review, seven applicants withdrew their proposals, one proposal was denied, and the Chicago Board of Education approved Art in Motion Charter School (AIM) to open. I&I continues to work with AIM to incubate throughout FY2019 for a successful opening in fall 2019.
- One district classical school and one Classical/STEAM school are scheduled to open fall 2018. Bronzeville Classical and Sor Juana de la Cruz underwent incubation during FY2018 and will open fall 2018 serving grades K-8.

Providing technical assistance to Option Schools and/or Programs:

- I&I provided a quarterly leadership session to schools and programs to ensure clear expectations and to share new policies, practices, and knowledge. In addition, we conducted site visit evaluations and performance meetings with each school and operator to discuss their current performance in the areas of academics, college and career programming, SEL supports, and compliance and operations.

KEY BUDGET INITIATIVES

- **Innovation Grants:** I&I will identify and disseminate innovative models and practices that exist across the district. The purpose of CPS Innovation Grants is to support creative, original, and out-of-the box methods and practices in the classroom. Innovation grants will be available proportionately across all district networks and charter/contract schools. The goal of locally funded innovation grants is to have an impact on student growth, student achievement, dropout and graduation rates, college enrollment and completion rates, and social emotional learning. Once implemented and tested, the practices will be shared out across the district.
- **Campus Governance and Collaboration:** CPS currently has 26 campuses that have two schools during the FY2019 school year. The types of schools that share a campus include 31 district neighborhood schools , five AUSL, 16 charter, and two contract schools. A priority will be to not only ensure shared agreements are in place and current, but to also ensure a district co-location strategy is implemented that establishes building councils that will identify ways to cross-collaborate for the benefit of all students.
- **New Schools:** I&I works with new school leaders through the incubation period of the school. By providing support to school leaders and coordinating central office operational and educational activities, new schools will be better equipped to open successfully on day one.
- **Amendments to School Agreements:** I&I evaluated 17 applications to modify existing charter and contract school contracts. Utilizing the Charter School Quality Policy, these modifications will add approximately 171 high quality seats in SY18. In addition, new locations for two existing schools were identified and approved.

Office of Inspector General

MISSION

The Inspector General strives to ensure integrity in the operations of Chicago Public Schools by conducting meaningful, accurate, and thorough investigations into allegations of waste, fraud, financial mismanagement and employee misconduct. The OIG also reviews CPS systems, practices, and procedures to determine their efficacy in preventing waste, fraud, and financial mismanagement.

MAJOR PROGRAMS

Investigations: Pursuant to state statute and Board Rule, the OIG is mandated to conduct investigations into allegations of waste, fraud, and financial mismanagement. All OIG funds are utilized to perform that function.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 1,567,740 | \$ 2,080,916 | \$ 2,055,121 | \$ 1,911,159 | \$ 2,451,433 |
| Total Department | \$ 1,567,740 | \$ 2,080,916 | \$ 2,055,121 | \$ 1,911,159 | \$ 2,451,433 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 18.0 | 19.0 | 21.0 |
| Total Department | 18.0 | 19.0 | 21.0 |

MAJOR ACCOMPLISHMENTS

- A review conducted by the OIG discovered that 163 former employees with permanent Do Not Hire designations — some including serious misconduct — in their files were working at CPS charter and contract schools.
- Completed a major investigation into an ethical violation by the former general counsel and a subsequent cover up involving the CEO.
- Three related investigations uncovered a widespread practice of CPS schools and departments using Board funds to purchase gift cards. The OIG found there was inadequate tracking of those cards, as well as wasted fees associated with their purchase. Those cases reported on regarding those practices included:
 - One involving thefts of gift cards and donated items at an Options high school serving a highly vulnerable student population with specialized needs.
 - Tens of thousands of dollars in theft and mismanagement related to gift cards in two other cases.

- A case revealed that a principal stole over \$22,000 from an elementary school.
- Completed numerous investigations into vendor “stringing,” M/WBE fraud and other vendor misconduct.
- Identified multiple families who fraudulently enrolled their children at CPS selective enrollment high schools. Multiple students are expected to be banned from selective enrollment schools.
- Numerous other employee misconduct investigations.

KEY BUDGET INITIATIVES

- The OIG will continue to perform its mandated function to ensure that CPS employs honest personnel, receives contracted deliverables from vendors, and manages its programs with limited risk of fraud.
- Continue to identify systemic waste, fraud and mismanagement issues.
- The district will work with OIG to transfer the responsibility of investigating allegations of adult-on-student sexual abuse and provide additional resources to support OIG’s expanded responsibilities.
- In addition to handling the investigation of all allegations of adult-on-student student sexual abuse going forward, the OIG will review all sexual abuse cases involving students since at least 2000 and further back, as the cases warrant, to ensure victims receive proper support and misconduct by staff has been properly and comprehensively addressed.

Office of Intergovernmental Affairs

MISSION

The Office of Public and External Affairs advocates for CPS students before every level of government to shape education policy and secure external resources. The Office advances the CPS agenda in Springfield, before the Chicago City Council and in Washington, and partners with entities to secure financial opportunities to advance the goals of CPS. Our team builds critical support for and understanding of CPS policy and initiatives to help build strong relationships with key decision makers.

MAJOR PROGRAMS

- **Inter-Governmental Affairs (IGA)** serves as the main point of contact for Chicago’s 50 aldermen, 59 state senators, 118 state representatives, 18 U.S.Congressmen, and Illinois’ two U.S. Senators.
 - IGA actively advocates for initiatives and legislation favorable to CPS and works to deter legislation that does not benefit student progress.
 - Works with outside organizations, government agencies and elected officials to secure additional external resources for CPS students.
- **External Affairs & Partnerships** fosters and maintains the district’s relationships with high-profile funders in order to gain financial support for district priorities.
 - Liaison to business, philanthropic, and government funding communities.
 - Seeks grants, sponsorships, and in-kind contributions to support CPS priorities.
 - Works with businesses and corporations to secure funding for CPS priority initiatives.
 - Develops partnerships that benefit schools across the district.
- **Children First Fund (CFF)** is the 501(c) (3) non-profit organization for CPS. In this capacity, CFF pursues, accepts, and oversees the management of private financial contributions for the benefit of CPS students.
 - As a legally independent entity, CFF functions within its own by-laws and is governed by an external Board of Directors comprised of Chicago’s philanthropic leaders.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 984,926 | \$ 1,430,729 | \$ 1,410,729 | \$ 1,230,532 | \$ 2,188,121 |
| Total Department | \$ 984,926 | \$ 1,430,729 | \$ 1,410,729 | \$ 1,230,532 | \$ 2,188,121 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 9.0 | 10.0 | 16.0 |
| Total Department | 9.0 | 10.0 | 16.0 |

*In FY2019, three new FTEs were added to bolster department initiatives. Two FTEs were transferred in from the Grants Office, and one FTE was transferred in during FY2018 from the FACE department.

MAJOR ACCOMPLISHMENTS

- Worked with various CPS departments and Chicago's City Council to identify a school construction framework to align with the new revenue from the Capital Improvement Tax passed by the City Council.
- Continued to cultivate and manage hundreds of partnerships throughout the year garnering nearly tens of million in cash and in-kind support for students, schools and district priority projects.
- Continued support of CPS SCORE!, the CPS elementary school sports program, through branding, funding and operations support.
- Continued to partner with Chance The Rapper's non-profit Social Works to create and manage ongoing arts and literature programs within CPS schools.

KEY BUDGET INITIATIVES.

- Maintained existing lobbying budget in order to protect state and federal funding.
- Continue to work in Springfield on fully funding the new school funding formula.

Office of Language & Cultural Education

MISSION

The Office of Language & Cultural Education (OLCE) seeks to provide every student with access to an education that fosters biliteracy, intercultural flexibility, and multilingualism as key contributors to success in school, career, and life.

In order to achieve this mission, OLCE establishes collaborative partnerships and develops tools and resources to ensure the implementation of quality instruction across the district. The office supports students, teachers, and parents by:

- establishing language policies and standards-based models of instruction;
- building the capacity of general education and bilingual/ESL teachers through strategic partnerships;
- monitoring programs, teacher certification, and overall compliance with state/federal laws; and
- empowering parents to be active participants in advancing bilingual and biliteracy skills.

MAJOR PROGRAMS

- **English Learner (EL) Programs** provide English language instruction and supports to 71,000 CPS students whose primary language is one other than English. Major programs include:
 - **Transitional Bilingual Education (TBE):** ELs participating in TBE programs receive Language Arts instruction in their home language and study English as a Second Language (ESL) to develop English language proficiency. Core subjects are provided in English as well as the native language, and students receive instruction in the history and culture of the U.S. and the native land of the ELs (or their parents).
 - **Transitional Program of Instruction (TPI):** ELs participating in TPI programs receive ESL instruction, core subjects in English, and instruction in the history and culture of the U.S. as well as the native land of the ELs (or their parents).
- **Dual Language Programs** offer core instruction in both English and Spanish with the goal of developing proficiency in both languages. Programs begin at the preschool and kindergarten levels and provide a route for students to earn the CPS Pathways to the Seal of Biliteracy recognition at the elementary and middle school level or the State Seal of Biliteracy upon graduation from high school.
 - **The State Seal of Biliteracy** is a recognition given to high school seniors who have studied and can exhibit the ability to communicate in two or more languages (including English) by the spring of their senior year.
 - **The CPS Pathways to the Seal of Biliteracy** is a program recognizing students in 5th or 8th grade who have studied a world language and can demonstrate being on the path to achieving the State Seal of Biliteracy by the time they reach their senior year of high school.
- **World Language Programs** provide exposure to foreign languages, developing the listening, speaking, reading, and writing skills in the target languages. CPS currently offers 11 world languages in 198 schools serving 98,000 students.
 - **Critical Language Initiative (CLI)** is a component of CPS' World Language programs which emphasizes instruction in languages that are considered critical to U.S. national security interests. Focus languages include, but are not limited to, Arabic, Chinese, Hindi, Korean, and Russian.
- **Parent Involvement & Community Outreach Programs** support EL parents through training, theme-based workshops, and GED and ESL courses, and ensure parental involvement in school-based Bilingual Advisory Councils and the city-wide Chicago Multilingual Council.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 406,099 | \$ 557,824 | \$ 533,101 | \$ 435,752 | \$ 5,743,794 |
| ESSA Federal Funds | \$ 216,744 | \$ 226,565 | \$ 226,565 | \$ 223,579 | \$ 226,565 |
| Other Grant Funds | \$ 4,885,635 | \$ 7,055,163 | \$ 5,897,376 | \$ 5,269,409 | \$ 6,646,320 |
| School Generated Funds | \$ 153,238 | \$ 324,792 | \$ 1,320,132 | \$ 164,639 | \$ 1,194,247 |
| Total Department | \$ 5,661,716 | \$ 8,164,344 | \$ 7,977,174 | \$ 6,093,379 | \$ 13,810,926 |
| Budgeted at Schools | \$ 23,853,919 | \$ 26,765,598 | \$ 27,922,956 | \$ 26,010,271 | \$ 24,507,393 |
| Grand Total | \$ 29,515,635 | \$ 34,929,942 | \$ 35,900,130 | \$ 32,103,650 | \$ 38,318,319 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 1.0 | 1.0 | 20.0 |
| ESSA Federal Funds | 2.0 | 2.0 | 2.0 |
| Other Grant Funds | 29.0 | 27.0 | 16.0 |
| Total Department | 32.0 | 30.0 | 38.0 |
| Budgeted at Schools | 232.0 | 205.5 | 210.5 |
| Grand Total | 264.0 | 235.5 | 248.5 |

MAJOR ACCOMPLISHMENTS

- Increased the number of Elementary Schools offering world language by 29.
- Started Dual Language Professional Learning Communities for all 27 Dual Language programs.
- Completed four Dual Language case studies.
- Held multiple Citywide Multilingual Parent Committee meetings attended by an average of 300 parents.
- Held multiple Bilingual Advisory Committees attended by an average of 130 parents.
- Held “Saturday with OLCE” professional development attended by an average of 200 teachers.
- Facilitated English Language Learner after-school programming in 129 schools.
- Taught 11 world languages to 97,908 students across the district.
- Awarded STARTALK grant for intensive critical language study during the summer of SY18 at the University of Chicago.

KEY BUDGET INITIATIVES

- Increase the number of dual language programs to promote biliteracy for all students in Chicago.
- Increase the number of schools offering world language after-school programs.
- Develop a district-wide Bilingual Instructional Initiative.
- Increase the number of EL Network Specialists by four to meet the growing demands of English Learners.
- Increase the number of positions that focus on supporting the Social Emotional and Academic needs of our refugee students.

Law Department

MISSION

The Law Department provides legal services to the Chicago Board of Education, schools, and the departments and divisions of the Chicago Public Schools. Board attorneys represent and counsel clients on litigation, labor and employment, school law, school finance, student discipline, and commercial transactions.

MAJOR PROGRAMS

- **Appeals:** Represents the Board and its employees before the Illinois Appellate Court, the Illinois Supreme Court, and the Seventh Circuit Court of Appeals.
- **Commercial, Torts, and Workers' Compensation:** Represents the Board and its employees in litigation relating to breach of contract, personal injury, workplace injuries, property tax matters, and tuition fraud.
- **Employment/Civil Rights:** Represents the Board and its agents in litigation, including administrative proceedings involving allegations of discrimination or violations of the United States Constitution or a federal statute.
- **Investigations:** Investigates allegations concerning employee misconduct and concerns regarding local school councils.
- **Labor and Employee Discipline:** Prosecutes employee discipline matters before administrative agencies, including the Illinois State Board of Education; represents the Board in wage claims filed with the Illinois Department of Labor; and handles unfair labor practice charges and arbitration demands filed by labor organizations.
- **Labor Relations, Employee Engagement, and Policy Development, and Compliance:** Leads all collective bargaining with eight bargaining units, conducts administrative hearings on disciplinary charges and contractual grievances, and advises employees and administration on policy development and compliance, including inquiries regarding the CPS Ethics Code.
- **School Law:** Advises staff on a wide range of legal and policy issues affecting schools, including student records and privacy, student discipline, student enrollment and transfers, school accountability, local school council issues, legislative review, charter school matters, and educational initiatives.
- **Transactions:** Drafts and negotiates contracts for professional services, equipment leases, educational services, technology, real estate, and other transactions. The unit also provides legal review and counsel in bond issuances, inter-government agreements, and compliance with Board rules, policies, and procurement laws.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 9,695,067 | \$ 14,988,616 | \$ 14,315,917 | \$ 12,551,653 | \$ 15,208,918 |
| School Generated Funds | \$ - | \$ 11,542 | \$ 22,264 | \$ 11,792 | \$10,472 - |
| Total Department | \$ 9,695,067 | \$ 15,000,158 | \$ 14,327,709 | \$ 12,563,445 | \$ 15,219,389 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 77.0 | 81.0 | 78.0 |
| Total Department | 77.0 | 81.0 | 78.0 |

MAJOR ACCOMPLISHMENTS

School Law

- Provided legal support to the CEO's office surrounding proposed school actions and successfully completed 11 school actions hearings.
- Collaborated with the Office of Student Adjudication to provide district-wide student discipline training to school administrators.
- Collaborated with ITS to provide information security training regarding student and employee privacy to school administrators and Central Office staff.

Litigation

- Managed a caseload of over 200 lawsuits filed against the Board in state and federal court, with claims covering a wide range of subjects including breach of contract, personal injury/death, and federal anti-discrimination claims.
- Forty (40) matters pending against the Board in 2017 were dismissed with prejudice and without payment to the Plaintiffs.
- Took six (6) cases to trial, which represents a significant cultural change and has led to meaningful savings for the Board.
- Partnered with Risk Management to build ground-up historical claim data which is best practice and will aid in the Board's next insurance coverage renewal.

Employee Discipline

- For FY18, the Unit opened 724 cases: (a) 549 employee discipline files; (b) 163 arbitration cases; and (c) 12 cases before administrative agencies (IELRB, IDOL).
- For FY 18, the Unit closed 1469 cases: (a) 926 employee discipline files; (b) 485 arbitration cases (high number is attributed to mass closing of stale arbitration cases and a backlog of

closing Employee Discipline cases); and (c) 58 cases before administrative agencies (IELRB, IDOL).

- For FY 18, the Unit was able to dismiss or force the resignation of 73 tenured teacher.

Labor

- The Unit won all seven (7) cases before the Illinois Educational Labor Relations Board during the past fiscal year.
- The Unit won an arbitration case upholding the administratively necessary right of the Board to conduct teacher layoffs based on projected, rather than final ratings.
- The Unit successfully averted litigation with regard to dress code policies, a new discipline matrix, and school assessment voting procedures.
- The Unit successfully negotiated and executed new collective bargaining agreements with SEIU Local 1 and Teamsters Local 700.

Transactions

- Drafted, negotiated, and/or provided advice concerning more than 1,000 contract matters, including: (a) a \$1 million grant agreement from the City of Chicago Department of Family Support and Services to assist CPS in curricula development, instructional support, and computer science toolkits to help high schools develop implementation plans for the new Computer Science graduation requirement; (b) an agreement for the purchase and implementation of GoCPS, a new district-wide student enrollment platform; (c) an agreement for the donation of land to CPS for the expansion of Zapata School in Little Village.
- Drafted and negotiated intergovernmental agreements with the City of Chicago, Chicago Park District and community and corporate sponsors for the support and implementation of SCORE!, the official interscholastic athletics league for CPS elementary schools and the first-of-its-kind initiative in the nation.
- Assisted the Finance Department in the closing of general obligation bonds (totaling \$150 million), tax anticipation bonds (totaling \$1.5 billion), capital improvement tax bonds (totaling \$729 million), and grant anticipation notes (totaling \$387 million).
- Assisted Facilities and Real Estate in the sale and closing of seven (7) surplus/closed CPS properties totaling \$5,481,465.

KEY BUDGET INITIATIVES

- Partnering with the Procurement Department to improve contracting efficiency, reducing cost, and providing a better service to schools and Central Office departments.
- Creating an integrated and uniform system of case management and document management.
- Developing a claims reporting and tracking process that is in line with industry standards.
- Moving to an all-electronic legal invoicing system that will reduce costs and more accurately track legal expenses.

Office of Network Support

MISSION

Our mission is to support district-wide school improvement efforts by building instructional leadership capacity that focuses on creating a world class learning experience so that every child from every community will graduate from high school prepared for success in college and career.

MAJOR PROGRAMS

- **Network Support:** The Office of Network Support (ONS) oversees 17 K-12 networks of schools, two specialized networks for the Service Leadership Academies and the Academy for Urban School Leadership (AUSL), and the Department of Principal Quality (PQ). Each network is led by a Chief of Schools who is responsible for building effective schools and leaders by managing and coaching principals, creating and carrying out a professional development plan, collecting and assessing data to drive interventions, collaborating on best practices with other networks and enhancing community and parental involvement. The chief is supported by a team that can include a deputy, a data strategist, and several instructional support leaders (curriculum and instructional specialists) for content areas.
- **Service Leadership Academies:** The Office of Service Leadership Programs oversees 45 Junior Reserve Officers' Training Corps (JROTC) programs, which include six military academy high schools. There are approximately 139 instructors on staff who are retired military veterans and are cost-shared with the Department of Defense (DoD). The office serves as a network for the military academies and manages the JROTC program, including program evaluation, strategic planning for growth, measurement, and marketing. The office also runs a wide variety of city-wide sports competitions, summer camps, college field trips, community service and co-curricular events.
- **Academy for Urban School Leadership:** Network Support manages the relationship with AUSL, a non-profit organization that operates 32 of the district's most challenged schools by providing turnaround services designed to dramatically improve the academic performance of schools in their charge. The district contracts with AUSL to provide turnaround services and to provide professional development for teacher residents at AUSL training sites.
- **Department of Principal Quality (PQ):** PQ provides professional development to aspiring principal candidates through the Chicago Leadership Collaborative and enhances leadership skills of current principals, deputies, and chiefs of schools through the Chicago Executive Leadership Academy. PQ also conducts assessments to maintain the rigor of the Principal Eligibility Process and creates candidate slates for critical district roles.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|---------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| Office of Network Support | | | | | |
| General Funds | \$ 2,082,550 | \$ 2,071,071 | \$ 2,406,596 | \$ 2,215,385 | \$ 2,611,529 |
| Other Grant Funds | \$ 22,784 | \$- | \$- | \$- | \$- |
| ESSA Federal Funds | \$ 3,342 | \$ 862,956 | \$ 862,956 | \$ 720,823 | \$ 850,168 |
| Total Department | \$ 2,108,676 | \$ 2,934,027 | \$ 3,269,552 | \$ 2,936,208 | \$ 3,461,697 |

| JROTC | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 1,137,072 | \$ 1,498,721 | \$ 1,324,785 | \$ 1,127,615 | \$ 1,657,253 |
| School Generated Funds | \$ 176,906 | \$ 10,170 | \$ 178,794 | \$ 100,292 | \$ 26,193 |
| Other Grant Funds | \$ 225,586 | \$ 1,290,305 | \$ 1,060,500 | \$ 173,104 | \$ 1,318,138 |
| Total Department | \$ 1,539,564 | \$ 2,799,196 | \$ 2,564,079 | \$ 1,401,011 | \$ 3,001,584 |
| Budgeted at Schools | \$ 12,892,891 | \$ 14,958,115 | \$ 13,275,211 | \$ 12,965,076 | \$ 15,156,995 |
| Grand Total | \$ 14,432,455 | \$ 17,757,311 | \$ 15,839,290 | \$ 14,366,087 | \$ 18,158,579 |

| AUSL | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 3,216,911 | \$ 1,570,000 | \$ 1,570,000 | \$ 1,460,550 | \$ 470,000 |
| School Generated Funds | \$ 872,399 | \$ 1,249,813 | \$ 1,170,868 | \$ 1,206,388 | \$ 904,093 |
| ESSA Federal Funds | \$ 732,738 | \$ 3,619,087 | \$ 3,619,087 | \$ 907,825 | \$ 4,537,796 |
| Total Department | \$ 4,822,048 | \$ 6,438,900 | \$ 6,359,955 | \$ 3,574,763 | \$ 5,911,889 |

| Principal Quality | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|--------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 1,819,065 | \$ 1,548,746 | \$ 1,548,746 | \$ 1,487,207 | \$ 1,791,551 |
| ESSA Federal Funds | \$ - | \$ - | \$ 730,732 | \$ 148,826 | \$ - |
| Other Grant Funds | \$ 4,561,693 | \$ 5,911,992 | \$ 5,619,492 | \$ 4,568,430 | \$ 5,802,353 |
| Total Department | \$ 6,380,758 | \$ 7,460,738 | \$ 7,898,970 | \$ 6,204,463 | \$ 7,593,904 |

POSITION SUMMARY

| Office of Network Support | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|--------------------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 12.0 | 14.0 | 15.0 |
| ESSA Federal Funds | 7.0 | 7.0 | 7.0 |
| Total Department | 19.0 | 21.0 | 22.0 |

| JROTC | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 10.0 | 10.0 | 11.0 |
| Other Grant Funds | 1.0 | 1.0 | 1.0 |
| Total Department | 11.0 | 11.0 | 12.0 |
| Budgeted at Schools | 145.0 | 145.0 | 145.0 |
| Grand Total | 156.0 | 156.0 | 157.0 |

| AUSL | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| School Generated Funds | 9.0 | 8.0 | 7.0 |
| ESSA Federal Grants | 13.0 | 9.0 | 9.0 |
| Total Department | 22.0 | 17.0 | 16.0 |

| Principal Quality | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 5.0 | 5.0 | 5.0 |
| ESSA Federal Funds | 44.0 | 43.0 | 43.0 |
| Total Department | 49.0 | 48.0 | 48.0 |

MAJOR ACCOMPLISHMENTS

- Redesigned the Principal Eligibility process, increasing efficiency and ensuring a strategic focus on student achievement.
- Implemented a support structure to strategically guide networks and school leaders in continuous improvement efforts through periodic data reviews, action planning, and monitoring.
- Worked in close partnership with the Office of Teaching and Learning and the Office of Early Childhood to implement balanced literacy in pre-K through 2nd grade classrooms throughout the district.
- Worked in partnership with the Office of Teaching and Learning to provide training on Common Core Standards, and the associated dimensions of agency, identity and authority through three Elementary and High School Summits held for principals and their teams.
- Focused on foundational literacy as an instructional priority through a kindergarten through 2nd grade literacy program. Monitored the progress of the implementation of a phonemic awareness system and a sight words system at all level 2 and 3 schools.
- Conducted “State of the School” addresses and shared key data via Local School Council Data Dashboards to empower and motivate families and communities to become engaged and share ownership for the success of their school.
- Collaborated with the Office of College and Career Success on the Engage Students Attendance Grant, which called upon Networks to identify schools that would benefit from additional

support to improve attendance and reduce truancy through partnerships with community-based organizations, restorative justice training, and additional planning time for teachers and staff.

- Supported chiefs' and deputies' continual professional learning in the area of balanced literacy through school visits to witness best practices in action, followed by thorough debriefing sessions to solidify the learning.
- Created cross-network professional learning sessions led by chiefs and their teams as they shared best practices in the areas of principal leadership, responding to student academic data, and addressing the needs of English Language Learners.
- Supported increased On-Track rates for Freshmen and Sophomores as well as post-secondary success through our quarterly sessions with high schools administrators and school-based leaders that were developed in conjunction with the Network for College Success and the Office of Counseling and Post-Secondary Advising.
- Facilitated the work of Networks and Schools in the Instructional Core Effectiveness Project around increasing rigor and outcomes in the key areas of curriculum, instruction, and assessment.

KEY BUDGET INITIATIVES

- Network Refresh - Restructuring the network system to eliminate the one-size-fits-all-model by establishing four additional high school networks. This will allow core department teams to be focused on a responsive model for content based professional learning to department chairs and school teams as a means to support their work around continuous improvement.
- Launching a reading apprenticeship pilot program in 14 high schools to increase disciplinary literacy and CCSS implementation.
- Creating a K-2 Balanced Literacy Professional Learning Series to increase chief, principal and teacher capacity in order to increase primary literacy throughout the district.
- Maintain the focus on initiatives to improve student attendance and reduce suspensions. This focus has helped lead to CPS' record attendance rates, and to reduce suspensions by 65 percent since 2013.
- Provided training to all high school principals and their leadership teams around freshman on track, sophomore on track, B's or better and post-secondary success.

Nutrition Support Services

MISSION

The Department of Nutrition Support Services (NSS) supports the district's academic community by providing nutritious and appealing meals with superior service to every student on every school day. NSS is the third largest K-12 food service department in the United States, annually serving 62 million meals to approximately 350,000 students.

MAJOR PROGRAMS

- **Breakfast and Lunch Programs:** Annually, CPS serves approximately 22 million breakfast and 40 million lunch meals. These nutritionally balanced meals are provided free-of-charge to encourage healthy eating habits in our students.
- **After-School, Fresh Food and Vegetable Grant, and Seamless Summer Program:**
 - After-School Meals and Snacks: Provide students with healthy, well-balanced meals and snacks to support their extended day while attending after-school and Saturday programs.
 - Summer: Provide students breakfast and lunch as part of CPS summer programming, in addition to LunchStop meals for all children 18 years and younger.
 - Fresh Food and Vegetable Grant: The U.S. Department of Agriculture provides grants for in classroom tastings of fruits and vegetables during the school day to increase fresh fruit and fresh vegetable consumption and nutrition education exposure in elementary schools

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Fund | \$- | \$- | \$- | \$ 94,138 | \$ 106,440 |
| Lunchroom Fund | \$ 77,720,505 | \$ 126,105,199 | \$ 134,330,453 | \$ 111,165,079 | \$ 128,560,699 |
| Other Grant Fund | \$ 1,900,000 | \$ 2,391,451 | \$ 2,391,451 | \$ 2,391,451 | \$ 2,392,000 |
| Total Department | \$ 79,620,505 | \$ 128,496,650 | \$ 136,721,904 | \$ 113,650,668 | \$ 131,059,139 |
| Budgeted at Schools | \$ 81,065,915 | \$ 85,209,167 | \$ 80,011,113 | \$ 79,658,842 | \$ 85,566,224 |
| Grand Total | \$ 160,686,420 | \$ 213,705,817 | \$ 216,733,017 | \$ 193,309,510 | \$ 216,625,363 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 0.0 | 0.5 | 0.5 |
| Lunchroom Funds | 321.0 | 335.5 | 335.5 |
| Total Department | 321.0 | 336.0 | 336.0 |
| Budgeted at Schools | 2,365.0 | 2,391.0 | 2,355.0 |
| Grand Total | 2,686.0 | 2,727.0 | 2691.0 |

MAJOR ACCOMPLISHMENTS

- Expanded Fresh Fruit and Vegetable Program to 60 additional schools, totaling 164 schools versus 104 schools in FY2017.
- Rolled out district wide healthy vending program to increase sources of revenue for schools.
- Converted all chicken products to No Antibiotic Ever (NAE) standard as of September 2017.
- Operated National School Lunch and Breakfast Programs at a profit, allowing a fund balance of \$2 million while contributing \$7 million in indirect costs to the general fund.
- Rolled out standardized point of sale system for stadium concession stands.
- Purchased \$3.8 million dollars in locally-sourced food defined as within 350 miles of Chicago.

KEY BUDGET INITIATIVES

- Pass bi-annual review for the Child and Adult Care Food Program.
- Rolled out district wide Back of House food management system, which includes inventory controls, ordering, production records, and Hazard Analysis and Critical Control Point documentation following a successful pilot of system.
- Develop culinary to careers pipeline for CPS high school students to include an internship and job placement in lunchrooms.
- Create a process or purchase an asset management system allowing for improved oversight of inventory, repair, maintenance, and equipment replacement tracking.
- Integrate student allergen data into the lunchroom point of sale system.

Chief Operating Officer

MISSION

The Chief Operating Office ensures that all operations of the school district run smoothly and are directed toward supporting schools and driving student achievement. The office strives to ensure fiscal stability and accountability, focusing on short- and long-range financial planning.

MAJOR PROGRAMS

The Chief Operating Office oversees and coordinates all of the district’s operations, including Facilities and Capital Planning, Nutrition Services, Transportation, Information Technology Services (ITS), Safety & Security, School Support Center, Family & Community Engagement in Education (FACE2), Local School Council Relations, Procurement & Business Diversity (OBD), and Intergovernmental & External Affairs. Each of these departments are described in detail in separate budget book narratives. The information below summarizes the financial information and department accomplishments and initiatives.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------|----------------------------|-----------------------|-----------------------------------|----------------------------|
| General Funds | \$ - | \$ - | \$120,497 | \$ 118,649 | \$ 382,747 |
| Total Department | \$ - | \$ - | \$120,497 | \$ 118,649 | \$ 382,747 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 0.0 | 2.0 | 2.0 |
| Total Department | 0.0 | 2.0 | 2.0 |

**The COO unit was established during FY2018*

MAJOR ACCOMPLISHMENTS ACROSS COO DEPARTMENTS

Facilities

- Restructured operations by:
 - Separating the capital and real estate teams from the O&M department, providing a more focused approach to asset management;
 - Replacing a Special Projects Coordinator with a Human Resources Manager to help reduce custodial vacancies in support of the department’s overall mission; and
 - Repurposing the Vendor Management and Facilities Coordinator positions to build a finance and business analytics team focused on managing the department’s fiscal transactions as well as building and monitoring key performance indicators to track future performance.
- Completed Phase I of the IFM pilot expansion, transitioning 292 schools and other facilities to the new asset management model effective July 1, 2017.

- Successfully completed repairs identified in early childhood areas (e.g., classrooms, playgrounds) at 153 schools.

Nutrition

- Expanded Fresh Fruit and Vegetable Program to 60 additional schools, totaling 164 schools versus 104 schools in FY17.
- Rolled out district wide healthy vending program to increase sources of revenue for schools.
- Converted all chicken products to No Antibiotic Ever (NAE) standard as of September 2017.

Transportation

- Worked to fully optimize CPS bus routes while keeping travel time low. By optimizing routes and getting the corresponding reduction in employee count, CPS is projected to be able to save approximately \$3 million dollars.
- Continued the “transit-style” transportation model for students receiving transport through the Options for Knowledge program. This initiative consolidated the number of school stops from 450 to 182 and is saving approximately \$1.8 million per year.

Information Technology Services (ITS)

- Upgraded internet connection at all elementary schools to 100mbps and all high schools to 1GB speed.
- Completed wireless and fiber optic back bone upgrades (from 1Gb to 10Gb) at 106 schools and router upgrades at an additional 362 schools, providing enhanced network capacity and upgraded wireless infrastructure to support personalized learning and 1:1 computing initiatives.
- ITS worked with the Law department to develop and adopt a formal information security training curriculum, including a post training exam. Roughly 900 school principals and assistant principals participated in the training, along with 600+ Central Office employees. The FY2019 roadmap includes the extension of this training to all CPS employees.

Safety & Security

- Expanded the Safe Passage Program by adding 3 additional schools to support a total of 145 schools around the District.
- Continued “Connect and Redirect to Respect” Initiative: Implemented program in partnership with Department of Justice and University Of Chicago Urban Labs to at-risk youths who have displayed signs of threats and provide interventions to mitigate safety risks to the student.

School Support Center

- SSC provides financial and accounting support for 515 district-run schools with successful results. Without precedence, due to the SSC’s management of monthly reconciliation, 100% of all accounts for district-run schools are reconciled by policy due date.
- SSC handles about 2,500 calls per week with an average answer speed of 10 seconds; the SSC Contact Center team has been able to resolve 89% of inquiries at the first call.

FACE2 & LSC

- Continued support of Safe Haven Program at 110 sites across the city. Provided services such as anti-bullying curriculum to over 4,500 children during summer, winter, and spring intercessions as well as after school.
- Through the CPS Connects initiative, over 66,000 students and 400 schools participated in LearnStorm, which provided free, Common Core-aligned, supplemental math programming.
- For the first time in at least a decade, hosted 5 CEO community town halls throughout the district, with 12 CPS departments represented to answer questions; over 2,200 individuals attended.

Procurement & OBD

- Launched “Keep Improving District Services” (KIDS) Program. Held 100+ meetings with key suppliers. Identified opportunities for improved services, cost reductions, and increased philanthropic giving totaling \$6.5 million of benefit to the District.
- Achieved \$12.8 million of savings through RFPs, negotiated savings and rebates.

Intergovernmental Affairs

- Continued to cultivate and manage 270 partnerships throughout the year garnering nearly \$25 million in cash and in-kind support for students, schools and district priority projects.
- Continued support of CPS SCORE!, the CPS elementary school sports program, through branding, funding and operations support.

KEY BUDGET INITIATIVES ACROSS COO DEPARTMENTS

Facilities

- Complete Phase II and III of the IFM transition for the balance of 274 schools and other facilities.
- Establish monthly quality assurance cadence with principals which will include monthly audits and planned visits with principals.
- Increase custodial services by adding 100 permanent custodians to improve cleanliness outcomes for schools.

Nutrition

- Roll out district wide Back of House food management system, which includes inventory controls, ordering, production records, and Hazard Analysis and Critical Control Point documentation following a successful pilot of system.
- Develop culinary to careers pipeline for CPS high school students to include an internship and job placement in lunchrooms.

Transportation

- Further implementation of cost effective para-transit vehicles to save the district \$1.25 million per year in transportation costs.
- Implement and utilize new routing software in FY18 to fully optimize CPS routes and reduce spend.
- Increase our percentage of shared routes between schools by over 10% (from 215 to 240) to save approximately \$1 million dollars.

Information Technology Services (ITS)

- Network and Internet Capacity Improvements: Continue E-Rate LAN system improvement program to upgrade wireless infrastructure to the latest standards and increase capacity and speed. These upgrades will further enable personalized learning and move the district towards its goal of supporting 1:1 device connectivity at every school by upgrading to high capacity caching routers.
- Replace IMPACT Student Information System: In January 2019, the district will migrate to a new student information system that provides teaching staff with a single tool for the management of critical school-based processes and parents with an improved portal experience and holistic student profile.

Safety & Security

- Expansion of the city-wide Safe Passage program to include 14 additional schools, bringing the total number of schools with Safe Passage to 159 to serve more than 75,000 students and hire over 1,400 safe passage workers for the 2019 school year.

- Relaunch the District’s Safety and Emergency Management plans through training and updating of all school’s plans. Work with schools to ensure that they are prepared in the event of a crisis emergency.
- Continued refinement of the School-based Security Model: CPS will continue to work with Principals to improve the performance of the security officers. Training will focus on improved communication of expectations. Partner with school-based stakeholders to ensure that all expectations are clearly aligned.

School Support Center

- Deliver school-centric solutions that solve current business service gaps through cross-functional Central Office collaboration for budget, internal accounts, and purchasing.
 - Publish year-round training catalogue in early FY19 and provide differentiated training to principals and clerks/business managers in becoming proficient in navigating Oracle applications and district policies.
 - Leverage lessons learned in a centralized place to enhance training.

FACE2 & LSC

- Increase school and community partnerships to enhance student resources and opportunities. 13 Network Back-to-School bashes occur in August to prepare students and families for the first day of school. Families have an opportunity engage with school staff and utilize academic resources.
- Increase communication with parents and community members by starting a Parent Board of Governors, continuing monthly Parent Advisory Council and Parent Leadership Network meetings, and offering classes at Parent University campuses throughout the district. .

Procurement & OBD

- Ongoing Hi Impact/Low Value category contracts to reduce “Pain Points” and improve services at schools including: gym uniforms, art supplies, prom venues, caps and gowns, yearbooks, student incentives, and travel services.
- Ongoing KIDS activities: universal vision care initiative, building automation systems best practice identification, classroom/library of the future trials.

Intergovernmental Affairs

- Added back management of Competitive Grants in addition to Children's First Fund.
- Maintained existing lobbying budget in order to protect state and federal funding

Department of Personalized Learning

MISSION

The Department of Personalized Learning provides schools and students with the data, tools, and professional development opportunities needed to adopt Personalized Learning - a teaching and learning strategy that incorporates tailored instruction based on student needs, strengths, and interests. Personalized Learning increases student engagement and allows students to own their learning. As a flexible learning model, it enables learning to happen anywhere at any time.

MAJOR PROGRAMS

- **Elevate, Whole School Redesign:** An opt-in, multi-year professional development program to train teachers and school leaders on the instructional and operational aspects of implementing Personalized Learning school-wide. Cohorts of approximately 10 schools begin the program each school year.
- **Summit Learning:** An opt-in program that provides a comprehensive platform for teachers to implement a Personalized Learning approach that focuses on project-based learning, competency-based learning, social emotional skills, and student/teacher mentoring. Cohorts of approximately 10-15 schools participate in the program each year.
- **Personalized Learning In-Depth:** A 10 month, opt-in program for schools to begin piloting Personalized Learning instructional practices agnostic of technology. Cohorts of approximately 10 schools begin the program each school year.
- **Pilot Network:** With the help of outside partners, the 18 month, opt-in program supports teachers in piloting Personalized Learning practices with professional development paired with education technology software programs. Cohorts of 5-11 district-operated schools have participated each year in this program since inception.
- **EdTech and Personalized Learning Evaluation:** The Personalized Learning department analyzes the impact and cost of various educational technology programs used in CPS, with the goal to help schools select programs that best meet student needs. The department also evaluates the academic and social-emotional impact of the personalized learning school-wide model.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 68,704 | \$ 495,264 | \$ 153,436 | \$ 98,074 | \$ 878,005 |
| ESSA Federal Funds | \$ 35,849 | \$ 1,847,733 | \$ 1,573,387 | \$ 1,342,051 | \$ 360,662 |
| Other Grant Funds | \$ 1,022,011 | \$ 270,000 | \$ 767,409 | \$ 709,127 | \$ 1,647,600 |
| Total Department | \$ 1,126,564 | \$ 2,612,997 | \$ 2,494,232 | \$ 2,149,252 | \$ 2,886,267 |
| Budgeted at Schools | \$ - | \$ - | \$ 619,749 | \$ 625,961 | \$ - |
| Grand Total | \$ 1,126,564 | \$ 2,612,997 | \$ 3,113,981 | \$ 2,775,213 | \$ 2,886,267 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 2.0 | 1.0 | 1.0 |
| ESSA Federal Funds | 9.0 | 7.0 | 7.0 |
| Other Grant Funds | 0.0 | 3.0 | 3.0 |
| Total Department | 11.0 | 11.0 | 11.0 |

MAJOR ACCOMPLISHMENTS

- Launched four new cohorts of schools participating in formal professional development for personalized learning, improving equitable access across the district. In total, 79 district and charter schools, 40 of which were Level 2 and 2+, participated in a Personalized Learning program in SY17-18.
- Developed district resources to support schools implementing a Personalized Learning model, including coaching tools, observation forms, and standards-aligned curriculum resources for core-content areas and social-emotional learning.
- Provided school-based coaching to teachers and school leaders for instruction and social-emotional learning.
- Provided training to network-level personnel to better support Personalized Learning schools in each network.
- Partnered with external organizations to support Personalized Learning schools through free access to training, out-of-school learning opportunities, and technology/instructional resources.
- Conducted an approval process with Information Technology Services to ensure educational technology tools meet safety and security requirements.

KEY BUDGET INITIATIVES

- **Access to Personalized Learning Professional Development:** In order to create and build upon school interest, the Department will provide access to needed training for teachers and school leaders to implement Personalized Learning. Professional development vendors will deliver customized training to schools at various stages of implementing personalized learning and foster a community of practice among principals.
- **School-level Support:** The Department will provide district and external support to schools to ensure they have the resources and expertise required for successful personalized learning implementation.
- **Data Analysis and Evaluation:** Due to the foundational role data plays in Personalized Learning instruction and evaluation, the department will analyze the impact of the individual educational-technology tools, as well as the larger personalized learning school-wide model.

Office of Portfolio

MISSION

CPS is committed to ensuring that students in every part of Chicago have access to a high-quality education. As part of this commitment, we will develop a Portfolio Office in 2018 that is charged with building coherent and aligned systems for school applications, enrollment, regional school planning, incubation of quality school options, and accountability and oversight.

MAJOR PROGRAMS

Led by the Chief Portfolio Officer, the department will provide oversight for the following teams:

- **Access & Enrollment:** Manages the application, testing, selection and notification process for magnet, selective enrollment, and open enrollment schools, international baccalaureate high schools, military academies, and career & technical education (CTE) college and career academies.
- **School Quality Measurement:** Provides school performance data and analysis for stakeholders in schools, networks, central office and the community.
- **Innovation & Incubation:** Provides students with access to high quality and innovative education through incubation of quality schools, accountability and high quality oversight. Oversees a portfolio of approximately 142 schools and programs, including 122 charter school campuses, 9 contract schools, 10 Alternative Learning Opportunities Programs (ALOP) and 1 SAFE School, which together educate over 60,000 students.
- **Demographics & Planning:** Supports organizational decision-making with synthesized analyses involving neighborhood-by-neighborhood demographic trends, school enrollment projections, school facility utilization statistics and school configuration options. Issues data to inform the community engagement processes surrounding school and facility planning.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$- | \$- | \$- | \$- | \$312,205 |
| Total Department | \$- | \$- | \$- | \$- | \$312,205 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 0 | 0 | 2.0 |
| Total Department | 0 | 0 | 2.0 |

MAJOR ACCOMPLISHMENTS

N/A

KEY BUDGET INITIATIVES

N/A

Procurement & Contracts Office

MISSION

The Department of Procurement purchases high-quality goods and services on-time and at the best value from high-performing, innovative and ethical suppliers. By leveraging best practices from private and public organizations, this team ensures that all CPS schools and departments have the materials and services necessary for all CPS students to be successful.

The department also leads the Board of Education’s Minority and Women Business Enterprise (M/WBE) policy through the Office of Business Diversity, which has set at 30 percent and 7 percent, respectively, for minority and women-owned businesses.

MAJOR PROGRAMS

Procurement and Contract Office

- **Source:** Ensure full compliance with legal requirements for all sourcing activities, provide guidance to end-user departments on the most appropriate way to source their needs, and provide continual support during the life of any resulting contracts.
- **Negotiate:** Develop category strategies and structure the best partnership with suppliers for each addressable spend category. Continue to generate savings going forward by creating and implementing strategies and partnerships in areas such as healthcare, asset management, revenue generation and third party administration.
- **Optimize:** Build sustainable procurement excellence by streamlining internal processes and creating the framework to proactively engage our schools and key suppliers in year-over-year continuous improvement activities.

Office of Business Diversity

- **Compliance:** Responsible for the administration and monitoring of the Minority and Women Owned Business Enterprises (M/WBE) program. The M/WBE program helps create and sustain an equitable business environment by promoting M/WBE participation in public contracting and procurement.
- **Development:** Identify M/WBE sourcing opportunities in conjunction with Procurement and work with suppliers, Assist Agencies and the Community to find and develop viable M/WBE companies to provide goods and services to the District.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 2,550,847 | \$ 2,635,865 | \$ 2,643,183 | \$ 2,109,954 | \$ 3,070,955 |
| Total Department | \$ 2,550,847 | \$ 2,635,865 | \$ 2,643,183 | \$ 2,109,954 | \$ 3,070,955 |

**As of FY2019 the Office of Business Diversity (OBD) is being managed by Procurement and Contract Office. This table includes \$704K attributable to the FY2019 OBD operating budget.*

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 22.0 | 26.0 | 26.0 |
| Total Department | 22.0 | 26.0 | 26.0 |

**As of FY2019 the Office of Business Diversity (OBD) is being managed by Procurement and Contract Office. This table includes 6 FTE attributable to the FY2019 OBD operating budget.*

MAJOR ACCOMPLISHMENTS

Procurement and Contract Office

- Launched “Keep Improving District Services” (KIDS) Program. Held 100+ meetings with key suppliers. Identified opportunities for improved services, cost reductions, and increased philanthropic giving totaling \$6.5 million of benefit to the District.
- Achieved \$12.8 million of savings through RFPs, negotiated savings and rebates.
- Initiated Principals Procurement Advisory Council (PPAC) to improve communication with schools and to focus the procurement effort on “Pain Points” identified at schools. As a result we initiated District wide contracts on travel, inflatables, postage, enhanced nursing support, and office supplies.

KEY BUDGET INITIATIVES

Procurement and Contract Office

- Ongoing Hi Impact/Low Value category contracts to reduce “Pain Points” and improve services at schools including: gym uniforms, art supplies, prom venues, caps and gowns, yearbooks, student incentives, and travel services.
- Ongoing KIDS activities: universal vision care initiative, building automation systems best practice identification, classroom/library of the future trials.
- Major Solicitations (RFP or RFQ)- Medicaid Processing; Universal Curriculum; Dental Insurance; Vision Insurance; Professional Development Supplier Pools; Safe Passage; Security Cameras; Managed Print Services; Kitchen Equipment; ALOP Alternative High Schools; Telecommunication; Human Capital Management System; Safe Haven Services; Electricity Supply; Social Emotional Learning Vendor Pool;

Office of Business Diversity

- Fully functioning B2GNow Database in the Office of Business Diversity. B2GNow is a diversity management software that provides benefits such as contract compliance, supplier communication, and other services.

Office of Safety and Security

MISSION

The mission of the Office of Safety and Security is to support CPS in providing a safe and secure environment that is conducive to learning. The office is responsible for identifying and addressing safety concerns within schools, while partnering with other stakeholders such as the Chicago Police Department (CPD) to identify risks in the community that could affect the safety of our schools. This team uses a combination of methods, including prevention, intervention and enforcement to proactively address issues that might affect students and staff.

MAJOR PROGRAMS

The Office of Safety and Security manages the safety of our students through four main resources: CPS Security Guards, Chicago Police Officers, Safe Passage and technology such as security cameras and alarm systems. The department is divided into four teams to manage these resources.

- **The Network Safety Team** serves as the overall safety support structure for each Network. Every school has an identified point of contact from this team who is accountable for assisting in areas ranging from safety strategy development to security staff support to incident investigation and response. Key responsibilities include:
 - Working with schools to develop customized school safety plans
 - Providing school-based security staff support and training
 - Ensuring the performance optimization of school-based security staff
 - Conducting safety audits for schools
 - Partnering with CPD and community stakeholders to support school safety plans
 - Conducting interventions for students who are at risk due to factors including, but not limited to, environmental concerns, gang concerns and any other issues that might jeopardize student safety
 - Provide crisis team support at schools for situations including grief counseling
- **The Student Safety Services Team** is responsible for the overall operations of the Student Safety Center, the District's 24/7 command center for safety communications. This team also manages the safety technology strategy and implementation for safety initiatives such as cameras and metal detectors.
- **The Safe Passage Team** is responsible for the planning and implementation of the District's Safe Passage program. The program partners with community-based organizations to hire safe passage workers to support students as they travel safely to and from school.
- **The Safety Initiatives and Emergency Management Planning Team** is responsible for key strategic areas including Background Check and other special initiatives. In addition, they oversee school preparedness for emergency situations and incidents such as fire, tornado, and active shooter by providing training and supporting schools in conducting emergency drills. In the event of a true emergency, this team will also provide support during the situation.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 28,525,422 | \$ 33,290,304 | \$ 32,653,795 | \$ 31,490,274 | \$ 34,624,453 |
| ESSA federal Funds | \$ - | \$ 252,000 | \$ - | \$ - | \$ - |
| Other Grant Funds | \$ 605,862 | \$ 1,166,662 | \$ 1,175,610 | \$ 865,116 | \$ 721,136 |
| School Generated Funds | \$ 386,584 | \$ 311,042 | \$ 598,039 | \$ 378,938 | \$ 261,042 |
| Total Department | \$ 29,517,868 | \$ 35,020,008 | \$ 34,427,444 | \$ 32,734,328 | \$ 35,606,631 |
| Budgeted at Schools | \$ 51,587,041 | \$ 55,028,029 | \$ 53,731,708 | \$ 53,086,623 | \$ 58,619,825 |
| Grand Total | \$ 81,104,909 | \$ 90,048,037 | \$ 88,159,152 | \$ 85,820,951 | \$ 94,226,456 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 189.0 | 189.0 | 152.0 |
| Other Grant Funds | 3.0 | 3.0 | 3.0 |
| Total Department | 192.0 | 192.0 | 155.0 |
| Budgeted at Schools | 987.0 | 997.0 | 1,041.0 |
| Grand Total | 1,179.0 | 1,189.0 | 1,196.0 |

**In FY2019 45 FTE school security guards were reorganized from the citywide unit to the schools*

MAJOR ACCOMPLISHMENTS

- Expanded Safe Passage Program: Added 3 additional schools to the existing Safe Passage plans to support a total of 145 schools around the District.
- School Safety Protocols: Partnered with Principals to create school safety plans with enhanced security protocols designed specifically for their school.
- Implicit Racial Bias Security Officer Training: Partnered with the Umoja Student Development Corporation to develop and deliver Implicit Racial Bias training to all security officers to increase awareness around each individual’s own biases and providing strategies on how to recognize them and ultimately, address them.
- Continued “Connect and Redirect to Respect” Initiative: Implemented program in partnership with Department of Justice and University Of Chicago Urban Labs to at-risk youths who have displayed signs of threats and provide interventions to mitigate safety risks to the student.

- Expanded the Auditorium Transformation Summer Jobs Program from only Summer to a Year-Round program where 300 students could participate in renovating CPS auditoriums across the city while building SEL skills through the experience. Raised private funding to support this expansion.
- Expanded scope of the CPS Background Check process to Charter, Contract and Alternative Schools Networks: Partnered with Innovation and Incubation (I and I), Talent and Legal to work with the I and I school portfolios to provide a more robust check process that includes criminal history, CPS Personnel history, and DCFS history.
- Partnered with Sports Administration to launch SCORE sports program (Sports Can Open Roads to Excellence), a program for 5th to 8th graders that promotes full participation by requiring no-cuts and no tryouts to join teams. Safety plans and staff were implemented to ensure a safe environment for all sites.

KEY INITIATIVES

- Conduct a background check recheck on all adults who regularly work in schools – including CPS employees, coaches, volunteers, and vendors. This unprecedented step will promote student safety to ensure that every adult who works in CPS schools contributes to a safe educational environment.
- Expansion of the city-wide Safe Passage program to include 14 additional schools, bringing the total number of schools with Safe Passage to 159 to serve more than 75,000 students and hire over 1,400 safe passage workers for the 2019 school year.
- Launch an RFP to solicit new vendors for the upcoming school year to identify interested and qualified community groups who want to participate in the Safe Passage program.
- Support the District’s strategies on upcoming school actions planning and implementation including development of transition plans and student supports leading up to the school actions. Engage community input on safety ideas and concerns and incorporate solutions into the plans. In partnership with Teaching and Learning and OSEL, launch a student enrichment plan for students in selected schools that combine academic supports with building SEL skills and a part time jobs program.
- Relaunch the District’s Safety and Emergency Management plans through training and updating of all school’s plans. Work with schools to ensure that they are prepared in the event of a crisis emergency.
- Continued refinement of the School-based Security Model: CPS will continue to work with Principals to improve the performance of the security officers. Training will focus on improved communication of expectations. Partner with school-based stakeholders to ensure that all expectations are clearly aligned.
- Continue to rollout the “Connect and Redirect to Respect” Initiative across the city.
- Recertify all security officers via the CPS “Momentary Physical Intervention” standards to enable security officers to safely intervene in situations where there is a physical situation and a person may be in danger of becoming physically injured. Develop and implement training associated with these standards.
- Expand and Improve Safety Technology: CPS will continue to seek grants and capital funding to expand the availability of cameras and other safety technology at schools.

Office of School Counseling and Postsecondary Advising

MISSION

The Office of School Counseling and Postsecondary Advising (OSCPA) is a part of the Office of College and Career Success (OCCS). OSCP A ensures that Pre-K-12 postsecondary teams (School Counselors and Coaches) implement comprehensive, student-centered, data-informed practices to positively impact academic, social-emotional, and postsecondary outcomes of all students in the district.

MAJOR PROGRAMS

- **School Counseling:** *Counseling Specialists* implement comprehensive school counseling programs, which track relevant key performance indicators to ensure school counselors address the academic, social-emotional, and postsecondary needs of all students. As part of this work, Specialists also develop and support the REACH evaluation system that identifies a common definition and set of standards for the school counseling practice.
- **College and Career Advising:**
 - *College and Career Specialists* provide network-level guidance to schools that supports a college-going culture and drives college access and persistence growth for students. Moreover, they implement district-wide postsecondary success strategies, including monitoring key performance indicators, establishing Postsecondary Leadership Teams (or PLTs), serving as trainers for the College and Career Advising Credential, organizing college fairs, and facilitating college-school partnerships and dual enrollment participation.
 - *Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)* is a Federal program, run in partnership with Northeastern Illinois University Center for College Access and Success, that operates in 35 CPS schools. This initiative facilitates programming and activities designed to expand school-based activities and increase the college-going rate of low income students with the intent of improving student achievement and success in postsecondary education.
- **Scholarship Support:** Fosters partnerships with strategic scholarship providers; manages and reports awards; coordinates events and professional development; and publishes a guide that provides students with scholarship opportunities as a way to close the financial need gap.
- **Postsecondary Strategic Initiatives:** Utilizes the Naviance College and Career Planning tool and data analysis to continue to develop the best supports to prepare students for success in postsecondary endeavors.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 1,047,992 | \$ 1,091,593 | \$ 1,035,711 | \$ 1,317,422 | \$ 3,006,721 |
| ESSA Federal Funds | \$ 409,380 | \$ 1,134,956 | \$ 1,134,956 | \$ 976,528 | \$ 1,028,127 |
| Other Grant Funds | \$ 2,022,797 | \$ 2,632,748 | \$ 2,998,509 | \$ 2,538,530 | \$ 5,292,541 |
| School Generated Funds | \$ 11,154 | \$ 2,325 | \$ 302,980 | \$ 266,501 | \$ 4,673 |
| Total Department | \$ 3,491,323 | \$ 4,861,622 | \$ 5,472,156 | \$ 5,098,981 | \$ 9,332,062 |

*Increase is due to expanding the Freshman Connection program through the Illinois State's Healthy Communities Grant, and opening additional College and Career Coaches positions

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 8.75 | 16.25 | 24.75 |
| ESSA Federal Funds | 3.75 | 3.25 | 5.75 |
| Other Grant Funds | 32.5 | 31.5 | 31.5 |
| Total Department | 45.0 | 51.0 | 62.0 |

MAJOR ACCOMPLISHMENTS

- Laid the groundwork for the Learn.Plan.Succeed. high school graduation requirement which requires all CPS student to have a concrete postsecondary plan before graduation by 2020. The plan includes acceptance to a two or four year college, pre-apprenticeship or apprenticeship program, enlistment in the selective services, gap year enrichment experience, or work.
 - Hired eight College and Career Network Specialists to support implementation of Learn.Plan.Succeed., in addition to a broad set of postsecondary strategies to improve postsecondary outcomes in district schools.
- CPS Class of 2017 seniors reported over \$1.24 billion in scholarship offers - more than triple the scholarship award amount since 2013.
- Completed the Chicago College and Career Advising Credential (CCCAC) training for 100 district high school Counselors and Coaches to improve advising practices to students. The CCCAC training is a series of eight, full-day workshops focused on the knowledge college and career advisors need to adequately help students prepare for their path after high school and is based on a cohort model to provide advisors with a support community. All high school counselors and college coaches will complete the training within the next three years. To date, 334 (79%) of our Counselors and Coaches have been credentialed.
- Kirsten Perry, a school counselor at Lawndale Community Academy was named the 2018 School Counselor of the Year by the American School Counselor Association (ASCA) - the most prestigious national honor for school counselors.

KEY BUDGET INITIATIVES

- Hire a K-12 Career Pathways Project Manager to support workforce development training and planning for district counselors and postsecondary practitioners.
- Hire a Director of Strategic Partnerships and Special Populations to facilitate direct relationships with higher education institution leaders to promote expanded enrollment of CPS students.
- Hire ten college and Career coaches to support Learn.Plan.Succeed. at twenty high schools with low concrete postsecondary plan completion and college enrollment rates.
- The Office of School Counseling and Postsecondary Advising has been awarded an Innovative Bridge and Transition Program grant by Illinois Community College, which will offer parents of children attending CPS an opportunity to return to high school to earn a diploma (or GED) or attend a 2-year community college to secure at certification or associate degree.
- Launching the 8th - 9th grade Freshman Connection program at 71 district high schools during the summer of 2018. Freshman Connection is a summer program that supports the successful transition of incoming freshmen from elementary school to high school by giving them an opportunity to participate in summer academic and enrichment programs. Freshman Connection is supported by a \$3.2 million dollar Healthy Communities Grant awarded to CPS by the Illinois State Board of Education.

Office of School Quality Measurement

MISSION

The mission of the Department of School Quality Measurement is to provide accurate reporting of interpretable results; support schools, networks, and central office by delivering timely and accurate school performance management data and analysis; and to build a foundation of high-quality, research-based evidence to inform district practice, policy, and vision.

MAJOR WORKSTREAMS

- Identifying valid and reliable measures of performance that will be used to establish goals at the educator, school, network, and district levels.
- Providing leadership in schools, networks, and central office departments with access to timely and accurate school and educator performance data and analysis.
- Compiling academic performance data and creating a repository for relevant district data in collaboration with other CPS departments.
- Calculating accountability metrics, KPIs, and other academic performance measures used throughout the district.
- Calculating end-of-year performance ratings for schools, principals, and educators in alignment with local policies (e.g., the School Quality Rating Policy) and state statute (e.g., Performance Evaluation Reform Act).
- Managing the district’s research-practice partnerships, external research review processes, and data sharing agreements.
- Managing a Roster Verification process to allow educators and administrators to input front-end data used in evaluations.
- Increasing transparency within CPS and with the public through clear reporting of performance data.
- Supporting and streamlining the Performance Management structure to ensure efficiency of process and quality of content.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 1,447,528 | \$ 2,005,262 | \$ 1,980,623 | \$ 1,816,370 | \$ 2,219,569 |
| ESSA Federal Funds | \$ 16,760 | \$ 61,774 | \$ 61,774 | \$ 36,381 | \$ 64,274 |
| School Generated Funds | \$ 2,878 | \$ 78,318 | \$ 88,068 | \$ - | \$ 65,568 |
| Total Department | \$ 1,467,166 | \$ 2,145,354 | \$ 2,130,465 | \$ 1,852,751 | \$ 2,349,411 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|--------------------------------|------------------------------|--------------------------------|
| General Funds | 13.5 | 14.5 | 14.5 |
| ESSA Federal Funds | 0.5 | 0.5 | 0.5 |
| Total Department | 14.0 | 15.0 | 15.0 |

MAJOR ACCOMPLISHMENTS

- Completed calculation and reporting of strategically important data points earlier than in previous years, with a greater level of collaboration with key internal partners like the Communications Office. As examples, NWEA data was released publicly 18 days earlier than the previous year; high school assessment data was provided to schools three weeks earlier; and Early College and Career Credentials data was released 17 days earlier.)
- Launched a data reporting calendar to allow stakeholders, especially principals, to track the release of key data points.
- Led a comprehensive internal consultation process to evaluate the School Quality Rating Policy (SQRP) and determine improvements for the next iteration.
- Developed the district's first strategic research agenda to align the efforts of external research partners with district needs and learning priorities. This document will serve as the foundation for optimized cycles of convergence that will better connect research to improvements in practice and policy making.
- Drove a qualitative improvement in the CEo performance management (PM) process that included a significant acceleration of the adoption of PM best practices across Central Office departments. Also led the redefinition of the continuous improvement work plan (CIWP) at the school level with an eye toward aligning strategic planning and continuous improvement from the classroom through central office departments.

KEY BUDGET INITIATIVES

- We are anticipating the expansion of the PM process beyond the education-focused departments and into the operations side of the organization, which will demand human and financial resources.
- Additional non-personnel budget initiatives for this year include an improved web presence for SQRP (the current website does not meet the needs of stakeholders); improvements to the CIWP website; a research website to optimize our research and data request processes and maximize revenue; and additional resources for professional development and team coordination.

School Support Center

MISSION

The School Support Center (SSC) is a one-stop-shop dedicated to creating and delivering innovative and proactive business solutions that empower schools to focus on instruction. We believe our schools need sound business practices that support student achievement. The SSC serves as a single-point of contact between Central Office partners and school/network staff by providing excellent training, consultative support, and premium services in all areas related to school business operations.

MAJOR PROGRAMS

The SSC is staffed with trained specialists to perform the following functions:

- **Finance and Internal Accounts Management** - including transactional duties in Oracle such as book transfers, monthly internal accounts reconciliation, journal entries, escheats, etc.
- **Employee Expense Reimbursement** - centralized processing of all employee and school reimbursements
- **Budget Assistance** - including transactional duties in Oracle such as budget transfers, proactive management of buckets and pointer line balances, and navigating fund-program-account policies and procedures for purchasing
- **Human Resources** - first point of contact on HR issues
- **Procurement** - including expediting the processing of purchase orders and processing and navigating procurement application, policies, and procedures
- **Oracle Financial Applications** - first point of contact in navigating and troubleshooting all Oracle financial applications (e.g., web inquiry, position control, iLeasing, iExpense, iProcurement, IAMS, Time & Effort, etc.)
- **Kronos Timekeeping Support** - provides timekeeping adjustment functions in Kronos, manages manual entry of payroll corrections such as swipe errors and time-off exceptions, and provides support to principals and delegates on reporting and management of timekeeping for school-based staff
- **QA, Training, and School Financial Reporting** - provides basic training for all Oracle Financial Applications and proactive reports that highlight school action items
- **Premium Services** - optional fee-for-service program available for schools that choose to have on-site support and training for budget, internal accounts and procurement, inclusive of Kronos and employee reimbursements

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 3,283,087 | \$ 8,906,731 | \$ 9,080,943 | \$ 6,548,129 | \$ 7,522,060 |
| Other Grant Funds | \$ 671,456 | - | - | \$ - | \$ - |
| Total Department | \$ 3,954,543 | \$ 8,906,731 | \$ 9,080,943 | \$ 6,548,129 | \$ 7,522,060 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 88.0 | 105.0 | 88.0 |
| Total Department | 88.0 | 105.0 | 88.0 |

MAJOR ACCOMPLISHMENTS

- SSC provides financial and accounting support for 515 district-run schools with successful results. Without precedence, due to the SSC's management of monthly reconciliation, 100% of all accounts for district-run schools are reconciled by policy due date.
- SSC handles about 2,500 calls per week with an average answer speed of 10 seconds; the SSC Contact Center team has been able to resolve 89% of inquiries at the first call.
- Through proactive efforts, the SSC's financial specialists have enabled principals to follow through on action items for responsible fiscal management (i.e., clearing budget negatives, addressing invoices on hold, approving pending requisitions, etc.).
- Through the implementation of self-service timekeeping, the SSC has eliminated 68% of manual edits needed to clear time card deviations.
- Employee reimbursements and supporting timecard transaction documentation is housed electronically with the appropriate audit trail, removing the audit burden from schools.

KEY BUDGET INITIATIVES

- Deliver school-centric solutions that solve current business service gaps through cross-functional Central Office collaboration for budget, internal accounts, and purchasing.
 - Publish year-round training catalogue in early FY2019 and provide differentiated training to principals and clerks/business managers in becoming proficient in navigating Oracle applications and district policies.
 - Facilitate monthly cross-functional meetings with partner department to review call center and pain-point trends for school customers and communicate and support schools through solutions (e.g., improving turnaround time for issues that require system technical support for all financial applications in Oracle, coordinating budget transfers and pointer line management, facilitate end-of-year spend activities for timely expenditures, provide consultative and technical supports for school budget planning).
 - Provide monthly reports to partner departments with trend data and action items to alleviate pain points for schools in managing Kronos, budget, internal accounts and purchasing.
 - Leverage lessons learned in a centralized place to enhance training.
- Increase financial expertise available to all district-run schools
 - Develop and train principals on the use of the the Oracle Business Intelligence dashboard. This tool will proactively flag action items for principals to consult with an SSC financial specialist on how to appropriately manage resources and assets.
 - Effectively manage Kronos Self-Service to ensure accurate timekeeping for timely processing of payroll for all school-based staff (e.g., eliminate manual entry of ½ day requests, minimize number of 0.5 FTEs in the district that are prone to timekeeping errors due to system limitations, update system configuration with Kronos to automatically correct inverted swipes).
 - Ensure all school and employee reimbursements are processed with accuracy and

- uphold adherence to district policy.
- Create a financial seminar platform to build the capacity of our school leaders and staff to effectively manage school business operations.
- Deploy business intelligence dashboard to principals and support staff to make action items easily visible for follow through.
- Improve adherence to district policies and procedures through proactive supports and internal controls for Budget Management, Kronos Timekeeping and Employee Reimbursements.
 - Identify timekeeping errors earlier in payroll processing timeline through proactive controls to mitigate historical corrections and error in payment of school-based employees (e.g., use of wrong pay codes, timely approval of time-off requests).
 - Enhance controls to protect the schools, principals, and teachers from policy and procedural non-compliance (e.g., dashboard reports, proactive reminders of action items for corrections, monthly newsletter with personalized data for each school for progress monitoring of spends and approvals).
 - Eliminate audit burdens and train school principals and staff on proper business protocols and documentation of relevant transactions (e.g., ensure all timekeeping edits in Kronos are processed after securing proper approvals, reimbursement requests are processed after all required documentation is secured and uploaded to Oracle, budget transfers have a corresponding amendment form for presentation to the LSC for approval).
 - Reduce the effort and corrections on the back end of transactions.

Office of Social and Emotional Learning

MISSION

The Office of Social and Emotional Learning (OSEL) is a part of the Office of College and Career Success (OCCS), and partners with schools and networks to establish and sustain supportive learning communities founded on caring relationships and multi-tiered systems of support (MTSS) for students' social, emotional and behavioral needs. The office supports training, coaching and implementation of research-based strategies to foster positive school and classroom climate development, trauma-sensitive practices, restorative approaches to discipline, social-emotional skills instruction, and targeted social, emotional and behavioral interventions.

MAJOR PROGRAMS

- **School Culture and Climate:** Provides training, coaching and resources to support school staff in establishing safe and productive learning climates, positive relationships, and trauma-sensitive practices in accordance with the CPS School Climate Standards.
- **SEL Skills Instruction:** Provides training, curricula and ongoing supports to schools to implement SEL skill-building lessons for all students and integrate Illinois SEL Learning Standards into academic core content.
- **Restorative Approaches to Discipline:** Provides training, coaching, and resources to support school staff in preventing and responding effectively to behavioral incidents, minimizing the use of suspensions and expulsions, and working to strengthen school communities after conflict or harm.
- **SEL/Behavioral Interventions:** Provides training, coaching, and direct service to support schools in therapeutic strategies and targeted interventions for students with higher levels of social and emotional needs.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 3,606,988 | \$ 2,984,122 | \$ 3,215,178 | \$ 2,904,459 | \$ 2,580,897 |
| ESSA Federal Funds | \$ 4,245,238 | \$ 7,422,048 | \$ 7,527,578 | \$ 7,550,813 | \$ 7,499,848 |
| Other Grant Funds | \$ 422,608 | \$ 1,979,159 | \$ 2,180,120 | \$ 1,758,012 | \$ 1,540,518 |
| School Generated Funds | \$ 112,868 | \$ 248,032 | \$ 269,232 | \$ 88,962 | \$ 180,270 |
| Total Department | \$ 8,387,702 | \$ 12,633,361 | \$ 13,192,108 | \$ 12,302,246 | \$ 11,801,533 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|--------------------------------|------------------------------|--------------------------------|
| General Funds | 9.8 | 9.8 | 9.8 |
| ESSA Federal Funds | 17.2 | 16.2 | 16.2 |
| Other Grant Funds | 2.5 | 2.0 | 2.0 |
| School Generated Funds | 0.5 | 1.0 | 1.0 |
| Total Department | 30.0 | 29.0 | 29.0 |

MAJOR ACCOMPLISHMENTS

- Decreased district-wide out-of-school suspension rates by 20 percent through May of SY2018, compared to the same time period last school year. This decrease follows record low suspension rates last school year.
- Certified 438 schools with the Supportive School Certification that will appear on School Progress Reports. Schools were certified following a rigorous application process that included school self- assessment/action plan of school climate, a review of submitted evidence, and a half-day site visit and interviews. Eighty-eight percent of all district-managed schools completed the school climate self- assessment, the first step in certification.
- Provided professional development and materials for 379 schools to implement evidence-based programs to teach SEL skills to all students.
- Provided on-site Restorative Practice coaches and support to develop restorative practices in 80 schools.
- Expanded the Behavioral Health Team (BHT) model to 168 schools to support the coordination and monitoring of behavioral health supports for students with more targeted and/or intensive social and emotional needs.
- Provided Network-based SEL supports across 13 Networks, including on-site coaching and technical assistance to school leadership and teams on SEL, discipline, and climate development; and ongoing professional learning communities for school-based SEL leads, deans/disciplinarians, and MTSS teams.
- Provided on-site coaching and training to 17 Options Schools in developing trauma-sensitive school climates and MTSS for social & emotional learning.
- Launched year-long professional learning and action planning with Network 11 principals around developing trauma-sensitive schools.
- Provided intensive trauma supports and launched universal trauma screening in 10 high schools in high-violence communities through Healing Trauma Together through the U.S. Department of Education's Promoting Student Resilience Grant, which provides 10 high schools in high-violence communities with school-wide trauma supports including full-staff professional development, Behavioral Health Teams and an on-site clinician to implement trauma-focused intervention.
- Provided direct service mentoring behavioral programs through Becoming a Man/Working on Womanhood to 2,600 students in 41 schools.

KEY BUDGET INITIATIVES

- Fund coaching, professional development, resource creation and direct services for the SEL

aspects of the district-wide MTSS initiative, as well as suspension and expulsion alternatives to meet specific social, emotional and behavioral needs of referred students. Fund continued intensive SEL supports in prioritized schools.

- Fund effective alternatives to suspension and expulsion, including restorative approaches to discipline and substance use interventions.
- Continue reducing coaching and training expenses by building internal capacity of CPS staff to lead SEL, MTSS, and restorative practices training.
- Fund school-based trauma supports and district-wide training that supports staff in creating trauma-sensitive learning environments that minimize barriers to student learning.
- Reserve funding to continue and expand the Healing Trauma Together initiative in 10 participating high schools, and up to 10 elementary schools in high-violence communities. Should the second year of the grant's funding be awarded (by Oct. 1), all continuation and expansion activities will be funded by the federal grant.

Sports Administration and Facilities Management

MISSION

Sports Administration and Facilities Management facilitates and identifies world class opportunities for students through programs that foster growth and development of character, citizenship, and scholarship.

MAJOR PROGRAMS

- **High School Sports:** Provides valuable after-school learning opportunities for approximately 38,000 students by managing the operational logistics for high school interscholastic competitions across three seasons and for the citywide summer sports camp sessions. Facilitates the comprehensive professional development of all high school athletic directors and coaches, which includes recognition of rules, regulations and conduct of all who are associated with the Sports Administration’s mission.
- **Elementary School Sports:** Manages CPS SCORE program, a district-wide “no-cut” sports initiative that increases the participation of elementary age students and helps build healthy habits.
- **Student Drivers Education:** Oversees classroom instruction and behind-the-wheel activities for students at 20 citywide locations.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 13,349,346 | \$ 14,281,594 | \$ 14,255,012 | \$ 15,959,871 | \$ 16,395,293 |
| Other Grant Funds | \$ 1,101,689 | \$ 2,410,350 | \$ 4,211,286 | \$ 1,954,226 | \$ 957,430 |
| Total Department | \$ 14,451,035 | \$ 16,691,944 | \$ 18,466,298 | \$ 17,914,097 | \$ 17,352,723 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 18.0 | 17.0 | 22.0 |
| Total Department | 18.0 | 17.0 | 22.0* |

*Increase in FTE positions attributed to realigning job functions of Stadium Attendants who work exclusively with stadiums and sports facilities. The positions are budget-neutral and have been transferred in from the department of Facilities Operations and Maintenance.

MAJOR ACCOMPLISHMENTS

- Completed first full school year of CPS SCORE program, using public/private partnerships to fund a district-wide “no cut” elementary sports program. More than 25,000 students participated in the 2017-2018 seasons. SCORE participation is expected to grow with additional sport offerings for SY 2018-2019.
- Created a sports training webinar, which is published on Learning Hub, for any new

administrators and athletic directors.

- Redesigned the Individual Study Plan to establish greater accountability and clarity of who is responsible for providing academic supports to ineligible student-athletes.
- Established a Regional Basketball Playoff system to allow for convenient viewership and monitoring and to serve as a showcase for college coaches to recruit our athletes.
- Upgraded the Driver's Education facilities by repaving and striping multiple sites throughout the year.

KEY BUDGET INITIATIVES

- Work with Title IX and Internal Audit to expand HS sport offerings to create equity among boys and girls sport participation.
- Establish a sports request application process that allows the department to control costs.
- Implement updated process of verifying and validating all coaches' stipends to ensure effective use of fiscal year budget.
- Programmatic review of all contracts with venues, emphasizing multi-year agreements and cost-effective terms across all sports.
- Establish new car purchase protocol for Driver's Education program to establish a more cost-effective formula that will allow for more uniformity in the life cycle of vehicles in the program's fleet.
- Work to establish greater control of HS/ELEM officials compensation by implementing internal account process for check distribution.

Office of Student Health and Wellness

MISSION

The Office of Student Health and Wellness (OSHW) aims to eliminate health-related barriers to learning and to advance child health equity in Chicago.

MAJOR PROGRAMS

- **Children and Family Benefits Unit** manages district-wide student enrollment in Medicaid, Children’s Health Insurance Program (CHIP), and Supplemental Nutrition Assistance Program (SNAP) to enhance the level of coordinated, continuous and culturally competent health care.
- **Health Information, Monitoring, and Reporting** includes managing district-level personnel to support schools through strategic communications and technical assistance, oversight of internal and external research, evaluation, and data collection.
- **Health Promotion** includes managing district health and wellness policies related to sexual health, nutrition education, physical activity, recess, school gardens, early childhood wellness, and chronic conditions.
- **Student Health Services** manages district-wide dental exams, vision and hearing screenings and referrals, vision exams, hearing exams, and school-based health centers.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------|----------------------|---------------------|-----------------------------|----------------------|
| General Funds | \$ 3,674,067 | \$ 4,161,513 | \$ 4,437,570 | \$ 4,078,141 | \$ 5,499,830 |
| Lunchroom Funds | \$ 471,386 | \$ 711,905 | \$ 666,884 | \$ 504,659 | \$ 625,066 |
| Other Grant Funds | \$ 1,002,315 | \$ 1,472,360 | \$ 1,748,187 | \$ 1,508,935 | \$ 432,691 |
| School Generated Funds | \$ 43,156 | \$ 19,648 | \$ 431,561 | \$ 263,367 | \$ 562,633 |
| Total Department | \$ 5,190,924 | \$ 6,365,426 | \$ 7,284,202 | \$ 6,355,102 | \$ 7,120,220 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 50.5 | 60.7 | 63.5 |
| Lunchroom Funds | 8.0 | 7.5 | 7.5 |
| Other Grant Funds | 7.5 | 8.8 | 2.0 |
| School Generated Funds | 0.0 | 7.0 | 7.0 |

| | | | |
|-------------------------|-------------|-------------|-------------|
| Total Department | 66.0 | 84.0 | 80.0 |
|-------------------------|-------------|-------------|-------------|

MAJOR ACCOMPLISHMENTS

Children and Family Benefits Unit

- Completed 4,157 CPS student applications for Medicaid and SNAP enrollment
- Expanded school-based Medicaid and SNAP enrollment sites from 16 to 23
- Rolled out a Medicaid Designee process where over 90% of schools now have a staff member to assist with outreach for the Medicaid and SNAP programs
- Identified approximately \$807,567 in additional Medicaid reimbursement revenue by enhancing the district's Medicaid Recipient Identification Number matching process
- Awarded \$1.25M from the J.B. and M.K. Pritzker Foundation to begin the district's Opening Doors health insurance enrollment initiative
- Implemented a health insurance enrollment process at CPS' Central Office through engagement with the Office of Language and Cultural Education

Health Information, Monitoring, and Reporting

- Matched 300 district schools with OSHW staff and community partners to provide technical assistance to achieve Healthy CPS, a comprehensive health-focused measure that is included on the CPS school progress report
- Provided \$115,000 to 115 schools to support in Healthy CPS achievement
- Achieved weighted data for 2017 CDC Youth Risk Behavior Survey
- Improved response rate to the Healthy CPS Survey from 71% to 79% of schools
- Launched a Healthy CPS Survey Validation project in order to validate the tool that measures compliance with over 40 federal, state, and local health-related policy criteria
- Honored 12 schools who achieved Healthy CPS status and exemplary school administrators, wellness teams, and wellness champions who demonstrated best practices in creating a healthier school environment for their school and the entire CPS district
- Convened a bi-annual meeting of strategic partners who provide schools with Healthy CPS support

Health Promotion

- Convened StartWELL Advisory Committee to inform the district's health and wellness initiatives to Pre-K students, staff, and families
- Published the Parent Curriculum Connection, a companion document to the CPS Sexual Health Education Curriculum.
- Provided training to over 1,000 staff related to Safe and Supportive Environments for LGBTQ and all youth
- Adopted and implemented three updated wellness policies: Local School Wellness Policy, Healthy Snack and Beverage Policy, and Breakfast After the Bell Policy
- Distributed district-issued epinephrine pens (EpiPens) to all schools to ensure compliance with Illinois law at no cost to the district

Student Health Services

- Audiometric & Vision Screening Technicians employed by CPS:

- Delivered at least one hearing screening to over 173,400 students and provided referrals for medical care to over 1,400 students who met referral criteria
- Delivered at least one vision screening to over 182,900 students and provided referrals for medical care to over 37,300 students who met referral criteria
- Partnered with the Chicago Department of Public Health (CDPH) and subcontractors to:
 - Provide over 50,100 students with eye examinations and over 25,100 pairs of eyeglasses
 - Provided over 89,000 students comprehensive dental examinations
 - Provided over 5,000 students with testing and treatment for sexually transmitted infections
- Partnered with the University of Illinois Chicago Hospital and Health Sciences System to provide 100 students with an audiology/ear/nose/throat examination

KEY BUDGET INITIATIVES

Children and Family Benefits Unit

- Strengthen school-based enrollment strategies and opportunities to make sure all eligible students are enrolled in Medicaid, CHIP, and SNAP. Access to health insurance, health care and adequate nutrition create essential physical and material conditions for students to be present and ready to learn at school.
- Focus enrollment efforts on approximately 6,000 students with IEPs that are eligible for Medicaid but not enrolled
- Create and implement a Poverty Grant Program data tracking and case management tool in order to maximize eligible families' access to essential social safety nets because healthy students are better learners.
- Strengthen parent and family health literacy through targeted and tailored community engagement to enhance health equity and meaningful access to comprehensive health care. Health equity is the principal or value that drives us to eliminate health disparities—differences in health (or the determinants of health) that harm marginalized, oppressed or excluded groups. In turn, health equity is a basic building block for educational equity.

Health Information, Monitoring, and Reporting

- Create a validated tool to measure school's Healthy CPS alignment
- Implement research agenda for the Office of Student Health and Wellness, in conjunction with the City of Chicago as a part of Healthy Chicago 2.0, to align research to department goals and support evidence-based decision-making
- Coordinate grant funding to provide high-need schools resources to implement Healthy CPS
- Integrate surveillance data into decision-making processes within the Office of Student Health and Wellness (includes Youth Risk Behavior Survey and School Health Profiles)
- Increase Healthy CPS Survey response rates to 80% by promoting the importance of Healthy CPS
- Identify opportunities for additional parent engagement in the Office of Student Health and Wellness to increase awareness of health and wellness services available to CPS families

Health Promotion

- Expand partnerships with mobile healthcare providers to include sexual health services to increase access to care for students

- Develop sexual health curriculum and resources for diverse learners related to personal health, hygiene, healthy relationships, and prevention of sexual abuse
- Increase number of staff that are trained on district chronic conditions policies and procedures
- Launch StartWELL: Healthy CPS for Pre-K, which aims to expand health and wellness initiatives into early childhood classrooms

Student Health Services

- Each year, our Student Health Services provide healthcare to approximately 200,000 CPS students as determined by a combination of Federal, State, and local requirements and/or resources. Student-level requirements are driven by annual student enrollment and are primarily the responsibility of a parent/guardian. The department offers a variety of “safety-net” services as a resource for those students/parents/guardians who do not have a medical/dental/optical provider. Departmental service goals will fluctuate across the academic year based upon the year-to-date student enrollment and their health-related needs.
 - SY19 hearing screening goal: Approx 170,000 students
 - SY19 vision screening goal: Approx 146,000 students
 - SY19 Dental Exam Program goal: 80,000 students
 - SY19 Audiology/Ear/Nose/Throat Exam Program goal: 500 students
 - SY19 Vision Exam Program goal: 50,000 students

Office of Student Support and Engagement

MISSION

The Office of Student Support and Engagement (OSSE) is a part of the Office of College and Career Success (OCCS) and provides comprehensive supports to help students become more connected to and engaged in school. The office provides re-engagement services for out-of-school youth; resources to eliminate barriers for students in temporary living situations; attendance and truancy guidance for CPS families, schools, and networks; and extended learning opportunities to enhance all students' core academic experience while engaging parents and community members in school-led activities.

MAJOR PROGRAMS

- **Attendance & Truancy:** Lead and coordinate the district-wide efforts to promote consistent student attendance and reduce chronic absence and truancy. OSSE also provides additional support when schools fall below the district's attendance goals and assists in disseminating and funding best practices for improving and maintaining high attendance.
- **Students in Temporary Living Situations (STLS):** Train and support all CPS schools to ensure system-wide compliance with McKinney Vento Law for the removal of barriers to educational opportunities for over 18,000 students who are experiencing homelessness and 3,500 students in foster care.
- **Student Outreach and Re-engagement (SOAR) Centers:** Provide targeted outreach to chronically truant and out-of-school youth to get them re-engaged, re-enrolled, and persisting in a best-fit educational setting with the goal of earning a high school diploma. There are four SOAR Centers, all of which are located in neighborhoods with the highest concentration of out-of-school youth (Roseland, Pilsen/Little Village, Garfield Park, and Englewood).
- **Juvenile Justice Re-Entry Program:** Provide re-engagement support to court-involved youth across the city. This team facilitates the school placement and monitoring of all students exiting the Juvenile Detention Center that have attended the Nancy B. Jefferson Alternative School.
- **Out-of-School Time (OST) Activities:** Manage and oversee OST Award Program, After School Matters, City Year, Science Olympiad and You Be the Chemist, offering approximately 32,000 slots for CPS students. Students who participate in these programs are more likely to have improved academic performance, school-day attendance, and school-day behavior outcomes.
- **Community Schools Initiative (CSI):** Support schools in Chicago to implement the CPS Community Schools strategy. These schools partner with community-based organizations to provide a comprehensive set of wrap-around supports to students, their families and community members. OSSE sets implementation guidelines, trains, and connects schools to resources, as well as, provides data analysis and technical assistance.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|---------------------------|----------------------------|----------------------------|--------------------------|--------------------------------|----------------------------|
| General Funds | \$ 1,944,603 | \$ 6,752,374 | \$ 2,946,884 | \$ 2,737,852 | \$ 7,296,676 |
| ESSA Federal Funds | \$ 6,903,837 | \$ 8,073,111 | \$7,974,692 | \$7,473,348 | \$ 8,905,416 |
| Other Grant Funds | \$ 6,155,225 | \$ 7,200,796 | \$9,672,104 | \$ 8,673,010 | \$ 12,329,418 |
| School Generated Funds | \$ 78,435 | \$ 136,228 | \$ 635,757 | \$ 102,664 | \$ 439,574 |
| Total Department | \$ 15,082,100 | \$ 22,162,508 | \$ 21,229,437 | \$ 18,986,874 | \$ 28,971,084 |

*Significant increase due to new grant awards

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|----------------------------|--------------------------|----------------------------|
| General Funds | 5.0 | 8.0 | 8.0 |
| ESSA Federal Funds | 12.0 | 14.0 | 14.0 |
| Other Grant Funds | 32.0 | 34.0 | 34.0 |
| School Generated Funds | 2.0 | 2.0 | 2.0 |
| Total Department | 51.0 | 58.0 | 58.0 |

MAJOR ACCOMPLISHMENTS

- The Attendance and Truancy Department started the attendance discussion earlier than ever by providing training to principals and networks on attendance data and best practice, prior to the start of school. In partnership with the Office of Network Support, school audits were conducted for schools that demonstrated more loss than growth in school years' SY16 and SY17. The audits focused on procedures and culture and climate. Attendance grants were awarded to 14 networks in support of 158 schools. Further, in its third year, the mandated Attendance Essentials Learning Hub training for all district-managed school almost reached 100% compliance, training approximately 1,326 individuals.
- The Community Schools Initiative (CSI) served nearly 19,000 students (unduplicated) and over 3,200 adult family members during SY 18 at 46 schools across the district. Funds for the services and supports provided to these students and their families come from eight *21st Century Community Learning Centers* (21st CCLC) grants. We ensured sustainability of Community Schools by receiving an additional five years of funding, \$3,150,000 annually, to continue programming at 21 schools scheduled to end services at the end of 2017. We are also partnering with the CTU to transform 20 schools into Sustainable Community Schools.
- OSSE led district-wide training and support to all CPS schools to ensure over 18,000 students in temporary living situations in CPS had access to transportation and other basic needs such as

hygiene kits, school uniforms, and other clothing items to address barriers to attending school every day. New program implementation this school year included a collaboration with the City of Chicago, the Department of Family Support Services, and the Chicago Coalition for the Homeless to provide 100 STLS families with permanent housing.

- Centralized Out-of-School Time Programs served approximately 32,000 unique students across programs. The OST Award Program serves over 30,000 students, providing 87,000 hours of programming across a wide spectrum of topics, ranging from academic intervention, to STEM, to dance, to Yearbook. Staff members at 245 schools were trained in developing this programming, maximizing participation outcomes, and effectively spending their budget.
- The Juvenile Justice Re-Entry team supported over 700 unique students exiting Nancy B. Jefferson School in school planning, individualized support, and resource coordination, utilizing partners in the juvenile justice system, schools, and community-based organizations. Over 60% of re-entry eligible students enrolled in school following their release, fulfilling a key need for our most disadvantaged population of students and supporting students at 88 different CPS schools. CPS has developed a collaboration with the Department of Family and Support Services to provide case management and mentoring to the highest risk students.
- The district's four Student Outreach and Re-Engagement (SOAR) Centers supported 2,055 students: 75% of the students re-enrolling in school and 80% of those students enrolled in school reaching stable enrollment.

KEY BUDGET INITIATIVES

- Continued implementation of Attendance Improvement and Truancy Reduction Strategy to improve student attendance throughout the district. The comprehensive strategy focuses on providing data tools and guidance to improve all schools' attendance, as well as targeted financial investments to support high-need schools through school-climate training, social-emotional skill development, and supplemental student programming. All district-managed schools will have two people certified on Attendance Essentials.
- The Community Schools Initiative will work to secure new 21st Century Community Learning Centers grants (\$3,450,000 annually for the five-year grant term) and expand to 23 new Community Schools. We will be launching the Sustainable Community School project in partnership with the CTU per their contract in 20 schools at a cost of \$500,000 per school.
- The STLS Program will provide training to approximately 1,000 clerks and liaisons on policies and protocols regarding services for STLS students, work with parents and schools to ensure that over 18,000 students are immediately enrolled into school, and provide school of origin transportation to approximately 13,000 students.
- The Juvenile Justice team will provide transition supports for 700 students and support Nancy B. Jefferson with implementing credit recovery and differentiated instruction for its students.
- SOAR will support the identification and re-engagement of 2,000 out-of-school youth. There will be an increased focus on the retention of overage 9th grade students most at risk for dropping out of school.

Talent Office

MISSION

The Talent Office supports and empowers employees through all stages of their CPS careers, with the understanding that our success enables employees to better serve the students of Chicago. In this work, we prioritize building new teacher pipelines for diversity and quality, empowering principals and managers with effective talent management tools, and promoting excellence among all employees with clear expectations, accountability, and recognition.

MAJOR PROGRAMS

- **Teacher Pipelines and Educator Equity:** Developing and implementing strategies to diversify teaching talent, recruiting more teachers in high-need subject areas, strengthening supports to ensure Day 1 Readiness for new teachers, and expanding access to high-quality instruction for students across Chicago. Through the Teach Chicago initiative, CPS will build new teacher residency programs by partnering with educator preparation programs, and providing intensive talent management support for Opportunity Schools, some of the district's hardest-to-staff schools.
- **Educator Effectiveness:** Transitioning "*from compliance to coaching*" in schools' implementation of REACH, the district's teacher evaluation system. Additional efforts include supplemental feedback and coaching of teachers, execution of the collective bargaining agreement pertaining to teacher evaluation, and implementation of a teacher leadership grant from the U.S. Department of Education.
- **HR Operations:** Improve the efficiency and communication throughout employee onboarding, for the new employee as well as the manager. Other key objectives include raising the number of actively working substitute teachers and implementing new employee onboarding and orientation.
- **HR Business Partners in School Support Center:** Providing one-stop support for CPS school leaders for all HR-related needs, including guidance, timely technical assistance and executive consultation. Other efforts include improvements to online systems and seamless transitions from one school year to the next.
- **Absence and Disability Management:** Bringing in-house the processing and administration of employee leaves of absence in order to improve customer service while reducing costs, launching a return-to-work program to support employees transitioning back to work after a workplace injury.
- **Talent Management, HR Support and Benefits:** Performing client management function for all District leaders seeking Talent guidance and support, workforce planning and organizational development. Improving health education and disease management services for employees, and managing deferred compensation plans.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--|-------------------------------------|
| General Funds | \$ 13,565,840 | \$ 15,431,274 | \$ 15,551,428 | \$ 14,817,658 | \$ 20,843,060 |
| ESSA Federal Funds | \$ 2,653,757 | \$ 4,996,823 | \$ 4,961,205 | \$ 3,295,676 | \$ 4,788,956 |
| Other Grant Funds | \$ 843,243 | \$ 1,098,276 | \$ 1,847,196 | \$ 1,454,486 | \$ 2,521,392 |
| School Generated Funds | \$ 91,734 | \$ 113,934 | \$ 264,040 | \$ 137,544 | \$ 257,754 |
| Total Department | \$ 17,154,574 | \$ 21,640,307 | \$ 22,623,869 | \$ 19,705,364 | \$ 28,411,162 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|------------------------------------|----------------------------------|------------------------------------|
| General Funds | 76.7 | 79.2 | 104.2 |
| ESSA Federal Funds | 11.2 | 11.7 | 10.5 |
| Other Grant Funds | 9.0 | 14.0 | 6.0 |
| School Generated Funds | 0.3 | 1.3 | 2.3 |
| Total Department | 97.2 | 106.2 | 123.0 |

MAJOR ACCOMPLISHMENTS

- Launched two Teacher Residency Programs to develop 40 new Special Education and Bilingual teachers, and approximately 300 new Special Education and Bilingual teachers over the next 5 years;
- Doubled early teacher hiring year-over-year across 50 Opportunity Schools;
- Secured \$12M federal grant to develop teacher leadership roles in 7 high-need elementary schools;
- Implemented RISE performance review process for central office and citywide non-union employees, and launched initial manager training;
- Transitioned the administration of employee leaves of absence in-house, which saves the district \$500K+ per year while improving transparency and service for employees and managers;
- Supported more than 600 Special Education teachers with classroom observations and instructional feedback to help educators improve their practice; and
- Recruited and hired 85+ school social workers, school psychologists and speech-language pathologists, a dramatic increase over the prior year.

KEY INITIATIVES

- Formation of the Office of Student Protections and Title IX (OSP) as part of CPS' long-term commitment to be a school district free from sexual discrimination, harassment, and violence. The new office's efforts will focus on the following areas:

- **Investigations:** In coordination with principals and law enforcement agencies, OSP will oversee the investigation of allegations of student-on-student sexual harassment, bullying, or abuse. Trained investigators, who prioritize supporting the best interests of students to avoid retraumatization or harm, will oversee investigations.
- **Advocacy:** The office will coordinate with internal and external partners to ensure student advocate services, counseling, and other supports are provided to students involved in sexual harassment, bullying, or abuse.
- **Compliance:** The office will ensure the district is in compliance with Title IX, which protects students from discrimination related to any educational program.
- **Training and Awareness:** The office will ensure every member of the CPS community understands their role in recognizing, preventing, reporting and responding to sexual harassment, misconduct and abuse.
- **Policy and Prevention:** The office will guarantee that district policies and practices provide clear steps that employees must take in order to protect victims of abuse and ensure incidents are reported to all necessary parties.
- **Data and Reporting:** The office will collect and share information with the public and ensure appropriate notifications are made in all cases.
- *Teach Chicago*, a broad initiative to revitalize and diversify the teaching workforce in Chicago's public schools. This initiative includes:
 - Expansion of Teacher Residency Programs,
 - Closer partnerships with local educator preparation programs,
 - Intensive teacher recruitment and retention support for Opportunity Schools,
 - Development of more diverse teacher pipelines, and
 - Establishment of in-school teacher leadership roles to recognize excellent educators
- Revisions to the structure of CPS' deferred compensation plans (i.e., 403(b) and 457 plans)
- Expansion of our substitute teacher pool and research on policy changes that could alleviate the shortages of subs on particular days, in specific times of year, and at certain schools
- Further articulation of teacher leadership roles and opportunities across the district, including implementation of \$12M Distributed Leadership grant in 7 high-need elementary schools
- Creation of leadership development program structures, common expectations and applications, selection processes, and connection to succession planning
- Growth of piloted Return-to-Work program to help injured employees come back to work

Office of Teaching & Learning

MISSION

To provide all stakeholders with educational resources that will result in high-quality curriculum and instruction that engages and empowers students.

MAJOR PROGRAMS

- **There are four Core Curriculum** departments under the Office of Teaching and Learning: **Arts, Literacy, STEM, and Social Science/Civic Engagement**. These departments focus on the effective implementation of Illinois State Standards and high-quality instruction. They ensure that educators have the training, tools and resources to support meaningful and effective learning that prepares students for a successful future.
- **The Instructional Supports Department** provides students with targeted resources and academic programs that extend learning opportunities. The Instructional Supports department ensures that all students will be actively engaged in extended learning opportunities (including Summer Bridge, Credit Recovery and Virtual Learning programs) that foster and enhance the skills needed for success in college, career and life.
- **The Education Policy and Procedures team** effectively communicates and facilitates the strategic implementation of Board policies and procedures to ensure equity and fair standards for all CPS students.
- **Department of Instructional Learning Design and Strategy** provides induction and mentoring to new CPS teachers, provides teacher-led professional learning and online resources to ensure all CPS teachers stay abreast of instructional best practices.
- **The Learning Technologies team** maintains the district's Learning Hub, which houses and tracks CPS professional learning, and the Knowledge Center, an Intranet site that houses information, tools and resources for CPS staff.
- **The Academic Competitions team** coordinates extra-curricular programs aimed at engaging students before, during and after school, including science fairs, academic decathlons, spelling bees, debates and other competitions. Academic Competitions create a competitive environment to teach students to apply content knowledge in ways that develop life-long skills, such as problem solving, research and critical thinking.
- **The Department of Magnet, Gifted and IB Programs** provides students and families with high quality school models aimed at increasing college readiness through rigorous, theme-based instruction.
- **The Department of Assessments** is organized under the Office of Teaching and Learning but presented separately in the Budget Book.
- **The Department of Personalized Learning** is also organized under the Office of Teaching and Learning but presented separately in the Budget Book.
- **The Office of Early Childhood Education** is also organized under the Office of Teaching & Learning but is presented separately in the Budget Book.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------|----------------------|----------------------|-----------------------------|-----------------------|
| General Funds | \$ 6,720,438 | \$ 13,740,877 | \$ 13,612,641 | \$ 10,035,253 | \$ 26,383,644 |
| ESSA Federal Funds | \$ 11,296,314 | \$ 15,021,448 | \$ 16,111,388 | \$ 13,824,373 | \$ 17,095,544 |
| Other Grant Funds | \$ 588,828 | \$ 957,781 | \$ 1,224,931 | \$ 608,061 | \$ 2,438,214 |
| Total Department | \$ 18,605,580 | \$ 29,720,106 | \$ 30,948,960 | \$ 24,467,687 | \$ 45,917,402 |
| Budgeted at Schools | \$ 51,039,981 | \$ 59,847,441 | \$ 59,444,458 | \$ 56,111,944 | \$ 59,318,133 |
| Grand Total | \$ 69,645,561 | \$ 89,567,547 | \$ 90,393,418 | \$ 80,579,631 | \$ 105,235,535 |

*The FY2019 budget reflects the implementation of the initiative Universal Curriculum (\$10M), additional grants awarded to Core Curriculum Units (\$2.8M), and funding shifted from Early College and Career (\$2.6M).

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------|-----------------------|-------------------------|
| General Funds | 37.0 | 31.0 | 36.0 |
| ESSA Federal Funds | 22.0 | 25.0 | 24.0 |
| Other Grant Funds | 3.0 | 3.0 | 4.0 |
| Total Department | 62.0 | 59.0 | 64.0 |
| Budgeted at Schools | 542.4 | 554.0 | 579.0 |
| Grand Total | 604.4 | 613.0 | 643.0 |

*The increase in positions reflects additional positions from grant awards and expanded STEM and Magnet programming.

MAJOR ACCOMPLISHMENTS

Core Curriculum:

Arts

- More than 5,000 students across the City participated in out-of-school arts opportunities, such as CPS Music Festivals, and All-City Visual and Performing Arts showcases.
- 20 schools were selected to be members of the first cohort of the New Chance Arts & Literature Fund recipients, each receiving \$100,000 grants over three years to support their individual action plans designed to increase their capacity in the arts.
- More than 550 educators received professional development in arts assessment, arts and technology integration, and arts curriculum development.
- Nearly \$650,000 "Arts Essentials" funds were distributed to eligible schools for the purchase of equipment, materials and supplies for arts instruction.
- \$1.1 million was awarded to 108 schools through the Ingenuity-funded Creative Schools grants for arts partnerships that respond to data-identified gaps in student access to arts education.

Literacy

- Partnered with the University of Chicago and WestEd Teacher Professional Development Program to provide quarterly professional learning opportunities for 329 teachers.
- Conducted a thorough evaluation of instructional materials with input from over 60 stakeholders across the district to develop high-quality curriculum.
- Provided 389 schools access to SOAR (Students Online Access to Resources), an integrated virtual library system that allows schools to manage the circulation of print and digital library resources. As a result of negotiated contract terms, SOAR will expand with digital eBook library portals to every CPS school in SY17 at no additional cost to CPS.

STEM

- Increased the number of students gaining access to middle grades Algebra from 1,114 to 6,372 since 2007.
- Revised high school graduation requirements to include Biology, Chemistry, and Physics ensuring a high school science experience fully aligned to the Next Generation Science Standards for all students. Began the curriculum development and pilot processes with teacher teams to create materials to be used in each course.
- Revised STEM Certification standards and process to better outline instructional expectations and quality measures in STEM schools. Continued monthly STEM professional learning communities to support instructional practices in the STEM elementary and high schools.
- Piloted university coursework at DePaul University, University of Chicago, and University of Illinois-Chicago with funding from CME Group Foundation for elementary teachers to specialize in mathematics resulting in increased content knowledge and improved pedagogy.
- Provided district-wide professional learning for teachers from all schools with a common instructional focus across K-12 STEM.

Social Science/Civic Engagement

- Designed and facilitated professional learning for teachers in all schools on implementation of new Social Science standards as well as additional sessions for educators on implementation of curriculum and programming related to Social Science and Civic Engagement.
- Supported implementation of Student Voice Committees in 70 high schools and 35 middle schools.
- More than 850 students participated in Calumet is My Back Yard program.
- More than 2,000 students engaged in student events sponsored or organized by department.
- Developed new instructional units on U.S. Constitution (high school), Financial Education (high school) and pending revisions to Student Voice Committee and Civics curricula as well as guidance regarding instruction on elections and other current events.

Instructional Supports:

- Worked to develop an IT Dashboard upgrade that gave all CPS principals daily access to students' summer school progress, allowing principals to access with data needed to implement effective interventions to help students in need of additional supports
- Revised the Bridge format to tailor instruction based on each student's individual needs.
- Provided networks and schools with two Eligibility Forecast Reports to increase their ability to identify struggling students during the school year.
- Compiled and organized an electronic Summer Programs Handbook and streamlined monthly communication with principals through monthly reminder alerts, directing principals to relevant sections in the handbook.

- Identified Multi-Tiered Systems of Support (MTSS) work streams across a variety of CPS Departments.

Instructional Learning Design and Strategy:

- Hosted monthly professional development sessions and over 2,000 hours of one-on-one mentoring for 100 new CPS teachers.
- Provided monthly teacher-led professional learning opportunities to support instructional best practices for more than 1,500 CPS teachers.
- Hosted a two-day New Teacher Orientation conference for more than 200 new-to-CPS teachers.

Learning Technologies:

- Supported more than 1,800 professional learner providers with set-up and management of more than 7,000 courses with nearly 170,000 employee enrollments.
- Increased usage of the Knowledge Center by 125 percent to 2.3 million page views.
- Updated the Knowledge Center to house the Ed Tech Online Catalog to allow schools to make more informed purchasing decisions of Ed Tech products. Each product in the catalog was vetted for basic IT security, legal, and procurement standards.

Academic Competitions:

- Oversaw efforts to provide nearly 50,000 CPS students with access to academic competitions.
- Planned, implemented and executed city-wide tournaments; many lead to high-achievement in state, national and international competitions.
- Approximately 11,000 students participated in First Move, a chess education program for students in second and third grade.
- Fifty CPS Elementary schools students will competed at the 2018 CPS Citywide Spelling Bee. Over 38,000 students from 135 CPS schools participated in Spelling Bee during the 2017-2018 School year.
- The Whitney Young Academic Decathlon team won 1st Place in the Academic Decathlon City Championship Competition and was one of eight schools representing CPS at the Academic Decathlon State Competition on March 10, 2018 at Northeastern University.
- The Chicago Debate Commission received the Grand Prize from the Make It Better Foundation for Philanthropy in Education for the Chicago Debate League. An awards dinner will take place in May.
- Expanded the Cops and Kids Chess program to 18 schools.

Magnet Gifted and IB:

- Awarded a \$15 million Magnet Schools Assistance Program (MSAP) grant from the U.S. Department of Education to transform three neighborhood schools into magnet STEM schools.
- Provide ongoing support, including curriculum development, professional development, implementation strategies, to more than 300 schools across the district.
- Supported IB Authorization application submittals for several new IB programs.
- Provided technical and curriculum development support incubation of the IB Career-Related Programme (CP) program to four new high schools.
- Provided professional development for more than 1,100 Magnet, Gifted, IB and AP program teachers.
- Incubated Comprehensive Gifted Programs at eight new schools.
- Hosted the 2018 Magnet Schools of America National Conference.
- Developed comprehensive application process for new schools interested in offering a MGIB

program or changing the current program in their school.

- Launched partnership with Lead Higher to close the racial and socioeconomic participation gap in rigorous college courses.
- CPS was named the College Board Advanced Placement (AP) District of the Year among large school districts for leading the nation in expanding access to AP exams while simultaneously improving exam performance among every demographic subgroup – a statistical outlier among school districts of any size. CPS is the largest school district to ever receive this honor and the only district of any size to be named AP District of the Year more than once, having previously received the award in 2011.

Health and Physical Education

- Facilitated professional training for health and physical education teachers.
- Provided aquatic programming resources, including curriculum resources, safety audits and instructional programming coaching.
- Implemented the development and coaching model for the Physical Education Leadership Team professional learning community. This included identifying teacher competencies and collaboration on professional development preparation and facilitation.
- Developed a K-5 physical education scope and sequence.

Student Transportation Services

MISSION

The mission of the Office of Student Transportation Services is to improve student achievement by providing safe, timely, and cost-effective transportation for all eligible students in accordance with federal, state, and local laws, as well as city ordinances and Chicago Board of Education policies and procedures.

MAJOR PROGRAMS

- **Diverse Learning Transportation:** CPS provides transportation from home to school for over 9,500 students with special needs and over 500 students with specified medical needs via approximately 1,000 routes provided by 13 vendors. Additional services based on individual needs of students may include: bus aide, nurse, lift-equipped vehicle for wheelchairs, air-conditioned vehicle, or car seat and harness/restraint system.
- **Options for Knowledge Transportation:** CPS provides access to a variety of programs for approximately 9,500 K-8 students on approximately 300 routes. The programs include magnet, academic centers, gifted, and classical schools. Transportation is often based on living 1.5 to 6 miles from school.
- **Non-Traditional Transportation:** Non-traditional transportation serves students in temporary living situations, students in foster care, students living in Chicago but attending other school districts, students attending schools as exercised under NCLB school choice policies, and students attending two alternative safe schools.
- **Bus Aides:** CPS centrally staffs and manages bus aides for nearly 6,500 students with IEPs that require a transportation aide.

BUDGET SUMMARY

| | 2017 Actual Expenses | 2018 Approved Budget | 2018 Ending Budget | 2018 Projected Expenditures | 2019 Proposed Budget |
|-------------------------|----------------------------|----------------------------|--------------------------|-----------------------------------|----------------------------|
| General Funds | \$ 99,800,958 | \$ 121,435,005 | \$ 121,325,805 | \$ 102,198,495 | \$ 121,722,858 |
| ESSA Federal Funds | \$ 155,988 | \$ 224,887 | \$ 205,441 | \$ 6,087 | \$ 206,087 |
| Total Department | \$ 99,956,946 | \$ 121,659,892 | \$ 121,531,246 | \$ 102,204,582 | \$ 121,928,945 |

POSITION SUMMARY

| | 2018 Budgeted Positions | 2018 Ending Positions | 2019 Proposed Positions |
|-------------------------|-------------------------------|-----------------------------|-------------------------------|
| General Funds | 838.0 | 839.0 | 839.0 |
| Total Department | 838.0 | 839.0 | 839.0 |

MAJOR ACCOMPLISHMENTS

- Worked to fully optimize CPS bus routes while keeping travel time low. By optimizing routes and getting the corresponding reduction in employee count, CPS is projected to be able to save approximately \$3 million dollars.
- Reached agreement with an additional para-transit vendor to increase para-transit capacity for FY2018.
- Improved overall pairing percentage on routes from 61% to 66%, saving the district approximately \$250,000.
- Continued the “transit-style” transportation model for students receiving transport through the Options for Knowledge program. This initiative consolidated the number of school stops from 450 to 182 and is saving approximately \$1.8 million per year.

KEY BUDGET INITIATIVES

- Further implementation of cost effective para-transit vehicles to save the district \$1.25 million per year in transportation costs.
- Implement and utilize new routing software in FY2018 to fully optimize CPS routes and reduce spend.
- Increase our percentage of shared routes between schools by over 10% (from 215 to 240) to save approximately \$1 million dollars.
- Continue our route optimization success from FY2018 while keeping student ride times low and the number of bus vendors per school at 2017-18 levels (2.2 per school in FY2018).

Capital

The FY2019 budget for Chicago Public Schools includes a capital budget totaling \$989 million of investments in long-term district priorities, improvements to make sure every high school in the city offers state-of-the-art access to science labs and district-wide access to digital learning tools. Building significantly onto the \$136 million in investments made in the FY2018 capital budget, this proposed plan is the largest single-year capital plan since 1998. To support schools throughout the city, the FY2019 capital plan provides funding in five main areas: critical facility needs, overcrowding relief, educational programs, site improvements, and IT and security upgrades.

Under the leadership of Mayor Rahm Emanuel, CPS and the Board of Education have invested nearly \$4 billion since FY2011 across the city to build new schools, provide playgrounds and air conditioning, improve access to technology with new computers and increased bandwidth, expand academic programs, and make core investments to fix and maintain our facilities. Today, there are nearly \$791 million worth of major capital projects underway at over 185 schools. Each project supports CPS' vision of equitably expanding high-quality academic options for families across the city.

The FY2019 capital budget is funded by proceeds from remaining prior year bond issuances backed by the Capital Improvement Tax (CIT) and state revenues, upcoming bond issuances, and potential outside resources as they become identified. The FY2018 capital budget was funded primarily through bonds issued in November 2017.

Full details on the FY2019 capital budget are available on the interactive capital plan website: www.cps.edu/capitalplan. The site allows users to quickly select projects by school, geographic area, type, and year.

CPS' five-year capital plan will include further investments in deferred maintenance, overcrowding, targeted site improvements and emergency projects, in line with the priorities outlined in the draft [Educational Facilities Master Plan](#). Future projects will be determined by assessed need, district educational priorities, and available funding.

SOURCES AND USES

Below is a summary of the sources and uses of the \$989 million FY2019 capital budget by funding and project type:

Table 1: Sources and Uses (Thousands)

| Estimated Sources | |
|---|------------|
| Anticipated Bond Offerings and Other Capital Funds ¹ | \$ 749,900 |
| Prior Year Bond Proceeds | \$ 189,100 |
| Other Potential Outside Funding | \$ 43,000 |
| Federal E-Rate Funding | \$ 7,000 |

¹ The Board currently expects that the proceeds of the bonds will be applied to so reimburse itself not later than 18 months after the later of (a) the date the original expenditure is paid, or (b) the date the Project is placed in service, but in no event more than three years after the original expenditure is paid.

| | |
|--|-------------------|
| Total FY2019 Capital Budget Sources | \$ 989,000 |
|--|-------------------|

| Estimated Uses | |
|---|-------------------|
| Educational Programming | \$ 339,200 |
| Facility Needs | \$ 335,650 |
| Overcrowding Relief | \$ 138,000 |
| IT, Security, & Building System Investments | \$ 88,000 |
| Site Improvements | \$ 45,700 |
| Capital Project Support Services | \$ 25,250 |
| Potential Land Acquisition | \$ 16,000 |
| Potential Externally Funded Projects | \$ 1,200 |
| Total FY2019 Capital Budget Uses | \$ 989,000 |

Modern Computing Resources for All Students

To improve access to modern technology in schools throughout Chicago, the district is beginning a four-year, \$125 million investment that will ensure all schools have the devices and internet connectivity needed for students to engage with the modern educational resources that teachers are choosing to utilize throughout the city.

In FY2019, CPS is allocating \$50 million to support the district’s highest need schools. CPS will provide new equipment to support the use of classroom technology for 12,500 students at 24 schools — many of which lack enough devices for all students or have computers that have reached the end of their useful life. An additional 40 schools will receive new devices and equipment to supplement their current resources, which will reach approximately 22,000 additional students. School wireless networks will also be upgraded in 66 schools to provide increased capacity for access to online resources. Additionally, district-wide management software will be deployed to provide greater controls of devices within the classroom.

In each of the following three years, CPS will invest \$25 million each year to build on current technology in schools, so that by FY2022 all students are able to access a computer and utilize modern educational resources at the direction of their teacher.

Investing in High-Quality Educational Programming

The FY2019 capital budget includes \$339 million for critical infrastructure investments that support the district’s high-quality educational programs. \$117 million has been identified for building renovations to expand programming at nine schools (Decatur, McCutcheon, McDade, and Poe elementary schools, and Hyde Park, Phillips, Prosser, Rickover, and Senn high schools).

This budget also includes providing \$43 million to expand STEM, IB, and Magnet programming and high school science lab upgrades, and \$18 million for new Pre-K centers. Finally this investment includes \$46 million in site improvements to design and build new playgrounds, play lots, and turf fields at schools across the city.

\$145 million has been reserved for two new high schools: a new school for Hancock HS, and a new high school on the near west side. CPS will engage stakeholders on the near west side to hear how best this new school can serve their community.

Addressing Critical Facility Needs

The FY2019 capital budget provides \$336 million to address the district's priority renovation projects and most urgent facility needs, including major roof, envelope, and mechanical repair and replacement. The district's preliminary capital plan included \$189 million for these investments, and the final capital budget includes an additional \$147 million.

This funding will address 27 roof and envelope projects and nine replacements and renovations of boilers and mechanical systems. Along with these projects, the funding will cover \$64 million of additional priority roof and mechanical projects, \$40 million of unanticipated emergency repairs, \$23 million of district maintenance priorities, \$2 million for a chimney stabilization program, \$0.5 million of student accommodations.

Providing Overcrowding Relief

The FY2019 capital budget includes \$138 million to alleviate overcrowding at several schools across the district. CPS considers multiple factors when prioritizing schools for overcrowding relief. Generally, schools with boundaries receive priority for overcrowding investments, especially when long-term enrollment projections suggest that capacity issues will worsen. Additionally, new construction is considered if there is limited availability of nearby leased space to alleviate capacity, and if there are programming deficiencies, such as dedicated lunchrooms or gymnasiums, that can only be provided via new construction.

Included in this investment are 4 annexes to relieve some of the district's worst overcrowding. These will provide additional classroom and programming space at Dirksen, Palmer, Rogers and Waters elementary schools.

Additionally, CPS is working with community leaders on the northwest side to identify a location for a proposed new elementary school to address overcrowding in the area.

Critical Investments in IT and Security Infrastructure

In FY2019, CPS is also allocating \$38 million to support the district's critical IT systems throughout the city. Of this, \$19 million will be dedicated to improving internet connectivity and network infrastructure across the district and \$3 million will support the ongoing implementation of a new student information system that schools and central office will use daily to track student and school-level data. An additional \$6 million will support investments in the district's data storage, financial reporting, and payroll software and hardware.

Other improvements include \$5 million for fire alarm and temperature control replacement and \$2 million for an air conditioning replacement program to maintain the district-wide air conditioning investments of the past four years.

Finally, to ensure student safety at every school, \$4 million will fund new security equipment including approximately 1,000 state-of-the-art cameras at 50 schools, intercom phones, alarms, and screening equipment.

IMPACT OF FY2019 CAPITAL PROJECTS ON OPERATING BUDGET

All projects considered for inclusion in the annual capital budget are analyzed for their projected impact on the district's operating budget.

Facility Needs

Addressing facilities projects today not only helps the district reduce the costs associated with temporary fixes, which have been increasing significantly over time, but it also helps reduce debt service payments associated with borrowing for these projects. This in turn frees up operating dollars that can be re-allocated for instruction, supports and other district expenses.

In addition, by replacing roofs and mechanical systems with more energy efficient solutions, we will reduce energy costs.

Overcrowding Relief

Overcrowding alleviation projects are necessary to accommodate the changing population sizes of neighborhood schools in order to ensure productive learning environments. Adding additional square footage to the district increases operating expenses on utilities, custodial services, engineering, and security.

Educational Programming and Site Improvements

Investments in educational programming that convert or improve existing space (e.g., new labs, converted classrooms, upgrades for IB and STEM) will have no appreciable impact on the operating budget because the district already accounts for the cost of maintaining these spaces. Investments in classroom technology to support the district's new PreK-12 curriculum system will add operating expenses related to support and maintenance of software and devices.

Investments that require build-outs and add physical space to an existing building, such as an addition for new Pre-K classrooms, will add operating expenses for utilities, custodial services, engineering, and security, similar to the impact of annexes described above.

IT and Security Infrastructure

The remaining projects consist of infrastructure, hardware or software implementation that do not trigger any additional operating costs. The ongoing support for these projects will be absorbed by current available staff. The implementation of the new Student Information System will drive operating savings once implemented, as the new system will free up staff time. New security equipment will potentially add additional costs to the operating budget for maintenance and repair as time goes on; however, we expect these costs to be limited as we fit the new equipment into our current maintenance and repair plan.

Capital Project Support Services

This allocation of funds helps to support the management of the capital budget which includes reconciling invoices, managing project and construction timelines, and ensuring the effective design, implementation, and construction of various capital projects. These services are necessary to manage a complex capital program, conduct cost estimations, meet financial and management objectives, and plan for the next phase of the district's capital plan.

CAPITAL PROJECTS FUNDS

The Summary of Capital Projects Funds table (Table 2) shows capital revenues and capital outlays (expenses) to be incurred in FY2019 regardless of the year the project was appropriated. The Fund Balance (unspent revenues received in prior years) accounts for the difference in expected FY2018 capital outlay versus revenue. For example, if the district raised \$400 million in bond proceeds during a fiscal year but only expensed \$300 million in the same time period, the remaining \$100 million would carry forward in the Fund Balance for use during the following fiscal year.

Table 2: FY2017 - FY2019 Summary of Capital Projects Funds (Millions)

| | FY2017 Actual | FY2018 Estimate | FY2019 Estimate |
|------------------------------------|--------------------------|----------------------------|----------------------------|
| Beginning-Year Fund Balance | \$ 138.9 | \$ 822.2 | \$ 986.0 |
| Revenues | | | |
| Local | \$ 75.8 | \$ 34.5 | \$ 36.4 |
| State | \$ 30.1 | \$ 13.3 | \$ 15.3 |
| Federal | \$ 6.7 | \$ 6.6 | \$ 6.6 |
| Total Revenue | \$ 112.6 | \$ 54.4 | \$ 58.2 |
| Expenditures | | | |
| Capital Outlay | \$ 204.8 | \$ 218.6 | \$ 521.6 |
| Bond Proceeds | \$ 775.5 | \$ 318.3 | \$ 313.0 |
| Sales of Capital Assets | \$ - | \$ 9.6 | \$ 3.0 |
| End-of-Year Fund Balance | \$ 822.2 | \$ 986.0 | \$ 839.0 |

FY2019 Local revenue of \$36.4 million includes \$18 million in Tax Increment Financing (TIF)-related project reimbursements and \$18.4 million from other local funding sources.

The State revenue total of \$15.3 million is comprised of \$13.3 million in gaming revenue for new construction projects, \$0.8 million from Illinois Green Infrastructure Grants, \$0.3 million funded through state environmental fines, and \$1 million in other State grants.

The Federal revenue total is an expected \$6.6 million in federal E-Rate funding for upgrades to the district's IT infrastructure.

Table 3 outlines capital funds spent each fiscal year, by the year in which the funds were appropriated. For a more detailed view into FY18 spending, CPS will publish a report by September 30, 2018 that offers a breakdown of funds by project, source, and other categories.

Table 3: FY2015 - FY2019 Capital Spending by Year (Millions)

| | Total Appropriations | FY2015A | FY2016A | FY2017A | FY2018E | FY2019E | Remaining Appropriation |
|-------------------------------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| Prior Year/Other Expenditures | | \$ 231.9 | \$ 84.9 | \$ 32.8 | \$ 4.7 | | |
| FY2015 Capital Budget | \$ 509.9 | \$ 152.6 | \$ 119.4 | \$ 42.0 | \$ 4.3 | \$ 2.0 | \$ 189.6 |
| FY2016 Capital Budget | \$ 160.3 | | \$ 66.8 | \$ 56.5 | \$ 16.7 | \$ 10.0 | \$ 10.3 |
| FY2017 Capital Budget | \$ 937.8 | | | \$ 73.5 | \$ 168.2 | \$ 241.9 | \$ 454.2 |
| FY2018 Capital Budget | \$ 136.2 | | | | \$ 24.7 | \$ 70.0 | \$ 41.5 |
| FY2019 Capital Budget | \$ 989.0 | | | | | \$ 197.7 | \$ 791.3 |
| Total Spend by Year | | \$ 384.5 | \$ 271.1 | \$ 204.8 | \$ 218.6 | \$ 521.6 | \$ 1,486.9 |

A=Actual E = Estimated

Debt Management

CPS' Capital Improvement Program, described in the Capital chapter, funds investments such as school additions and renovations, playgrounds, air conditioning, WiFi networks, and technology devices. The Capital Improvement Program also funds core investments in facilities, such as repairing or replacing infrastructure and mechanical systems. These investments create high-quality learning environments in schools throughout Chicago to support a world-class education for our students.

CPS funds its Capital Improvement Program largely through the issuance of bonds. Bonds are debt instruments that are similar to a loan, requiring annual principal and interest payments. In FY2018, due to advocacy from parents, educators and courageous elected officials from Chicago and throughout the state, the State of Illinois approved Public Act 100-465 (PA 100-465). This created a new funding formula for school districts throughout the State, including CPS. The new Evidence-Based Funding formula (EBF or EBF Formula) replaces the prior General State Aid (GSA) formula. As a result of PA 100-465 and the EBF Formula, most of the outstanding CPS bonds that were previously repaid from GSA revenues will now be paid by EBF revenues going forward.

The EBF formula provides more funding stability for the Board's fixed costs, including capital, but it is also a major revenue source for core academic priorities. Therefore, CPS can more effectively balance day-to-day classroom needs with the need for quality education facilities. To continue to improve school facilities and lessen the impact of future debt service repaid from the district's operating budget, CPS will use the statutorily-authorized annual Capital Improvement Tax (CIT) levy that the Board approved in FY2016 to aid in funding its ongoing Capital Improvement Program. In FY2017, the Board issued its first series of Capital Improvement Tax bonds (CIT Bonds), and a subsequent second series of CIT Bonds was issued in FY2018. The CIT Bonds are further described below.

Debt Overview

As of June 30, 2018, the Board of Education has approximately \$8.2 billion of outstanding long-term debt and \$600 million of outstanding short-term debt. FY2019 includes appropriations of \$607 million for alternate bonds, capital improvement tax bonds, and Public Building Commission payments.

Types of Obligations

The Board is authorized by state law to issue notes and bonds and to enter into lease agreements for capital improvement projects.

As with most school districts, CPS issues bonds backed by the full faith and credit of the Board, otherwise known as General Obligation (GO) Bonds. These GO bonds are paid for from all legally available revenues of the Board.

CPS also issues a special type of GO bond called an "Alternate Revenue" GO Bond. These bonds are backed by two revenue sources and offer a number of other bondholder protections.

The first revenue source that is supporting CPS bonds is one of the following: EBF, Personal Property Replacement Taxes (PPRT), revenues derived from intergovernmental agreements with the City of Chicago, property taxes, and federal interest subsidies. The majority of CPS bonds are backed by EBF. In FY2019, approximately \$328 million in EBF revenues will be required for debt service, compared to \$367

million in FY2018 and \$373 million in FY2017. In addition to debt service funded by EBF, \$35 million of debt service will be paid from PPRT in FY2019. Debt service paid from PPRT revenues also reduces PPRT revenues available for operating purposes. Additionally, \$113 million in debt service will be paid by revenue resulting from Intergovernmental Agreements with the City of Chicago.

The second revenue source for all CPS Alternate Revenue GO Bonds is a property tax levy which is available to support debt service should the first pledge of revenue not be available. On an annual basis, when the first source of revenue is available to pay debt service, the property tax levy will be abated and not extended, as it has been every year.

The Board is authorized to issue Alternate Revenue Bonds after adopting a resolution and satisfying public notice publication and petition period requirements in lieu of a voter referendum, which is typical in other school districts. The bonds are also supported by the General Obligation pledge of the Board to use all legally available revenues to pay debt service.

The Public Building Commission (PBC), a local government entity which manages construction of schools and other public buildings, has in the past sold bonds which rely on CPS property tax levies. No PBC bonds have been issued since 1999, and these bonds expire in 2020. The FY2019 budget includes \$52 million in payments for principal and interest on these bonds.

CPS has benefitted from issuing bonds with federal interest subsidies, resulting in a very low cost of borrowing. These include Qualified Zone Academy Bonds (QZABs), which provide capital funding for schools in high poverty areas, Qualified School Construction Bonds (QSCBs), and Build America Bonds (BABs), the latter two created by the American Recovery and Reinvestment Act of 2009 (ARRA). With the expiration of ARRA, new QSCBs and BABs are no longer available, although the federal government continues to pay the interest subsidy to CPS. The FY2019 budget includes \$25 million of federal subsidies for debt service.

In FY2016, CPS began levying a Capital Improvement Tax levy to fund capital projects. After the CIT was authorized by the City Council, it generated \$45 million in its initial year. In FY2017, CPS sold the first series of dedicated revenue CIT bonds to fund capital projects for \$730 million. In FY2018, CPS sold a second series of CIT bonds for \$65 million.

In FY2019, the budget includes a CIT levy of \$56 million and appropriations of approximately \$47 million to pay debt service on these CIT bonds. The CIT bonds are not Alternate Revenue GO bonds. The bonds are limited obligations of the Board payable solely from the CIT levy. As a result of the structure, the CIT bonds received a single "A" bond rating at the initial issuance and have currently been able to maintain this rating, allowing CPS to achieve a lower borrowing cost.

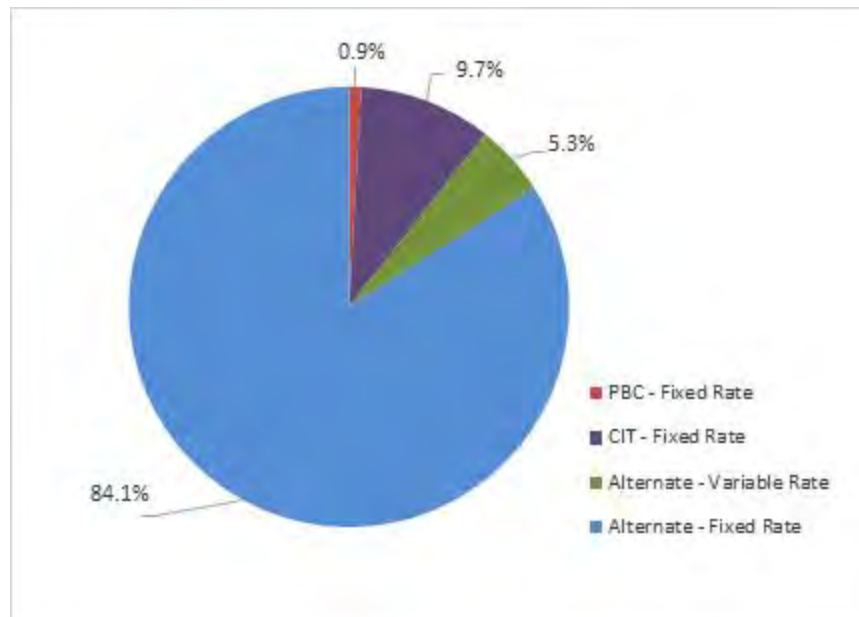
Debt Management Tools and Portfolio Mix

As part of the Debt Management Policy, CPS is authorized to use a number of tools to manage its debt portfolio including refunding of existing debt, issuing fixed or variable-rate bonds, and issuing short-term or long-term debt. These tools are used to manage various types of risks, to generate cost savings, to address interim cash flow needs, and to assist capital asset planning.

Typically, CPS issues long-term fixed-rate bonds, which pay a set agreed upon interest rate according to a schedule established at the time of debt issuance. However, CPS has also originally issued long-term bonds with a variable rate structure whereby the interest rates in a short-term mode are established

pursuant to a margin over an index for a predetermined amount of time. Beginning in 2016, several variable rate structures began to experience the expirations of their initial periods. CPS elected not to re-offer or refinance some of these bonds at the time, and as a result, the interest rate increased to a fixed rate. During FY2018, as market conditions and timing permitted, CPS engaged in multiple refunding transactions on these bonds and refinanced the debt into long-term fixed rate bonds. As a result of these transactions, as of June 30, 2018, only 5.3% of the outstanding CPS long-term debt is variable rate, and there are no expirations of their initial periods with these issues.

Chart 1: Summary of Long-Term Fixed Rate and Variable Rate Debt (as of June 30, 2018)



Credit Ratings

Credit rating agencies are independent entities and their purpose is to give investors or bondholders an indication of the creditworthiness of a government entity. A high credit score can lower the cost of debt issuance, much the same way a strong personal credit score can reduce the interest costs of loans and credit cards. Ratings consist of a letter “grade,” such as A, BBB, BB, or B, and a credit “outlook”, or expectation of the direction of the letter grade. Thus, a “negative outlook” anticipates a downgrade to a lower letter grade, a “stable outlook” means the rating is expected to remain the same, and a “positive outlook” may signal an upgrade to a higher, better rating.

As a result of education funding reform, all rating agencies revised their long-term GO bond rating outlooks on CPS from negative to stable or positive during FY2018 and Fitch Ratings provided a one notch upgrade. Because education funding reform provided the new EBF Formula, an increase in the required State contribution to CPS teachers’ pensions, and the ability for CPS to collect a pension property tax levy, CPS is on much stronger financial footing.

CPS meets frequently with the credit rating agencies about its budget, audited financial results, debt plan, and management initiatives to ensure the agencies have the most updated information possible.

The rating agencies take several factors into account in determining any rating, including management, debt profile, financial results, liquidity, and economic and demographic factors.

CPS' current general obligation credit ratings from Standard and Poor's, Fitch Ratings, and Moody's Investor Service are B Positive, BB- Stable and B3 Stable, respectively. Kroll Bond Rating Agency (added in FY2015) currently rates the CPS Series 2016AB and Series 2017BCDEFG&H general obligation bonds BBB Positive, and all other CPS general obligation bonds BBB- Positive.

In addition to the CPS general obligation bond rating, the CIT bonds – which were first issued in FY2017 as a new and separate credit structure from the existing CPS general obligation credit – contain a separate and distinct credit rating. The CIT credit structure received an investment grade rating from two rating agencies in FY2017. Fitch Ratings rated the CIT credit "A" and Kroll Bond Rating Agency rated the CIT credit "BBB".

FY2019 Liquidity and Short-Term Borrowing

As a result of education funding reform, the district has dramatically improved its cash position and reduced its short-term borrowing. Please see further discussion in the Cash Management chapter. CPS reduced its short-term borrowing in FY2018 by \$455 million, declining from \$1.55 billion in FY2017 to \$1.09 billion in FY2018. By relying less on short-term borrowing, the district saved \$68 million in short-term interest costs in FY2018 and created structural budgetary relief for future fiscal years. Additionally, CPS spent approximately three months of the year in a net positive cash position, which is an improvement from FY2017.

CPS will continue to issue Tax Anticipation Notes (TANs) in Fiscal Year 2019 to cover operating cash flow needs, which are repaid from property taxes.

FY2019 Debt Service Costs

As shown in the table below, FY2019 includes total appropriations of approximately \$607 million for alternate bonds, CIT Bonds, and PBC payments.

CPS is required to set aside debt service a year in advance for EBF-funded debt and one-and-a-half years in advance for PPRT and CIT bond-funded debt service. These payments are held in trust with an independent trustee, as required by the bond indentures. PPRT, used to pay Alternate Revenue bonds, is deposited directly from the State to a trustee; and the capital improvement tax levy, used to pay CIT bonds, is deposited directly from Cook County to a trustee. Therefore, the FY2019 revenues shown for the Debt Service Funds represent the amount that is to be set aside for these future debt payments.

Because of this set-aside requirement, the majority of the appropriations for FY2019 represent the amount that is to be paid from revenues set aside in the prior year. Table 1 provides information on the debt service fund balance at the beginning of the year, the expenditures that are made from the debt service fund, and the revenues that largely fund the debt service requirements for the following fiscal year.

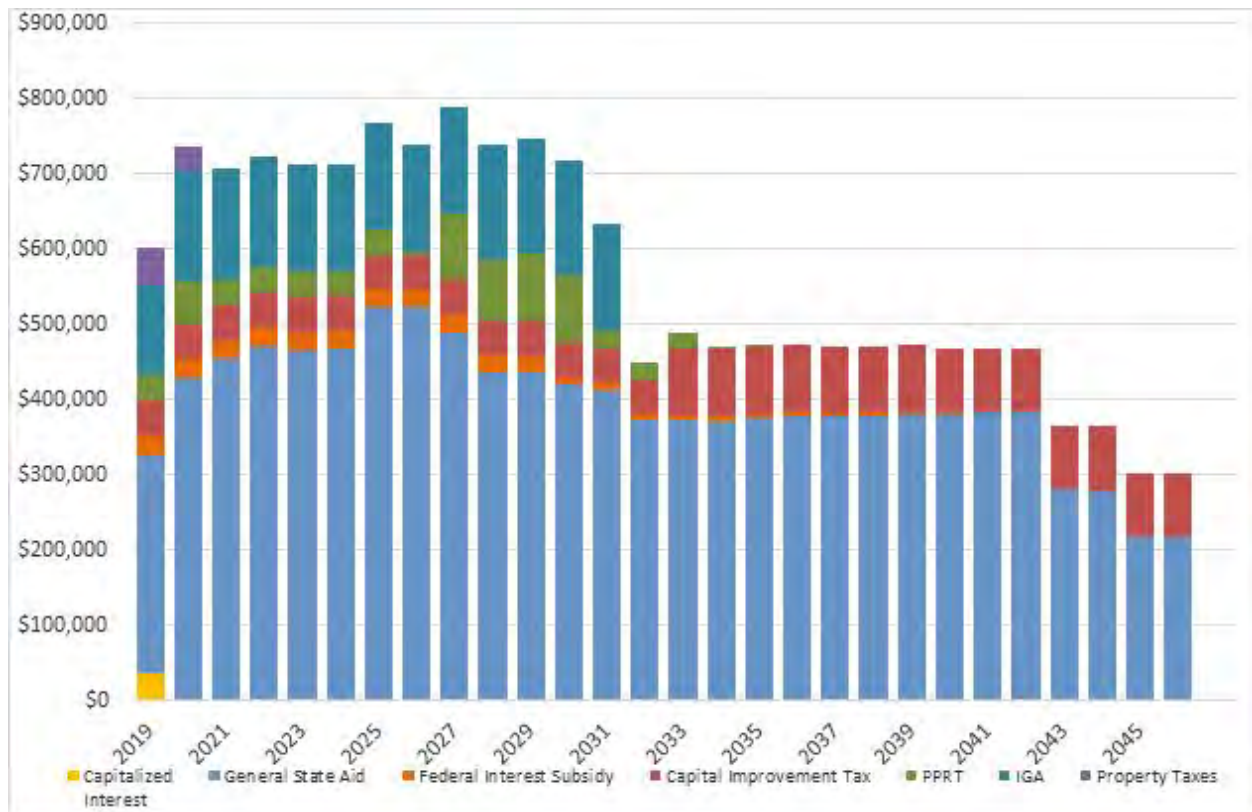
**Table 1: FY2017-2019 Summary of Debt Service Funds
(In Millions)**

| | FY2017 | FY2018 | FY2019 |
|--|---------------|----------------|---------------|
| | Actual | Estimated | Budget |
| Beginning Fund Balance | 469.3 | 577.2 | 841.1 |
| Revenues: | | | |
| Property Taxes | 52.7 | 52.5 | 30.6 |
| PPRT | 58.3 | 58.3 | 34.9 |
| EBF | 391.0 | 323.4 | 328.0 |
| Federal Interest Subsidy | 25.0 | 25.0 | 24.7 |
| Other Local (City IGA and Net of Interest Earnings) | 100.2 | 107.2 | 112.5 |
| CIT | - | 43.7 | 50.5 |
| Total Revenue | 629.2 | 610.1 | 581.3 |
| Expenses: | | | |
| Existing Bond Principal payment | 152.7 | 137.4 | 154.7 |
| Existing Bond Interest payment | 375.8 | 379.2 | 450.0 |
| Fees | 2.6 | 15.8 | 7.5 |
| Total Existing Bond Debt Service | 531.0 | 532.4 | 611.9 |
| Other Financing Sources | | | |
| Net Amounts from Debt Issuances | 68.0 | 463.4 | 21.0 |
| Transfers in /(out) | (58.3) | (277.2) | (17.5) |
| Total other Financing Sources /(Uses) | 9.7 | 186.2 | 3.5 |
| Ending Fund Balance | 577.2 | 841.1 | 814.0 |

Future Debt Service Profile

The following graph illustrates CPS’ debt obligations on currently outstanding bonds as of June 30, 2018. This graph does not show the impact of any future bonds required to support future capital budgets or debt restructuring.

**Chart 2: CPS Debt Service Funding Schedule
(as of June 30, 2018)
(in Thousands)**



*Does not include future long-term bond financings or current and future short-term financings

Measuring Debt Burden

External stakeholders such as taxpayers, employees, parents, government watchdog groups, rating agencies, and bondholders frequently review CPS’ debt profile to gauge its size and structure as a crucial component of CPS’ financial position. In addition to evaluating the total amount of debt outstanding and the annual debt service payments, those evaluating CPS’ financial picture also look at the “debt burden.” The purpose is to gauge how much taxpayers bear in debt costs and determine how much debt is affordable for residents, which establishes true debt capacity. Several methods of measuring debt burden are commonly employed for school districts, including comparing existing debt to legal debt limits, measuring debt per capita and measuring debt as a percentage of operating expenditures.

Legal Debt Limit

The Illinois School Code imposes a statutory limit of 13.8 percent on the ratio of the total outstanding property tax-supported debt that a school district may borrow compared with a school district’s

equalized assessed value, which generally represents a fraction of total property value in the district. Because the Board has issued alternate revenue bonds for which property tax levies are not extended, these bonds do not count against the legal debt limit imposed by the Illinois School Code. Therefore, total property tax supported debt is extremely low, at less than 1 percent of the legal debt limit.

Debt Per Capita

The Board's per capita debt burden, or total debt divided by the City of Chicago's population, has increased in the last decade. As reported in the FY2017 Comprehensive Annual Financial Report, General Obligation debt per capita is \$2,670. This is still considered moderate to slightly above average relative to other comparable school districts.

A copy of the Debt Management Policy is available at the Board's website at <http://policy.cps.k12.il.us/download.aspx?ID=42>

**Table 2: Outstanding Long-Term Debt
(as of June 30, 2018)**

| Description | Closing Date | Maturity Date | Principal Outstanding | Pledged Funding Source for Debt Service |
|--------------------------------|--------------|---------------|-----------------------|---|
| PBC Series A of 1992 | 1/1/92 | 1/1/20 | 53,800,000 | Property Tax |
| PBC Series B of 1999 | 3/1/99 | 12/1/18 | 19,720,000 | Property Tax |
| ULT GO Series 1998B-1* | 10/28/98 | 12/1/31 | 232,380,062 | IGA / PPRT |
| ULT GO Series 1999A* | 2/25/99 | 12/1/31 | 361,199,753 | IGA / PPRT |
| ULT GO Refunding, Series 2004A | 4/6/04 | 12/1/20 | 49,600,000 | PPRT / EBF |
| ULT GO Series 2005A | 6/27/05 | 12/1/32 | 159,825,000 | PPRT / EBF |
| QZAB Series 2006A | 6/7/06 | 6/1/21 | 6,852,800 | EBF |
| ULT GO Series 2006B | 9/27/06 | 12/1/36 | 22,005,000 | EBF |
| ULT GO Series 2007B | 9/4/07 | 12/1/24 | 16,035,000 | IGA / PPRT |
| ULT GO Series 2008A | 5/13/08 | 12/1/30 | 262,785,000 | IGA / PPRT |
| ULT GO Series 2008B | 5/13/08 | 3/1/34 | 169,425,000 | EBF |
| ULT GO Series 2008C | 5/1/08 | 12/1/32 | 450,250,000 | EBF |
| ULT GO Series 2009D | 7/29/09 | 12/1/22 | 21,910,000 | EBF |
| ULT GO BAB Series 2009E | 9/24/09 | 12/1/39 | 504,430,000 | EBF / Fed Subsidy |
| ULT GO QSCB Series 2009G** | 12/17/09 | 12/15/25 | 254,240,000 | EBF / Fed Subsidy |
| ULT GO QSCB Series 2010C | 11/2/10 | 11/1/29 | 257,125,000 | EBF / Fed Subsidy |
| ULT GO BAB Series 2010D | 11/2/10 | 12/1/40 | 125,000,000 | EBF / Fed Subsidy |

| | | | | |
|------------------------------------|----------|---------|------------------------|------------------|
| ULT GO Refunding Series 2010F | 11/2/10 | 12/1/31 | 144,985,000 | EBF |
| ULT GO Series 2011A | 11/1/11 | 12/1/41 | 402,410,000 | EBF |
| ULT GO Series 2012A | 8/21/12 | 12/1/42 | 468,915,000 | EBF |
| ULT GO Series 2012B | 12/21/12 | 12/1/35 | 109,825,000 | EBF |
| ULT GO Series 2015CE | 4/29/15 | 12/1/39 | 300,000,000 | EBF |
| ULT GO Series 2016A | 2/8/16 | 12/1/44 | 725,000,000 | EBF |
| ULT GO Series 2016B | 7/29/16 | 12/1/46 | 150,000,000 | EBF |
| CIT Series 2016 | 1/4/17 | 4/1/46 | 729,580,000 | CIT |
| CIT Series 2017 | 11/30/17 | 4/1/46 | 64,900,000 | CIT |
| ULT GO Series 2017A | 6/13/17 | 12/1/46 | 285,000,000 | EBF |
| ULT GO Series 2017B | 6/13/17 | 12/1/42 | 215,000,000 | EBF |
| ULT GO Series 2017C | 11/30/17 | 12/1/34 | 351,485,000 | EBF |
| ULT GO Series 2017D | 11/30/17 | 12/1/31 | 79,325,000 | EBF |
| ULT GO Series 2017E | 11/30/17 | 12/1/21 | 22,180,000 | PPRT |
| ULT GO Series 2017F | 11/30/17 | 12/1/24 | 165,510,000 | IGA |
| ULT GO Series 2017G | 11/30/17 | 12/1/44 | 126,500,000 | PPRT / EBF |
| ULT GO Series 2017H | 11/30/17 | 12/1/46 | 280,000,000 | PPRT / EBF / IGA |
| ULT GO Series 2018A | 6/1/18 | 12/1/35 | 552,030,000 | EBF |
| ULT GO Series 2018B | 6/1/18 | 12/1/22 | 10,220,000 | EBF |
| Total Principal Outstanding | | | \$8,149,447,615 | |

**Table 3: Outstanding Short-Term Debt
(as of June 30, 2018)**

| Description | Closing Date | Maturity Date | Principal Outstanding | Pledged Funding Source for Debt Service |
|--------------------------------------|--------------|---------------|-----------------------|---|
| Tax Anticipation Notes, Series 2017E | 1/5/2018 | 12/15/2018* | 202,635,000 | Ed Fund Property Tax |
| Tax Anticipation Notes, Series 2017F | 1/5/2018 | 12/15/2018* | 147,365,000 | Ed Fund Property Tax |
| Tax Anticipation Notes, Series 2017G | 2/16/2018 | 12/15/2018* | 144,700,000 | Ed Fund Property Tax |
| Tax Anticipation Notes, Series 2017H | 11/10/2016 | 12/15/2018* | 105,300,000 | Ed Fund Property Tax |

| | | | | |
|------------------------------------|--|--|----------------------|--|
| Total Principal Outstanding | | | \$600,000,000 | |
|------------------------------------|--|--|----------------------|--|

*The maturity date of the 2017EFGH TANs is the earlier of (A) December 15, 2018 or (B) (1) September 30, 2018, if the Tax Penalty Date is on or prior to August 1, 2018 or (2) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2018.

**Table 4: Schedule of General Obligation Debt Service
Budgeted Requirements to Maturity*
(as of June 30, 2018)
(in Thousands)**

| Fiscal Year ending June 30 | Total Existing General Obligation Bond Principal | Total Existing General Obligation Bond Interest | Total Existing G.O. Bond Debt Service | Total Existing G.O PBC Leases | TOTAL |
|-----------------------------------|---|--|--|--------------------------------------|--------------|
| 2019 | 144,035 | 311,086 | 455,121 | 30,636 | 485,757 |
| 2020 | 226,131 | 427,299 | 653,430 | | 653,430 |
| 2021 | 230,726 | 424,372 | 655,098 | | 655,098 |
| 2022 | 254,183 | 418,305 | 672,488 | | 672,488 |
| 2023 | 259,687 | 406,869 | 666,556 | | 666,556 |
| 2024 | 269,033 | 398,257 | 667,290 | | 667,290 |
| 2025 | 333,524 | 388,549 | 722,073 | | 722,073 |
| 2026 | 318,456 | 372,964 | 691,420 | | 691,420 |
| 2027 | 322,053 | 420,736 | 742,789 | | 742,789 |
| 2028 | 289,499 | 392,524 | 682,023 | | 682,023 |
| 2029 | 300,583 | 390,160 | 690,743 | | 690,743 |
| 2030 | 287,971 | 373,847 | 661,818 | | 661,818 |
| 2031 | 264,231 | 321,771 | 586,002 | | 586,002 |
| 2032 | 196,045 | 205,885 | 401,930 | | 401,930 |
| 2033 | 205,870 | 195,286 | 401,156 | | 401,156 |
| 2034 | 195,005 | 186,645 | 381,650 | | 381,650 |
| 2035 | 211,140 | 173,476 | 384,616 | | 384,616 |
| 2036 | 223,290 | 159,864 | 383,154 | | 383,154 |
| 2037 | 232,370 | 149,940 | 382,310 | | 382,310 |

| | | | | | |
|--------------|------------------|------------------|-------------------|---------------|-------------------|
| 2038 | 246,265 | 136,407 | 382,672 | | 382,672 |
| 2039 | 260,930 | 122,050 | 382,980 | | 382,980 |
| 2040 | 276,830 | 106,965 | 383,795 | | 383,795 |
| 2041 | 293,675 | 90,125 | 383,800 | | 383,800 |
| 2042 | 311,030 | 73,160 | 384,190 | | 384,190 |
| 2043 | 225,175 | 55,293 | 280,468 | | 280,468 |
| 2044 | 238,790 | 40,775 | 279,565 | | 279,565 |
| 2045 | 192,270 | 25,355 | 217,625 | | 217,625 |
| 2046 | 204,630 | 13,078 | 217,708 | | 217,708 |
| 2047 | | | | | |
| TOTAL | 7,013,427 | 6,781,389 | 13,794,470 | 30,636 | 13,825,106 |

*Table is based on budgeted debt service requirements to be deposited within each fiscal year. Excludes issues completed after June 30, 2018 and any future anticipated transactions which were included in the FY2019 budget.

**Table 5: Schedule of Capital Improvement Tax Debt Service
Budgeted Requirements to Maturity*
(as of June 30, 2018)
(in Thousands)**

| Fiscal Year ending June 30 | Total Existing CIT Bond Principal | Total Existing CIT Bond Interest | TOTAL |
|----------------------------|-----------------------------------|----------------------------------|--------|
| 2019 | | 46,784 | 46,784 |
| 2020 | | 46,784 | 46,784 |
| 2021 | | 46,784 | 46,784 |
| 2022 | | 46,784 | 46,784 |
| 2023 | | 46,784 | 46,784 |
| 2024 | | 46,784 | 46,784 |
| 2025 | | 46,784 | 46,784 |
| 2026 | | 46,784 | 46,784 |
| 2027 | | 46,784 | 46,784 |

| | | | |
|--------------|----------------|------------------|------------------|
| 2028 | | 46,784 | 46,784 |
| 2029 | | 46,784 | 46,784 |
| 2030 | | 46,784 | 46,784 |
| 2031 | | 46,784 | 46,784 |
| 2032 | | 46,784 | 46,784 |
| 2033 | 38,225 | 50,094 | 88,319 |
| 2034 | 40,395 | 48,086 | 88,481 |
| 2035 | 42,695 | 45,964 | 88,569 |
| 2036 | 45,125 | 43,721 | 88,846 |
| 2037 | 47,835 | 41,202 | 89,038 |
| 2038 | 50,660 | 38,571 | 89,231 |
| 2039 | 53,660 | 35,789 | 89,449 |
| 2040 | 56,835 | 28,174 | 85,009 |
| 2041 | 60,200 | 24,810 | 85,010 |
| 2042 | 63,760 | 21,247 | 85,007 |
| 2043 | 71,535 | 17,473 | 85,008 |
| 2044 | 71,535 | 13,475 | 85,010 |
| 2045 | 75,765 | 9,240 | 85,005 |
| 2046 | 80,255 | 4,753 | 85,008 |
| TOTAL | 794,480 | 1,077,575 | 1,872,055 |

*Excludes issues completed after June 30, 2018 and any future anticipated transactions which were included in the FY2019 budget.

Cash Management

In FY2018, CPS experienced improved cash flow, which allowed the district to reduce its overall short-term borrowing to support liquidity and operations. CPS reduced its short-term borrowing in FY2018 by \$455 million, declining from \$1.55 billion in FY2017 to \$1.09 billion in FY2018. By relying less on short-term borrowing, the district saved \$68 million in short-term interest costs in FY2018 and created structural budgetary relief for future fiscal years. Additionally, CPS spent approximately three months of the year in a net positive cash position, which is an improvement from FY2017. CPS was able to achieve this decrease in borrowing due to historic statewide education funding reform, budgetary savings largely resulting from debt refinancing activities, improved cash flow forecasting, and active cash management.

CPS receives revenues at different times than when it pays expenses throughout the year. As a result, CPS' cash flow goes through peaks and valleys throughout the year, depending on when revenues and expenditures are received and paid. Further, revenues are generally received later in the fiscal year while expenditures, mostly payroll, are level across the fiscal year, with the exception of debt service and pensions. The timing of these two large payments occurs just before major revenue receipts as well. The impact of these trends in revenues and expenditures causes cash flow pressures for the district.

In FY2018, \$3.6 billion, or 70% of CPS' revenues, were received after February, more than halfway into the fiscal year. The annual debt service payment is made in mid-February, just prior to the receipt of approximately \$1.3 billion of the first installment of property tax revenues. The annual pension payment is made in late June, just before CPS receives approximately \$1.1 billion of the second installment of property taxes (which are due August 1).

Historically, approximately 44% of the Board's budgeted expenditures are for payroll and associated taxes, withholding, and employee contributions. These payments occur every other week, primarily during the school year from September through June. In addition, the Board's recurring expenses for textbooks, educational materials, charter school payments, health care, transportation, facilities, and commodities total approximately 39% of the Board's budgeted expenditures. The timing of these payments is relatively predictable and spread throughout the fiscal year.

Most organizations set aside reserves in order to weather these peaks and valleys in cash flow. Chicago Board of Education policy requires that the Board maintain an operating reserve of at least 5 percent of the total operating and debt service budget, and the Government Finance Officers Association (GFOA) recommends reserve levels between 5 and 15 percent of spending. Recent financial challenges have caused CPS to draw down on its reserves, but as of June 30, 2018, the district projects that fund balance will have returned to \$315 million, which is near its own and GFOA's policy target. . As of June 30, 2018, CPS projects to have approximately \$275 million of cash with \$600 million in short-term borrowing outstanding.

Revenues

CPS has three main sources of operating revenues: local revenues, state revenues, and federal revenues.

Local Revenues: Local revenues are largely made up of property taxes. CPS receives \$2.8 billion of property taxes a year, of which \$2.4 billion is received into the Board's operating fund with the remaining \$415 million pension levy being received directly by the Chicago Teachers' Pension Fund. The Board's operating property taxes are received in two installments, 96% of which are received from February onwards, over halfway through the fiscal year. The first installment of approximately \$1.3 billion is due March 1, and is received in late February or March. The second installment of approximately \$1.1 billion is typically received in July or August, depending on the due date. Property tax receipts have grown from \$2,352.1 million in FY2012 to \$2,808.7 million in FY2018, a compounded growth rate of 2.6%.

State Revenues: State revenues are largely made up of Evidence Based Funding and state grants. Evidence Based Funding is expected to be received regularly from August through June in bi-monthly installments, as had been the case with General State Aid, the previous version of unrestricted state educational funding. In FY2018, Evidence Based Funding totaled approximately 74% of the state revenues received by CPS, up from 57% in FY2017. This increase improves cash flow because of the consistency of the payments. Block grant payments are not distributed regularly, and in FY2018, over 23% of all block grants were not distributed to CPS as of June 26, 2018. In FY2017, the delay of \$467 million put significant pressure on cash flow, causing CPS to issue Grant Anticipation Notes (GANs) totaling \$387 million — which were all repaid in by December 2017.

Federal Revenues: Federal revenues can be received only once the grants are approved by the state, which administers block grants on behalf of the federal government. In two of the last three fiscal years, this approval has not occurred until about halfway into the fiscal year. In FY2018, all of the approximately \$771 million of federal revenues will be received on or after December 2017.

Working Capital Short-Term Borrowing: The district has the ability to issue short-term borrowing in order to address liquidity issues. Short-term borrowing allows the Board to borrow money to pay for expenditures when cash isn't available and then repay the borrowing when revenues become available. State statute provides CPS with the ability to issue this type of cash flow borrowing through a Tax Anticipation Note (TANs). In FY2018, CPS issued a maximum of \$1,094.7 million in TANs to support liquidity, a decrease of \$455.3 million from FY2017. CPS achieved this decrease due to historic statewide education funding reform, budgetary savings, improved cash flow forecasting, and active cash management. These TANs are repaid from the operating property tax levy of the district. In FY2019, CPS plans to issue TANs of a similar size to support liquidity .

Short-term borrowing requires that CPS pay interest on these bonds. In FY2019, the Board has budgeted approximately \$21 million in interest costs for the TANs. In FY2018, the Board budgeted \$79 million in interest costs and \$34 million in FY2017.

Expenditures

CPS expenditures are largely predictable, and the timing of these expenditures can be broken down into three categories: payroll and vendor, debt service, and pensions.

Payroll and Vendor: On the expenditures side, approximately \$3.1 billion of CPS' expenditures is payroll and associated taxes, withholding, and employee contributions. These payments occur every other week, and most of the expenditures are paid from September through July. Approximately \$1.7 billion of CPS vendor expenses are also relatively stable across the year.

Debt: Debt service is deposited into debt service funds managed by independent bond trustees. These debt service deposits are backed by Evidence Based Funding and are deposited once a year. In FY2018, the debt service deposit from Evidence Based Funding was \$323 million in mid-February. The timing of this debt service deposit comes just before CPS receives approximately \$1.3 billion in property tax revenues. The remainder of the bonds are paid by personal property replacement taxes and/or property taxes and are deposited directly with the trustee and do not pass through the district’s operating fund from a cash perspective. The timing and amount of these payments are dictated by the bond documents. Once the trustees have verified that the debt service deposit is sufficient, they provide a certificate to the Board which then allows the Board to abate the backup property tax levy that supports the bonds.

Pensions: CPS makes the bulk of the pension payment in late June. In FY2018, approximately \$19 million of the pension payment was made throughout the year, and approximately \$108 million was made on June 29, 2018, the last business day of the fiscal year. The timing of this pension payment comes just before CPS receives approximately \$1.1 billion in property tax revenues. In FY2018, a reinstated dedicated pension levy directly intercepts \$405 million in new revenue to the Chicago Teachers’ Pension Fund — these revenues do not pass through the district’s operating funds from a cash perspective. The dedicated pension levy plus the state funding for pensions included in last year’s education funding overhaul means that 83 percent of CPS’ pension obligation is currently funded by structural funding sources.

Forecasted Liquidity: The chart below provides CPS’ liquidity profile in FY2017 and FY2018. As shown in the chart below, the district spent approximately three months in a net positive cash flow position in FY2018. As noted earlier, the total short-term borrowing was lowered by \$455 million in FY2018, from \$1.55B of maximum borrowing in FY2017 to \$1.1B in FY2018. The maximum short-term borrowing in FY2018 in the June - August timeframe is currently projected to be \$700 million, which is a \$637M improvement from FY2017.

Chart 1: FY2017 - 2018 Liquidity Position



Fund Balance Statement

Maintaining a baseline level of fund balance, or financial reserve, enhances financial stability for any individual or organization. Just as individuals keep a balance in their checking accounts in case of emergencies, Chicago Public Schools (CPS) seeks to maintain a baseline amount of funds within its operating account to ensure smooth day-to-day operations. Additionally, financial reserves provide a cushion for year-to-year fluctuations in financial performance.

In Fiscal Year 2018, the Board projects a \$505 million improvement to fund balance due to a \$274 million in debt financing, \$111 million increase in state grants over budget due to more timely payments, and \$51 million of lower short-term borrowing costs and \$69M in other improvements to budget including general underspend. Additionally, if the State pays a remaining \$69 million in State grants before the end of the District's revenue recognition period (August 29) as it has in years past, then fund balance will be further improved.

CPS adopted its Fund Balance and Budget Management policy¹ in August 2008. The goals of this policy are to maintain adequate fund balances in the various funds to provide sufficient cash flow for daily financial needs, to offset significant economic downturns or revenue shortfalls, to provide funds for unforeseen expenditures related to emergencies, and to secure and maintain strong credit ratings. The definition of fund balances in this context is assets plus deferred outflows in excess of liabilities plus deferred inflows that can be spent in times of need.

The FY2018 estimated year end fund balance represents a significant turnaround from past years, when the district was forced to deplete its cash reserves in order to protect gains being made in the classroom. Moving forward, the revenue structure reflected in the district's FY2019 budget, which better aligns revenue and expense growth, will allow the district to continue to improve its financial footing.

Use of Fund Balance

Certain of the Board's fund balance includes restricted prior year revenues that went unspent. Because these prior year revenues are restricted, those fund still need to be spent in a current year on those restricted purposes. As a result, even in a balanced budget, the District will still show a use of general fund balance, as is this case with Fiscal Year 2019. In FY2019, \$63 million of the \$5.98 billion operating budget is funded by fund balance from these restricted funds.

Debt service funds and capital funds are recorded separately and used for their own restricted purposes. These funds are described more fully in the capital and debt chapters.

¹ Board Report 08-0827-PO8

Table 1: Estimated Beginning and End-of-Year Fund Balance in the Operating Funds (in millions)

| | FY2018 Amended Budget | FY2018 Estimated Year-End* | FY2019 Proposed Budget |
|---|----------------------------------|---|-----------------------------------|
| Fund Balance, beginning of period | (\$275.2) | (\$275.2) | \$230.6 |
| Total Revenue | 5,642.0 | 5,717.0 | 5,921.6 |
| Total Expenditures | (5,699.3) | (5,485.1) | (5,984.2) |
| Operating Surplus/(Deficit) | (57.3) | 231.8 | (62.6) |
| Transfers In | 361.1 | 274.0 | - |
| Net Change in Fund Balance | 303.8 | 505.8 | (62.6) |
| Fund Balance, end of period | 28.6 | 230.6 | 168.0 |
| Delayed State Grants** | | 69.0 | 69.0 |
| Fund Balance with Catch-Up in State Grants | | 299.6 | 237.0 |

*2018 Estimated Year-End target is higher than Amended Budget due to state block grants being received faster and lower interest rates and less interest expense on short-term credit line.

**Receipt of outstanding \$69 million in state categorical grants before the end of the FY2018 revenue recognition period would raise the FY2018 estimated year-end fund balance to \$299.6 million.

Fund Balance Targets

The fund balance targets established in the Fund Balance policy address the General Fund, Workers' Compensation/Tort Fund, Debt Service Funds, and Capital Projects Funds. For the General Fund, the fund balance target is set between five and 10 percent of the total operating and debt service budgets. For the Workers' Comp/Tort Fund, the fund balance target is between one and two percent of the operating budget. For the Debt Service Funds, the amount should be sufficient to cover potential risks, as determined by the Treasury Department. All Capital Projects Funds are re-appropriated for capital projects.

Given these targets and the fund balance estimates above, Table 2 below summarizes the fund balance targets.

Table 2: Fund Balance Targets (in millions)

| Fund Type | FY2019 Fund Balance Target |
|--|---|
| General Fund | \$329.5 (5%) |
| Workers' Comp/Tort Fund | \$59.8 (1%) |
| Debt Service Stabilization Fund | Enough to cover risks |

Despite significant improvements in operating fund balances, the General Fund will not meet the fund balance targets at the end of FY2019. The Worker's Comp / Tort Fund will meet fund balance targets at the end of FY2019. The District believes that its improved financial outlook will allow it to meet all of its fund balance targets in the foreseeable future.

As the district replaces its variable rate debt with fixed rate, and after fully exiting from swaps, the need for the Debt Service Stabilization Fund becomes minimal.

FY2019 Plans for Replenishing General Fund Balance

CPS projects ending FY2017 within \$30 million of the General Fund Balance Target assuming the timely payment of State Grants. This is after a \$604M improvement in fund balance from Fiscal Year end 2017 to Fiscal Year end 2018. CPS will continue the following policies in FY2019:

- Continue the push for additional funding from the state of Illinois
- Closely monitor spending to achieve savings and efficiencies wherever possible and continue streamlining administrative expenses
- CPS' improved financial situation is expected to lower borrowing costs. Lower debt service versus budgeted costs would improve financial performance and fund balance.
- Conservative budgeting assumptions will allow CPS to improve financial performance and fund balance.

Fund Descriptions

A fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Funds are the control structures that ensure that public monies are spent only for those purposes authorized and within the amounts appropriated. The Board adopts legal budgets for all governmental fund types. The acquisition, use, and balances of the government’s expendable financial resources and the related current liabilities are accounted for through governmental funds. Governmental funds that Chicago Public Schools utilizes have historically been divided into four types: General Fund, Special Revenue Funds, Capital Projects Funds, and Debt Service Funds.

To control the budget and to comply with rules and regulations, accounts are organized into governmental funds, each of which is considered a separate accounting entity. Expenditures within each fund are further delineated by unit, grant, program, and account to more fully reflect the planned activities of the fund. The level of budgetary control (where management can compare budget to actual performance to demonstrate budgetary compliance) is established for each individual fund and within the fund by unit, grant, program, and account.

CPS Fund Structure

| Fund Type | Fund Name | Fund Number |
|------------------------|--|--------------------------------------|
| Operating Fund | General Fund Education Fund Building Operations and Maintenance Fund | 114, 115, 117, 124, 230 |
| Operating Fund | Special Revenue Funds Tort Fund IDEA Fund Lunchroom Other Grant Funds | 210 220 312 - 314 324 - 369 |
| Debt Service Funds | Debt Service Funds | 514 - 699 |
| Capital Projects Funds | Capital Projects Funds | 401 - 499 |

General Fund

The General Fund is the primary operating fund of the Board of Education. It was created in response to the provision of P.A.89-15, which consolidated all of the rate-limited tax levies into the Board’s general education tax levy. The General Fund consists of the Education Fund and the Operations and Maintenance Fund.

- **Education Fund (Funds 114, 115, 117, 124)**

The Education Fund is used to account for the revenues and expenditures of the educational and service programs that are not accounted for in any other funds. It includes the cost of instructional, administrative, and professional services; supplies and equipment; library books and materials; maintenance of instructional and administrative equipment; and other costs pertaining to the educational programs. The Education Fund contains the Special Education Fund (114), Regular Education Fund (115), Tuition-based Preschool Fund (117), and School Special Income Fund (124).

- The **Special Education Fund (114)** represents centralized service delivery activities and administrative outreach provided for students with disabilities. This fund is supported by

local property taxes, state special education reimbursements, and Medicaid reimbursements.

- The **Regular Education Fund (115)** represents all instructional and service activities not accounted for elsewhere.
 - The **Tuition-based Preschool Fund (117)** keeps track of fees received and payments made for the paid preschool program for children whose parents are in need of a full-day education and child-care program for their 3- and 4-year-old children, or families who are not income-eligible for state or federally subsidized programs.
 - The **School Special Income Fund (124)** accounts for private foundation grants and donations that schools and departments secure on their own and revenues that schools generate for school-specific functions.
- **Building Operations and Maintenance Fund (Fund 230)**

The Building Operations and Maintenance Fund supports the repair and maintenance of CPS buildings. The fund is used to account for expenditures for the minor improvement and repair of buildings and property, including the cost of improvement, repair, replacement, and maintenance of building fixtures. The fund also pays for ongoing maintenance costs such as the salaries and benefits of engineers and custodial employees, utility costs, and custodial supplies and equipment.

Special Revenue Funds

Generally Accepted Accounting Principles (GAAP) provide special revenue funds to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The use of a special revenue fund type is permitted rather than mandated for financial reporting purposes. For these purposes, CPS includes the special revenue funds within the General Operating Fund.

The Special Revenue Funds include the Workers' Compensation/Tort Fund, School Lunch Funds, and Federal and State Grant Funds.

- **Workers' Compensation/Tort Fund (Fund 210)**

The Tort Fund is established pursuant to the Tort Immunity Act (745 ILCS 10/1-101 et seq.) and the Illinois School Code (105 ILCS 5/34-1 et seq.). Property taxes constitute the primary funding source, and Section 9-107 of the Tort Immunity Act authorizes local public entities to levy a property tax to fund expenses for tort judgment and settlement, liability, security, Workers' Compensation, unemployment insurance, and risk management. The monies in this fund, including interest earned on the assets of this fund, should be used only for the purposes authorized under the Tort Immunity Act.

- **School Lunch Funds (Funds 312, 314)**

The School Lunch Funds account for school breakfast, lunch, after-school snacks, Head Start snacks, and after-school meals for all children who participate in the programs during the school year. The National School Breakfast and Lunch Programs (Fund 312) are voluntary programs available to all public schools, private schools, and residential child-care institutions that agree to operate a non-profit program offering lunches meeting federal requirements to all children in attendance.

Since FY1998, CPS has also been providing after-school meals for children under the Childcare and Adult Food Program; this activity is accounted for in Fund 314. The Childcare and Adult Food Program establishes a fixed reimbursement amount per meal for eligible students from 3 to 12 years of age who participate in after-school programs.

- **Federal and State Grant Funds (Funds 220, 324-369)**

Grant funds account for monies that have restrictions on their use imposed by grantors such as federal and state governments. Each specific project is accounted for separately using a complete group of self-balancing accounts so that the accounting and reporting requirements of the grantors are met.

Capital Projects Fund (Funds 401–499)

The Capital Projects Funds account for financial resources to be used for major capital acquisition or construction activities. Financial resources result from bond issues, receipts from other long-term financing agreements, or construction or maintenance grants to be used for school capital projects and capital leases. Proceeds from a bond issuance are often recorded in a separate capital fund, consistent with GAAP. However, an aggregated capital projects fund group is sufficient for the purpose of external financial reporting.

Debt Service Funds (Funds 514-699)

The Board is authorized by state law to issue notes and bonds and to enter into leases for capital improvement projects and cash requirements. Debt service funds are established to account for revenues and appropriations that are used for the payment of principal, interest, lease payment, and other related costs. CPS frequently establishes a separate debt service fund for each bond issue, although they can be aggregated for reporting purposes.

- **PBC Lease Funds (Funds 514, 516, 518)**

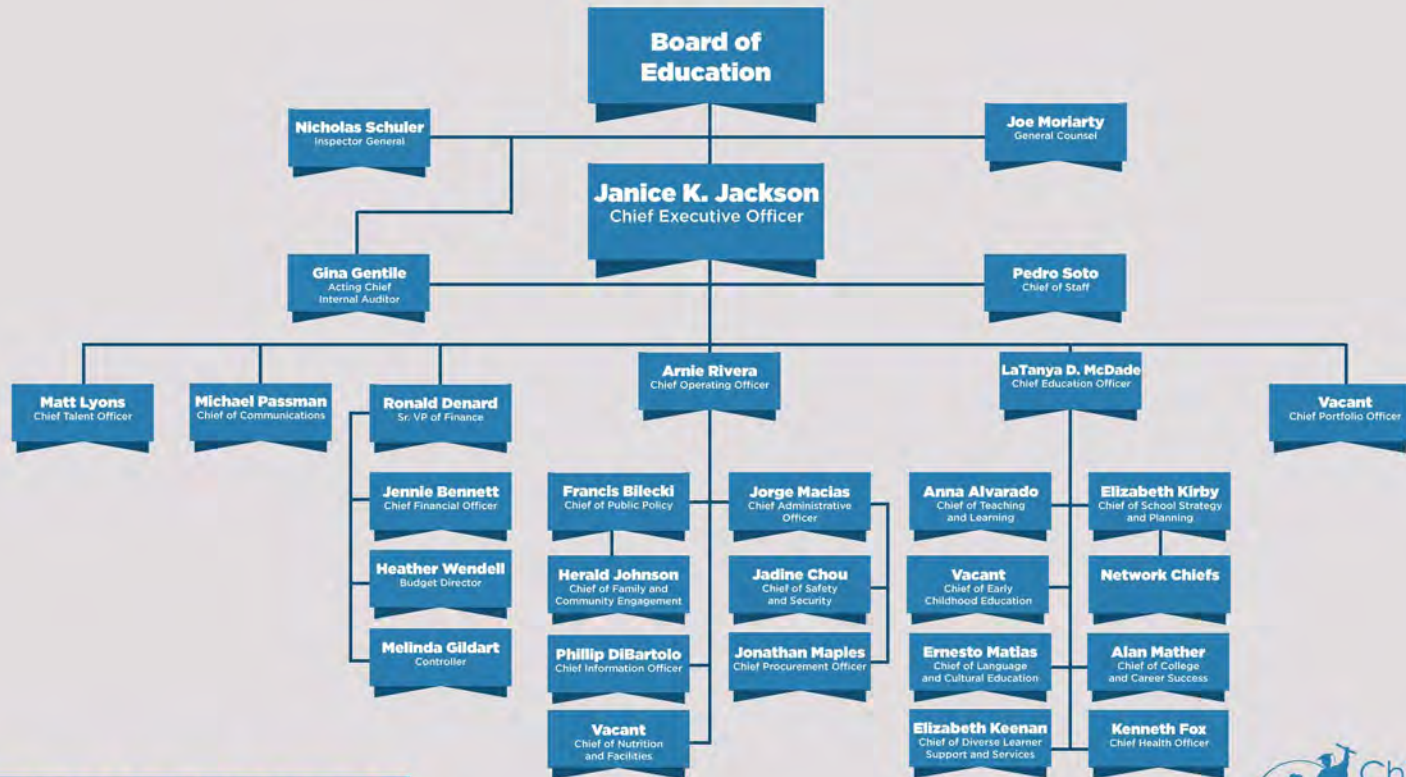
These funds account for property tax revenues and lease payments to the Public Building Commission (PBC) for debt service on bonds that the PBC sold to fund capital projects for schools that the Board is leasing from the PBC. The Board has lease agreements with the PBC to pay principal, interest, and administrative fees for revenue bonds that the PBC issued to finance capital projects for schools that the Board leases from the PBC. These bonds rely solely on property tax levies.

- **Debt Service Stabilization Fund (Fund 602)**

This fund was established by the Board to provide for debt expenditures (e.g., debt service, swap, variable rate payments, and fees) and other uses approved by the Board.

- **Alternate Revenue Bond Funds (Funds 606-699)**

The Local Government Debt Reform Act of the State of Illinois allows the Board to issue alternate revenue bonds based on dedicated revenue sources. To support construction and renovation of school buildings, the Board has been issuing alternate revenue bonds since 1996. These funds account for pledged revenues and payments of principal, interest, and related fees on any alternate bonds.



Appendix A

District and Community Demographics

INTRODUCTION

Chicago has a rich history of economic growth and transformation. Our city set a global standard in the 19th century as an industrial giant, unmatched in its freight network and manufacturing might. It developed a strong base of esteemed manufacturing firms – involved in sectors from metal fabrication and electronics to chemicals and food processing – supported by robust supply chains and an efficient transport and logistics infrastructure. By the late 20th century, the focus of the city and the region had expanded to embrace a knowledge-based economy, while developing a highly skilled workforce. Today, the Chicago region has emerged as a major hub for the headquarters of national and global corporations and the sophisticated business and professional services necessary to support them, including finance, insurance, law, information technology (IT), marketing/PR, and logistics.

The economy of Chicago and the region remains large and diverse, boasting a strong foundation of the physical, human, technological, and institutional assets vital to a developed economy in the 21st century. Chicago is the only inland American city with a global footprint. It is the latest metropolitan area in the United States poised to cross the “megacity” threshold of a total population over 10 million. Chicago’s performance on productivity, income, and wage levels has consistently exceeded U.S. averages. If the region were a country, it would be the 20th largest economy in the world. Our city and region are global in character, with a substantial and growing foreign-born population and non-stop flights to over 200 destinations throughout around the world.

CHICAGO POPULATION

Total population. There are approximately 2.7 million people and 1 million households in Chicago, the third largest city in the US.¹ An estimated 23.0% of the population is under 18 years old.

CHICAGO PUBLIC SCHOOLS ENROLLMENT

Overview. Chicago Public Schools is the nation’s third largest school district. In the 2017-18 school year, CPS enrollment was 371,382. As compared to the city’s population as a whole and to students in the rest of the state, CPS’ enrollment has a higher proportion of minority students, low poverty students, and English Language Learner (ELL) students.

Race and Ethnicity. 46.8% of CPS students are Hispanic, 37.0% are African American, 10.2% are White, 4.1% are Asian, and 1.9% are multi-racial or other.

English Language Learners. English Language Learners (ELL) students are those eligible for transitional bilingual education, and for whom English is not considered their native language. In the 2017-18 school year, 67,009 CPS students were ELLs. This represented 18.0% of CPS student enrollment.

Income and Poverty. Socioeconomically, CPS students are disproportionately low-income as compared to the rest of the state. Students defined as low-income are those students, aged 3 through 17, who come from families receiving public assistance, live in institutions for neglected or delinquent children, are supported in foster homes with public funds, or are eligible to receive free or reduced-price lunches.

¹ As of the 2010 US Census.

Total Enrollment

CPS enrollment has declined by approximately 27,000 students since 2006. One of the reasons for this is due to the decline in birth rate.

The district's official enrollment snapshot is taken on the 20th day of each school year. CPS' recent enrollment history (as of 20th day) is shown below.

| | Fall 2007 (FY08) | Fall 2008 (FY09) | Fall 2009 (FY10) | Fall 2010 (FY11) | Fall 2011 (FY12) | Fall 2012 (FY13) | Fall 2013 (FY14) | Fall 2014 (FY15) | Fall 2015 (FY16) | Fall 2016 (FY17) | Fall 2017 (FY18) |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| School-based PK* | 23,325 | 24,370 | 24,247 | 23,705 | 24,232 | 24,507 | 23,671 | 22,873 | 22,555 | 20,673 | 19,441 |
| Elementary Schools (K-8) | 271,464 | 269,139 | 269,010 | 265,336 | 266,046 | 266,555 | 264,845 | 261,803 | 258,563 | 251,623 | 244,589 |
| High schools (9-12) | 113,166 | 115,770 | 115,314 | 113,640 | 113,873 | 112,399 | 112,029 | 112,007 | 111,167 | 109,053 | 107,352 |
| Total Enrollment | 407,955 | 409,279 | 408,571 | 402,681 | 404,151 | 403,461 | 400,545 | 396,683 | 392,285 | 381,349 | 371,382 |

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

STUDENT BASED BUDGETING (SBB)

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. Weights are assigned for different grade levels based on student need. In elementary schools, kindergarten to third grade students receive a higher weight than the base SBB rate to reflect the district’s goal that class size should be lower in those grades. High school students receive a higher weight than the base SBB rate to provide high school teachers with two prep periods and to ensure that high school students are able to meet all requirements for graduation.

The FY2019 base per-pupil rate was increased to \$4,397 from the FY2018 rate of \$4,290. 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.

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% |

In elementary schools, LRE 1 and LRE 2 students receive the same per pupil SBB funding as general education students because they occupy a seat in the general education classroom, even though they may spend a substantial part of the day outside of it and receive additional funding to compensate for that time outside of the classroom. LRE 3 students receive 40 percent of the per-pupil SBB rate because it is assumed that they receive their instruction in core subject areas from diverse learner teachers, and that they are in the general education classroom only for special periods like art, music, or physical education.

High school LRE 1 students receive the same funding as general education students because they could be in the general education classroom for every period. LRE 2 students receive 70 percent of the high school per-pupil rate because it is assumed that they will receive instruction from special education teachers for at least two periods in core subject areas. LRE 3 students receive 40 percent of the high school per-pupil rate because it is assumed that they take only elective subjects in the general education setting. More information on additional funding for diverse learners is detailed later in this chapter.

Table 2: FY2019 SBB Rates

| Enrollment Category | SBB Weighting | SBB Rates |
|----------------------------|---------------|------------|
| K-3 Gen Ed / LRE 1 / LRE 2 | 1.07 | \$4,704.79 |
| 4-8 Gen Ed / LRE 1 / LRE 2 | 1.00 | \$4,397.00 |
| 9-12 Gen Ed / LRE 1 | 1.24 | \$5,452.28 |
| K-3 LRE 3 | 40% of 1.07 | \$1,881.92 |
| 4-8 LRE 3 | 40% of 1.00 | \$1,758.80 |
| 9-12 LRE 2 | 70% of 1.24 | \$3,816.60 |
| 9-12 LRE 3 | 40% of 1.24 | \$2,180.91 |

Total Amount of SBB Allocation

For FY2019, the SBB allocation is \$1,628,337,000 which is a \$242 million decrease from the FY2018 budget. This is because charter schools are now paid outside of SBB and receive funding through the Per Capita Tuition Charge (PCTC) payment model.

Table 3: Distribution of SBB Allocation for FY2018 and FY2019

| (All amounts in \$000s) | FY2018 | FY2019 |
|--|-------------|-------------|
| Base SBB Rate for All Schools | \$1,349,051 | \$1,388,815 |
| Foundation Positions Equivalent (Charter/Contract) | \$3,657 | \$3,856 |
| Teacher Salary Adj. Equivalent (Contract) | \$601 | \$470 |

| | | |
|--|--------------------|--------------------|
| Multiple Building Adj. and Small School Supplement Equivalent (Contract) | \$32 | \$228 |
| Teacher Salary Adjustment for District Schools | \$29,615 | \$23,203 |
| Multiple Building Adjustment for District Schools | \$1,575 | \$1,350 |
| Other Adjustments | \$996 | \$6,103 |
| Small School Supplement | \$0 | \$9,873 |
| Program Support | \$13,000 | \$2,505 |
| Contingency for 10 th Day Adjustments | \$6,846 | \$5,981 |
| Total SBB Dollar Distribution for FY2018 | \$1,404,377 | \$1,436,281 |
| Cost of Foundation Positions for District Schools | \$180,344 | \$189,596 |
| Total SBB Allocation | \$1,584,721 | \$1,625,877 |

Calculation of FY2019 SBB Base Rate

The SBB base rate will increase to \$4,397 per student next school year, a 2.5 percent increase over the current rate. This will ensure schools are able to cover increasing labor costs.

Table 4: Calculation of FY2019 SBB Base Rate

| | |
|---|-------------|
| Amount to be Distributed through Base Rate | \$1,388,815 |
| Total Weighted Enrollment | 314,754.71 |
| FY2019 SBB Base Rate for District-Run Schools | \$4,397 |

Table 5: FY2019 20th Day Enrollment, Including SBB Weightings

| SBB Student Category | District* | Contract, ALOP, and SAFE | Total | SBB Weighting |
|----------------------------------|-----------|--------------------------|---------|---------------|
| K-3 Gen Ed / LRE 1 / LRE 2 | 92,196 | 393 | 92,589 | 1.07 |
| 4-8 Gen Ed / LRE 1 / LRE 2 | 115,598 | 339 | 115,937 | 1.00 |
| 6-8 Gen Ed /LRE 1 at the HS rate | 2,245 | - | 2,245 | 1.24 |
| 9-12 Gen Ed / LRE 1 | 69,327 | 4,287 | 73,614 | 1.24 |
| K-3 LRE 3 | 1,844 | 19 | 1,863 | 40% of 1.07 |
| 4-8 LRE 3 | 2,491 | 6 | 2,497 | 40% of 1.00 |
| 9-12 LRE 2 | 3,721 | 183 | 3,904 | 70% of 1.24 |
| 9-12 LRE 3 | 981 | 22 | 1,003 | 40% of 1.24 |

| | | | | |
|--------------|----------------|--------------|----------------|--|
| Total | 288,403 | 5,249 | 293,652 | |
|--------------|----------------|--------------|----------------|--|

*Does not include students at charter, specialty, and alternative schools, who do not receive SBB funding.

SBB Funds Distributed Outside of the Per-Pupil Rate

The SBB model includes four categories of SBB funds that are distributed to district schools outside of the per-pupil rates. Contract schools receive the per-pupil equivalent of these funds.

Foundation Positions

Every district-run school receives three foundation positions – one principal, one counselor, and one clerk – in addition to the school’s per-pupil allocation. All district-run schools are required under state law and/or the Chicago Teachers Union contract to have one principal, one counselor, and one clerk. For FY2019, the total cost of foundation positions in district-run schools is \$189,596,459.

Teacher Salary Adjustment

District schools with an average salary above the district average receive a teacher salary adjustment to help pay for their staff costs. The district-wide average cost of all staffed teacher positions and the average cost of staffed teacher positions at every school are both calculated. The average cost of staffed teachers is reduced for estimated resignations and retirements to take effect before the SY2018-2019 school year. If this average teacher cost for a given school with retirements and resignations factored in exceeds the district-wide average, the school will receive a teacher salary adjustment. The exact amount of the adjustment is calculated by multiplying the difference between the school’s average teacher cost and the district’s average teacher cost by the number of staffed teachers at the school, then subtracting the estimated resignation/retirements. The teacher salary adjustment is recalculated every year to account for changes in staffing at the school- and district- level. It is therefore possible for a school to receive a teacher salary adjustment in one year and not receive an adjustment the next year. In FY2019, the total cost for the teacher salary adjustment in district-run schools is \$23,202,571.

Small School Support

District schools that are navigating the challenges associated with enrollment loss are eligible for a small school supplement in FY2019 to ensure their schools remain desirable and can offer students a robust education. To provide additional support for schools experiencing declining enrollment, schools below an enrollment threshold (ES: 350, HS: 500) will receive a small school supplement that equals \$650 multiplied by the number of students below the threshold.

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 due to economies of scale in Student Based Budgeting that support their ability to provide administrative support for the branch building.

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

Table 6: Formula for Multiple Building Adjustment

| K-12 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 FY2019 multiple building adjustment in district-run schools is \$1,350,000.

Calculation of SBB Per-Pupil Equivalents for Contract Schools and Alternative Learning Opportunity Programs (ALOPs)

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

Table 7: Calculation of Per-Pupil Equivalents for Contract Schools and ALOPs

| | Foundation Positions | Teacher Salary Adjustment | Multiple Building Adjustment and Small School Supplement. |
|---|-----------------------------|----------------------------------|--|
| Amount Reserved for District-run Schools | \$189,596,459 | \$23,202,571 | \$1,350,000 |
| K-12 Enrollment for District-run Schools | 289,506 | 289,506 | 289,506 |
| Per-Pupil Equivalent for Contract/ALOP | \$654.90 | \$79.85 | \$38.77 |

With the per-pupil equivalents added in, the SBB base is nominally higher for contract schools and ALOPs, as shown in Table 8; however, the funding is equivalent to funding for district-run schools.

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

| | Amount |
|--|-------------------|
| SBB Base Rate for All Schools | \$4,397.00 |
| Foundation Positions Equivalent | \$654.90 |
| Teacher Salary Adjustment Equivalent | \$79.85 |
| Multiple Building Adjustment Equivalent | \$38.77 |
| Contract/ALOP SBB Rate with Per-Pupil Equivalents | \$5,170.52 |

Table 9 shows the SBB rates for contract schools and ALOPs with the per-pupil equivalents

included and adjusted for grade weight and diverse learner category.

Table 9: FY2019 SBB Rates for Contract Schools and ALOPs

| Enrollment Category | SBB Weighting | SBB Rates with Equivalents |
|----------------------------|---------------|----------------------------|
| K-3 Gen Ed / LRE 1 / LRE 2 | 1.07 | \$5,532.46 |
| 4-8 Gen Ed / LRE 1 / LRE 2 | 1.00 | \$5,170.52 |
| 9-12 Gen Ed / LRE 1 | 1.24 | \$6,411.44 |
| K-3 LRE 3 | 40% of 1.07 | \$2,212.98 |
| 4-8 LRE 3 | 40% of 1.00 | \$2,068.21 |
| 9-12 LRE 2 | 70% of 1.24 | \$4,488.01 |
| 9-12 LRE 3 | 40% of 1.24 | \$2,564.58 |

Once the contract/ALOP 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 the following table:

Table 10: SBB Amount Distributed on Per-Pupil Basis

| (All amounts in \$000s) | FY2018 | FY2019 |
|---|--------------------|--------------------|
| Base SBB Rate for All Schools | \$1,349,051 | \$1,388,815 |
| Foundation Positions Equivalent (Contract) | 3,657 | 3,856 |
| Teacher Salary Adj. Equivalent (Contract) | 601 | 470 |
| Multiple Building and Small School Adj. Equivalent (Contract) | 32 | 228 |
| Total Amount Distributed on Per-Pupil Basis | \$1,353,341 | \$1,393,369 |

Enrollment Counts for SBB Adjustments

Funding for the 2018-19 school year is based on the 20th day enrollment count from the 2017-18 school year. Funding schools based on prior year enrollment will ensure schools will not see a budget reduction in the fall, even if enrollment declines. However, if a given school's enrollment in the fall exceeds 20th day enrollment from the 2017-18 school year, they will receive additional funding to support those additional students. This new model will allow schools to plan confidently for the year ahead and without concerns about a potential budget reduction in the fall. This will provide school-based staff with greater certainty about their positions in the new year.

Funding for charter/contract schools is adjusted on the 20th day of the school year according to the CPS calendar, with a second adjustment on the 10th day of the second semester. ALOPs and Safe School programs have their funding adjusted based on quarterly enrollment counts. ALOPs will be funded based on enrollment as verified by attendance.

The following rules apply to the counting of enrollment for funding purposes:

- Enrollment counts are based on a snapshot of enrollment data in the district’s system taken after the close of business on the enrollment count date.
- Students are not included in the enrollment count if they are not scheduled at the school on the enrollment count date, or if they have not been in attendance at the school for at least one full day as of the enrollment count date. Schools are responsible for ensuring that enrollment, scheduling, and attendance information is up-to-date in CPS systems on enrollment count dates.
- If a student is included in an enrollment count, but enrollment and attendance records are subsequently updated to show that the student was not enrolled in the school on the enrollment count date (e.g., due to application of the lost child process), the student shall be retroactively excluded from the enrollment count, and the school’s funding shall be adjusted downward.

ADDITIONAL GENERAL EDUCATION ALLOCATIONS FOR CONTRACT SCHOOLS

Non-SBB Rates

Contract schools, ALOPs, and Safe School programs (collectively, “contract schools”) receive a per-pupil equivalent for services that are provided in-kind to district schools, including operations and 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, excluding special education, 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: FY2019 Non-SBB Allocation

| | FY2019 Budget (in \$ thousands) |
|--|--|
| General Funds Excluding Special Education (Funds 115, 129, 210, 230) | \$4,030,377 |
| Less SBB and Foundation Positions | (1,640,338) |
| Less PCTC Funding for Charter Schools | (621,043) |
| Less Supplemental Aid | (227,208) |
| Less State Bilingual Funding | (24,030) |
| Less District-Wide Shared Obligations | (884,197) |

| | |
|---|------------------|
| Amount of Non-SBB to be Distributed on Per-Pupil Basis | \$633,561 |
|---|------------------|

Table 12 lists the district-wide shared obligations that are not included in the non-SBB allocation:

Table 12: District-Wide Shared Obligations

| | FY2019 Budget (in \$ thousands) |
|---|--|
| Unfunded Pension Liability | \$569,701 |
| Facilities Supplement for Contract/ALOP | 2,774 |
| Bond Interest | 21,000 |
| Core Instruction for Options, Specialty, Safe Schools | 12,692 |
| Real Estate Leases | 17,597 |
| Liability Insurance | 1,133 |
| Transportation / Drivers Ed | 3,784 |
| Early Childhood (funded with General Funds) | 5,074 |
| New and Expansion Schools / School Transition | 1,384 |
| Offsetting revenue from Charters, JROTC, and E Rate | 40,048 |
| Contingency | 114,605 |
| Vacancy Savings | 94,000 |
| Total District-Wide Shared Obligations | \$883,792 |

After removing the district-wide shared obligations, the non-SBB rate was based on an estimated non-SBB allocation of \$633 million. The non-SBB allocation includes the following categories of funding:

Table 13: FY2019 Non-SBB Allocation By Category

| Category | Description | FY2019 Budget (in \$ thousands) |
|-----------------|--|--|
| Operations | Operations and maintenance of school buildings, including cost of engineers, custodians, utilities, repairs, and central office operations management. | \$333,505 |
| Security | Security guards in school buildings, and central office management of security operations. | 74,587 |

| | | |
|-----------------------|--|------------------|
| IT Phone/Data Network | Telephone and high-speed data wiring and network infrastructure in school buildings. | 28,926 |
| Central Office | Central office services funded from local sources, other than operations, security, and IT phone/data. | 205,227 |
| School-Based Programs | Funding for magnet, selective enrollment, IB, STEM, JROTC, and other programs that provide supplemental funding to schools from local funds. | 75,561 |
| Vacancy Savings | Estimated amount that district-run schools will underspend in SBB or other local funds due to vacancies. In FY2019, district-run schools are not allowed to reallocate vacancy savings for other purposes. | (94,000) |
| Non-SBB Tuition | Charter per-pupil share of the above spending categories. | 12,755 |
| Total Non-SBB | | \$633,561 |

The non-SBB base rate is determined by dividing the components of the non-SBB allocation by the total weighted enrollment for district-run schools. For the first three components – operations, security, and IT phone/data networks – the total weighted enrollment includes charter school students who attend school in a CPS-owned facility.

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) 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.
- 2) Enrollment for all schools, and not just SBB schools, is included.
- 3) Pre-K students in half-day classrooms are counted as half-day students (with a weight of 0.5) in the total enrollment count.

The following table shows the calculation of the FY2019 non-SBB base rate:

Table 14: Calculation of FY2019 Base Non-SBB Rate

| Category | FY2019 Budget | Weighted Enrollment | Per-Pupil Amount |
|-----------------------|---------------|---------------------|------------------|
| Operations | 333,505,243 | 310,231.67 | 1,075.02 |
| Security | 74,586,699 | 310,231.67 | 240.42 |
| IT Phone/Data Network | 28,926,392 | 310,231.67 | 93.249 |

| | | | |
|---------------------|----------------------|------------|----------------|
| Central Office | 205,227,388 | 308,499.04 | 665.24 |
| Programs at Schools | 72,561,036 | 308,499.04 | 235.21 |
| Vacancy Savings | -94,000,000 | 308,499.04 | (304.70) |
| Total | \$620,805,759 | | \$2,004 |

The following table shows the FY2019 non-SBB rates for all grade levels:

Table 15: FY2019 Non-SBB Rates

| Non-SBB Rates | Elem K-3 | Elem 4-8 | HS 9-12 |
|----------------------------------|----------|----------|----------|
| Weighting | 1.07 | 1.00 | 1.24 |
| Per-Pupil Amount for All Schools | 2,144.28 | 2,004.00 | 2,484.96 |

An administrative fee is charged against each school's non-SBB allocation to cover the cost to the district of overseeing charter schools.

Facilities Supplement for Schools in Independent Facilities

Schools that are in facilities not owned by CPS receive a facility supplement of \$750 per pupil to cover the costs of renting or owning the school facility. The FY2019 rate is the same as the FY2018 rate. 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 Schools in CPS-Owned Facilities

Contract schools occupying a CPS-owned facility are responsible for the operating costs of the building. Schools are charged for facilities costs based on per-pupil rates reflecting the average operating costs throughout the district.

Facilities charges are assessed for facilities and maintenance, security, and IT, with the per-pupil rates for each listed in Table 16. The FY2019 rate for each charge is the same as the corresponding component in the calculation of the base non-SBB rate (see Table 14, above).

Table 16: Per-Pupil Rates for Facilities Charges

| Deduction Type | FY2018 Rates | FY2019 Rates |
|--------------------------------|-------------------|-------------------|
| Facilities & Maintenance | \$902.66 | \$965.14 |
| Security | \$253.03 | \$256.04 |
| Information Technology | \$77.69 | \$84.13 |
| Total Facilities Charge | \$1,233.38 | \$1,305.31 |

Contract schools can opt out of the district's security and information technology services. Contract

schools that are the sole occupant of a CPS facility can also opt out of facilities and maintenance services. Contract schools that are sharing a facility with another school are not 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, 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, each contract school reimburses the district for the employer pension costs for its employees who participate in the Chicago Teachers Pension Fund. Schools are charged 11.16 percent of the salary costs of participating employees, consistent with the pension normal cost estimates for FY2019. Pension payments are deducted from quarterly tuition payments. Pension charges will not apply to special education teachers, aides, or clinicians.

Administrative Fee

Contract schools are charged a three percent administrative fee to cover the district’s costs in overseeing these schools and programs. The following table shows how the administrative fee is assessed for each funding source.

Table 17: Administrative Fees

| Funding Source | Fee | How Admin Fee Will be Charged |
|---------------------------|-----|--|
| SBB | 3% | Total fee for SBB, non-SBB, and SA will be deducted from quarterly tuition payments. |
| Non-SBB | 3% | |
| Supplemental Aid (SA) | 3% | |
| Facilities Supplement | – | No admin fee. |
| Special Education | – | No admin fee. |
| 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. |

Alternative Learning Opportunity Programs (ALOPs)

ALOPs receive SBB, non-SBB, and facility supplement funding, and they are charged for facilities, employer pension, and administrative fees. However, funding is based on quarterly enrollment counts as verified by attendance and payments are made in five installments of 20% each.

Safe School Programs

CPS also funds one Safe School program for students who have been expelled from traditional schools

due to violence. It is funded like an ALOP, but it is funded for a floor of 100 students, regardless of the actual number of students enrolled, to ensure that spots are available when needed. CPS receives a Regional Safe School grant from the State of Illinois, which helps pay these costs.

GENERAL EDUCATION ALLOCATIONS TO SPECIALTY AND OPTIONS SCHOOLS

Specialty Schools

Seven 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 focus of these schools, core instruction funding is not provided through SBB. As such, these schools receive positions and funding for non-personnel items. Most of the classroom teachers are special education teachers or early childhood teachers, both of which are funded by the Office of Diverse Learner Support Services and the Office of Early Childhood.

Specialty schools also receive the following general education resources:

- One principal, one counselor, and one clerk. This is the same administrative base that all district schools receive in SBB.
- A staff allocation 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 \$150 for each pre-K student, \$300 for each elementary student, and \$400 for each high school student.

District Options Schools

District options schools provide a pathway toward high school graduation for students who have dropped out of traditional high schools (e.g., over-age students without enough credits to graduate, pregnant students, 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 SBB, 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.

ALLOCATIONS OF SPECIAL EDUCATION TEACHERS AND PARAPROFESSIONALS

Diverse Learner Allocation

In FY2019, schools received an allocation of centrally-funded special education teachers and paraprofessionals to serve diverse learners outside of cluster programs. This is a change from FY2018, when schools received a dollar allocation for special education positions that was combined with their SBB funds.

FY2019 allocations are based on the number of special education teachers and paraprofessionals needed to meet the IEP needs of students at the school (excluding students in cluster programs), as

determined by a school-by-school review. Additionally, FY2019 allocations were determined from each school’s special education student population in April. Schools received both special education teacher and paraprofessional allocations based on the student population and the IEP needs within that student population.

Cluster Programs

Schools with cluster programs receive additional centrally-funded positions for each cluster program, as shown in the follow table:

Table 18: Cluster Allocations

| Type of Cluster Program | No. of Teachers | No. of Paraprofessionals |
|-------------------------------|-----------------|--------------------------|
| Mild/Moderate | 1 | 2 |
| Severe/Profound | 1 | 3 |
| Deaf/Hard of Hearing | 1 | 1 |
| Vision Impairment | 1 | 1 |
| Multisensory | 1 | 1 |
| Early Childhood Instructional | 1 | 1 |

Additional centrally-funded paraprofessional positions have been allocated for students in cluster programs who require full-time dedicated paraprofessional support.

School Budget Appeals

Schools will have the opportunity to request additional special education positions as IEP needs change during the school year. All requests will be directed to the Office of Diverse Learner Supports and Services for review, and a determination will be made within 3 days. Decisions will be based on whether additional special education positions are needed to meet the IEP needs of the school’s diverse learners.

SPECIAL EDUCATION FUNDING FOR CONTRACT SCHOOLS

Contract schools are assigned special education teacher and paraprofessional positions using the same allocation methodology as district-run schools. However, contract schools hire their own special education personnel and are reimbursed for their expenses at the following rates:

Table 19: 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) | To be determined | |

1. Special Education Teacher Reimbursement

- a. The contract school will hire its own special education teacher(s) based on the school's population of students with disabilities. CPS will reimburse the contract school on a quarterly basis. This reimbursement will be based on CPS' 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 (FTE) teacher positions for reimbursement does not exceed the CPS-approved allocation for the contract school.
- b. The maximum reimbursement rate for any FTE special education teacher is \$110,000 per year. The maximum reimbursement rate for all FTE special education teachers for each school is an average per-teacher reimbursement rate of \$90,000 per FTE special education teacher.
- c. The quarterly reimbursement to the contract school for FTE special education teachers will be the lesser of the (i) product of the maximum reimbursement rate multiplied by the number of CPS-approved, FTE 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 contract school for the percentage of the quarter's instructional days for which the teacher was employed.

2. Special Education Paraprofessional Reimbursement

- a. The contract school will hire its own paraprofessionals to provide the necessary supports required by its students' IEPs.
- b. CPS will reimburse the contract school on a quarterly basis. This reimbursement will be based on CPS' determination that each special education paraprofessional providing instructional support is highly qualified in accordance with the federal Every Student Succeeds Act (ESSA) standards and that the number of FTE paraprofessional positions for reimbursement does not exceed the CPS-approved allocation for the contract school.
- c. The maximum reimbursement rate for any FTE special education paraprofessional is \$53,000 per year. The maximum reimbursement rate for all FTE special education paraprofessionals for each school is an average per- paraprofessional reimbursement rate of \$40,000 per FTE paraprofessional.
- d. The quarterly reimbursement to the contract school for FTE special education paraprofessionals will be the lesser of the (i) product of the maximum reimbursement rate multiplied by the number of CPS-approved, FTE 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 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 contract school will hire its own clinicians to provide the necessary supports.
- b. The contract school may have the Board furnish clinicians to serve the contract school's students with disabilities, only if a waiver is given by CPS.
- c. If the contract school hires its own clinicians, then CPS will reimburse the 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 FTE clinicians does not exceed the CPS-approved allocation for the contract school.
- d. The maximum reimbursement rate for any FTE clinician is \$110,000 per year. The maximum reimbursement rate for all FTE clinicians for each school is an average per-clinician reimbursement rate of \$90,000 per FTE clinician.
- e. The quarterly reimbursement to the contract school for FTE clinicians will be the lesser of the (i) product of the maximum reimbursement rate multiplied by the number of CPS-approved, FTE clinicians at the 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 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 contract school shall appoint and pay a salary and benefits to its own qualified case manager.
- b. CPS will provide the contract school with a stipend per school for such a qualified case manager that is equivalent to the amount given to case managers at district-run schools. The amount of the stipend is to be determined, pending an 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.

An individual serving as a case manager may receive only one stipend, even if the individual is serving more than one school. Related service providers are allocated using the same staffing formulas as district-run schools. The district will continue to reimburse schools for the actual cost of the related service providers. Contract schools are expected to hire their own related service providers and are reimbursed for their expenses at the following rates:

Table 20: Special Education Reimbursements

| Position | Maximum for average position | Maximum for any individual position |
|--|-------------------------------------|--|
| Related service providers (certification required) | \$90,000 | \$110,000 |
| Case manager stipend (one per school) | To be determined | |

ALLOCATIONS OF SUPPLEMENTAL BILINGUAL TEACHERS FOR ENGLISH LEARNERS

Supplemental bilingual funding is determined by the Office of Language and Cultural Education (OLCE). In FY2019, OLCE continued the allocation of supplemental bilingual teachers based on the allocation model introduced in FY2016.

Schools are legally required to provide Transitional Bilingual Education (TBE) and/or Transitional Programs of Instruction (TPI) for their English learner (EL) students, and the expectation is that all schools will comply with these requirements. Supplemental bilingual resources are allocated to schools to support them with meeting student needs.

District-run schools received supplemental teacher positions based on EL enrollment in the following tiered system:

Table 21: Supplemental Bilingual Position Allocations for District-Run Schools

| EL Enrollment | 250 + | 100-249 | 100-199 | 50-99 | 20-49 | Less than 20 |
|---|---|--------------------------|--------------------------|--------------------------|--------------------------|---------------------|
| TBE/TPI Supplemental Position (EL Resource Teacher) | 0.5 SUP TBE/TPI teaching | 0.5 SUP TBE/TPI teaching | 0.5 SUP TBE/TPI teaching | 0.5 SUP TBE/TPI teaching | 0.5 SUP TBE/TPI teaching | |
| Title III Supplemental Position (EL Coach) | 0.5 SUP EL Coaching | | | | | |
| DLE Coordinator (DLC) | Each traditional CPS school approved for a Dual Language Education (DLE) Program (implementing or in a planning year) receives a 0.5 supplemental (SUP) DLC position. | | | | | |
| Bilingual Advisory Committee Funding | \$500 | \$500 | \$500 | \$500 | \$500 | |
| EL After School Tutoring (EL Grades 2-8, 9-12) | \$5500 | \$5500 | \$5500 | | | |
| ELPT Annual Stipend | \$3000 | \$2500 | \$2000 | \$1500 | \$1000 | \$500 |

In addition, 15 schools received 0.5 FTE position allocations to provide supplemental supports to newcomers and refugee students, in addition to one high school receiving 4.0 FTE position allocations to provide newcomer and refugee student supports through a Newcomer Center program.

24 schools received 0.5 FTE position allocations to support dual language programs.

Additionally, OLCE will provide Title III funding to support after-school tutoring programs with the goal

of providing EL students Bilingual and English as a Second Language (ESL) content support to improve their academic outcomes. 186 schools are eligible to apply for the \$5,500 tutoring funds, including 22 high schools for the first time.

- 164 elementary schools and 22 high schools with enrollment of 100 or more EL students will receive \$1.02 million in Title III funding to launch EL after-school tutoring programs. The schools eligible to receive the funding together serve 47,000 EL students in grades 2-12.
- 460 schools are eligible to have their designated EL Program Teacher (ELPT) receive a stipend that varies from \$500-\$3,000 a year, depending on the number of ELs in the program.
- 289 schools are eligible to receive \$500 in Bilingual Advisory Committee (BAC) funds, once they submit proof that they have established a BAC.

Charter/contract schools and ALOPs and Safe School programs (collectively, “charter schools”) receive supplemental bilingual grant funding based on EL enrollment in the following tiered system:

Table 22: State TBE/TPI Funding for Charter Schools

| Tier | EL Enrollment | No. of Schools | FY2019 Supplemental Funding Allocation |
|------|-------------------------------|----------------|--|
| 1 | 100+ EL students enrolled | 36 | \$46,000 |
| 2 | 20 to 99 EL students enrolled | 23 | \$353.27 per EL student* |

*TBE/TPI per-pupil rate: $\$607 \times 60\%$ (state reimbursement rate) $\times 97\%$ (3% administrative fee) = \$353.27.

Table 23: Federal Title III Funding for Charter Schools

| Tier | EL Enrollment | No. of Schools | FY2019 Supplemental Funding Allocation |
|------|--------------------------------|----------------|--|
| 1 | 250+ EL students enrolled | 8 | \$46,000 |
| 2 | 20 to 249 EL students enrolled | 51 | \$103.88 per EL student* |

*Title III per-pupil rate: $\$106 \times 98\%$ (2% administrative fee) = \$103.88.

Illinois Charter School Law now requires all charter schools to provide bilingual instruction to EL students. Charters are on a reimbursement system and must submit requests for reimbursement for expenses related to EL instruction. Charter schools are allocated grant funds in lieu of positions because Charter Management Organizations operate independently of CPS. Therefore, CPS cannot allocate positions but allocates equitable funding based on EL enrollment at charter schools.

ALLOCATIONS OF DISCRETIONARY FUNDS

Supplemental Aid (SA)

Based on changes to state funding laws, Supplemental General State Aid (SGSA) is no longer a separate stream of funding but is included in the overall allocation of state funding the district receives under the new Evidence-Based Funding (EBF) formula. As such, any remaining funds that schools have from their FY2018 allocation of SGSA will be rolled over into FY2019, but FY2019 will be the last year for SGSA carryover. A preliminary carryover will be distributed before school starts in fall 2018, and the final

carryover amount will likely be distributed sometime after October 2018.

Moving forward and as part of the FY2019 budget, schools will receive “Supplemental Aid” (SA) funding for Pre-K-12 students, which will follow the same spending rules as local funds. SA provides greater flexibility in how funds are used and expires annually at the end of the fiscal year. 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. Research has shown that students from limited-income households generally require additional resources to be successful, and the increase in funding for these students will help ensure all of our students have the support they need to reach their potential.

Contract, ALOP, and Safe schools, like district-run schools, will also receive SA funding. Charter schools will not receive an SA allocation because their proportionate share is covered in their PCTC allocation, described in further detail later in the chapter.

ESSA Title I

CPS allocates federal Every Student Succeeds Act (ESSA) Title I funds to schools with high concentrations of low-income children that need 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. The data must be collected at a single point in time for the entire school system, and the district used January 3, 2018 as the collection point for FY2019.

In FY2019, the Title I poverty index is the weighted average of the number of students ages 5-17 who qualify for free or reduced-price lunch (70% weight) and the number of students ages 5-17 who qualify for TANF (30% weight), rounded up to the nearest whole number.

Once data is collected, CPS ranks schools and allocates additional funding to schools. Schools with a poverty index below 40 do not receive Title I funds, even if the school has eligible students. However, if a school meets the poverty threshold for Title I eligibility one year, but their poverty index decreases to below 40 the next year, they may retain their Title I eligibility per federal provisions under ESSA.

Schools have received a Title I allocation based on their calculated Title I poverty index and their enrollment on January 3, 2018. Schools with higher concentrations of poverty receive more Title I funds per eligible students. The per-pupil allocation rate increases as the poverty index for the schools increases. A school with a poverty index of 40 receives an allocation of \$617.50 per eligible student. As the poverty index increases by 1, the per-pupil allocation increases by \$12.35 per pupil. A school with a poverty index of 41 receives \$629.85 per pupil. A school with a poverty index of 50 receives \$741.00 per pupil. This is illustrated in the following table:

Table 24: Examples of Title I Funding Amounts

| Poverty Index | Allocation Rate | Eligible Students (assume total school enrollment of 1,000) | Total Allocation |
|---------------|-----------------------|---|------------------|
| 35 | \$0 (below threshold) | 350 | \$0 |
| 40 | \$617.50 | 400 | \$247,000 |

| | | | |
|-----|------------|-----|-----------|
| 41 | \$629.85 | 410 | \$258,239 |
| 55 | \$802.75 | 550 | \$441,513 |
| 71* | \$1,000.35 | 700 | \$700,245 |

*Highest poverty rate of CPS schools

Schools can budget SA and Title I funds at their discretion but must remain in compliance with regulations and guidelines. It is important to remember that the poverty rate calculations for Title I are more stringent than the calculations for SA. SA considers only 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 using 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.

FUNDING FOR CHARTER SCHOOLS

As reflected in the FY2018 budget, a 2017 change in state law (PA 100-465) narrowed the Per Capita Tuition Charge (PCTC) based charter school funding range to 97 to 103 percent from the previous range of 75 to 125 percent, requiring CPS to abandon SBB for its charter schools. Before this change, school districts had more flexibility in setting charter tuition rates.

As required by this law, funding for the current year is based on expenditures two years prior, as defined in that year's Annual Financial Report (AFR). Payments for teacher pension unfunded actuarial liability (UAAL), short-term debt-service, and facility costs for charter schools in CPS facilities are accounted for as payments made by the district on behalf of charter schools.

Under current law, it is anticipated that direct funding for charter schools in FY2019 would decrease by \$38 million from the prior year. This is due to an increase in expenditures for debt service and teacher pension UAAL, coupled with a decrease in many other expenditure items that occurred two years ago (resulting in a decline in the PCTC rate used for FY2019). It is also anticipated that significant variability will continue in future years due to year-to-year variance in CPS expenditures, debt load and UAAL payments, as well as delays in state payments.

It is CPS' belief that this year-to-year variability causes serious issues for the district and its charter schools with financial planning and stability, creates inequity between current-year expenditures of district-run schools and charter schools, and could result in adverse academic consequences. Similarly, the way PCTC funds all charter students the same, without regard to individual student need, creates inequity between students. It is CPS' goal to work with the charter school community on reforming the manner in which charter schools are funded in a way that provides greater financial stability for schools and more equitable funding for students across the district.

CPS' long-standing goal in setting charter school tuition rates is equity; charter schools should receive funding equivalent to the resources given to district-run schools. We believe that the SBB funding model the district used previously did just that. District-run schools and charter schools received funding for core instruction at the same per-pupil rates. Charter schools also received non-SBB funding, which was based proportionately on the funding given to district-run schools for operations and maintenance, security, and central office services.

CPS has long argued, and continues to maintain, that the PCTC is a poor benchmark to use to determine funding equity, primarily due to the lack of flexibility to allocate resources based on student needs and district priorities, and the reduced ability to target funds to students in poverty. We believe that SBB is a transparent funding model that ensures funding equity.

Short- & Long-Term Solutions

In order for CPS to ensure that charter schools do not receive substantially less funding in FY2019 than they did in FY2018, the district is proposing a one-time, short-term fix for FY2019 that will give the district and its partners time before the end of FY19 to secure a long-term legislative fix.

This year, the district is planning to fund charter schools at last year’s PCTC rates, with an additional 2.5 percent added to the direct cost per student. This increase is intended to parallel the 2.5 percent increase to the SBB base rate that all schools on the SBB model will receive in FY2019. This short-term fix will not only avoid cuts to charter schools of \$38 million, but will actually increase funding by an estimated \$11 million over FY2018, in line with the funding increase district-run schools are receiving.

FY2019 Charter Tuition Rates

As described above, FY2019 charter tuition rates will reflect a 2.5 percent increase over FY2018 PCTC direct payment rates. (For detail on the calculations and methodology behind the FY2018 PCTC rates, please see [Appendix B](#) of the FY2018 budget book.)

Table 25: FY2019 Direct Payment Rates for Charter Schools

| | FY2018 | FY2019 | % Change |
|---------------------------|---------------|---------------|-----------------|
| Elementary Schools | | | |
| In CPS-Owned Facility | \$9,495.69 | \$9,733.08 | +2.5% |
| In Independent Facility | \$10,790.12 | \$11,059.87 | +2.5% |
| High Schools | | | |
| In CPS-Owned Facility | \$10,248.35 | \$10,504.56 | +2.5% |
| In Independent Facility | \$11,166.45 | \$11,445.61 | +2.5% |

The direct payment rates reflect the total PCTC Tuition Rate less the items deducted as district-wide shared obligations - unfunded pension liability, interest on short-term debt, and facility costs (for charter schools in CPS-owned facilities). Increasing the direct payment rate by 2.5 percent provides a funding increase commensurate with the increase in SBB for the rest of CPS schools.

If CPS opted to forgo the above approach and use the PCTC methodology as contemplated under the current state law, per-pupil rates would drop precipitously.

Table 26: Hypothetical FY2019 Direct Payment Rates Under PCTC Approach

| | FY2018 | FY2019 | % Change |
|---------------------------|---------------|---------------|-----------------|
| Elementary Schools | | | |
| In CPS-Owned Facility | \$9,495.69 | \$8,699.50 | -8.4% |
| In Independent Facility | \$10,790.12 | \$10,269.14 | -4.8% |
| High Schools | | | |
| In CPS-Owned Facility | \$10,248.35 | \$9,438.97 | -7.9% |

| | | | |
|-------------------------|-------------|-------------|-------|
| In Independent Facility | \$11,166.45 | \$10,638.87 | -4.7% |
|-------------------------|-------------|-------------|-------|

As stated above, using the direct payment rates outlined in Table 26 would have resulted in an aggregate \$38 million loss for charter schools, putting significant financial pressure on many operators and possibly forcing some to cease operations.

Special Education

The majority of special education funding that charter schools receive is included in the PCTC-based charter tuition payment. Because all General State Aid and local property tax dollars spent on the regular K-12 program are included in the PCTC calculation, each student’s PCTC-based charter tuition payment includes local funding for special education, regardless of IEP status. Charter schools will also receive a proportionate share of state mandated categorical and IDEA funding. These supplemental funds will be allocated based on the overall special education needs of the school and the amount of local funding received in the PCTC tuition. Charter schools with a small percentage of special education students in comparison to other charter schools may not receive supplemental special education funds.

Initial FY2019 supplemental budget allocations for special education were kept flat from FY18 levels. These amounts will be trued-up in the fall based on the overall distribution of special education needs at charter schools and the size of the district’s share of federal IDEA funds and state categorical funding.

Facilities Charges for Charter Schools in CPS-Owned Facilities

Charter schools occupying a CPS-owned facility are responsible for the operating costs of the building. Schools are charged for facilities costs based on per-pupil rates reflecting the average operating costs throughout the district. The facilities charges listed in Table 16 shall apply to charter schools in CPS-owned facilities.

Charter schools can opt out of the district’s security and IT services. Charter schools that are the sole occupant of a CPS facility can also opt out of facilities and maintenance services. Charter schools that are sharing a facility with another school are not 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 Charges

Although the district’s unfunded pension liability to the Chicago Teachers Pension Fund is considered an in-kind payment to charter schools, the direct payments of the PCTC tuition include the normal cost portion of the district’s employer pension costs. For this reason, charter schools will continue to be charged 11.16 percent of all employees who participate in the Chicago Teachers Pension Fund. Since special education positions are no longer being reimbursed at actual cost, the employer pension charge of 11.16 percent also applies to special education teachers and clinicians who are members of the Chicago Teacher Pension Fund.

Administrative Fee

Charter schools are charged a 3 percent administrative fee to cover the district’s costs of managing the district. The following table shows how the administrative fee is assessed for each funding source:

Table 27: Administrative Fees for Charter Schools

| Funding Source | Fee | How Admin Fee Will be Charged |
|---|------------|--|
| PCTC Tuition | 3% | Fee will be deducted from quarterly tuition payments. |
| IDEA | – | No admin fee. District’s administrative costs are deducted prior to allocation of funds. |
| State block grant for Special Education | – | No admin fee. District’s administrative costs are deducted prior to allocation of funds. |
| Title I | – | No admin fee. District’s administrative costs are deducted prior to allocation of funds. |
| Title II | – | No admin fee. District’s administrative costs are 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 is deducted from state bilingual payments. |

Appendix C Budget Process

The Board is required by the Illinois School Code to adopt an annual budget for each fiscal year no later than 60 days after the beginning of the fiscal year. The Chicago Public Schools' fiscal year starts July 1st and ends the following June 30th.

Additionally, per the Illinois School Code:

- A proposed budget must be prepared and made available for public review at least 15 days prior to its finalization.
- The Board is required to hold at least two public hearings at least five days after copies of the proposed budget are made available for review.
- Notice of budget hearing dates must be published in a City of Chicago newspaper at least five days prior to the time of the hearing.
- The Board must adopt a budget within the first 60 days of each fiscal year.

The district makes the proposed budget available at cps.edu/budget. Copies of the budget are also made available for review and at the Board office.

Budget Calendar and Process Development

In the fall of 2017, the Office of Management & Budget (OMB) began the FY2019 budget planning process by developing revenue and expenditure assumptions for the following fiscal year. Over several months in early 2018, OMB engaged with central office department and senior leadership to develop department and school budgets. OMB released school budgets and guidance to principals in April 2018, much earlier than in recent past years. The early release of budgets provided school administrators with significantly more time to plan for the following school year. In June 2018, OMB received, reviewed, and integrated all school and department budgets into the FY2019 proposed budget.

Budget Planning

Budget planning consists of two main components: school budget planning and department budget planning. School budgets are in the sixth year of implementation of the Student-Based Budgeting ("SBB") model. In FY2019, CPS increased the SBB base rate by 2.5 percent. Furthermore, for the first time, FY2019 school budget allocations were based on FY2018 20th day enrollment figures, rather than projected fall 2018 enrollments (See Appendix B for more information on school funding). Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. The FY2019 department budgets prioritize critical initiatives, as identified by senior leadership and the Board, in effort to direct as many resources as possible to schools and classrooms. Additionally, department budgets were developed with the goal of alignment with the district's three main commitments as outlined in the CPS Vision: academic progress, financial stability, and integrity.

This fiscal year is also the fourth year using the Hyperion budgeting tool for both schools and central office. The application continues to bring consistency and ease of use to the budget process for principals and central office staff.

Public Involvement

Before the school budget planning process is complete, local school councils (LSC) from each school must hold public meetings to discuss and cast an approval vote on their school's budget proposal.

During the LSC approval process, school budget documentation, as well as budget guidance resources, are shared with each LSC.

The Board is required by the Illinois School Code to make the proposed budget available for review by stakeholders and the press at least 15 days prior to its finalization. Additionally, CPS holds at least two public hearings before the budget is voted on by the Board.

Board Adoption of the Budget

The Board is anticipated to act on the FY19 Proposed Budget at their meeting on July 25, 2018.

APPENDIX D FINANCIAL POLICIES

Chicago Public Schools (CPS) is responsible for Pre-K through 12th grade education in the City of Chicago. It is an independent local government entity with its own authority to levy property taxes. The fiscal year starts July 1 and ends June 30. The Board of Education is directed by the Illinois School Code (105 ILCS 5/34-43) to adopt an annual school budget for each fiscal year no later than 60 days after the beginning of the fiscal year. The annual budget includes a set of policies to be followed in managing financial and budgetary matters, allowing the Board to maintain its strong financial condition now and in the future.

Balanced Budget Policy

The Board is required by the Illinois School Code to balance its budget each year within standards established by the Board, consistent with the provisions of Article 105 ILCS 5/34-43. The Board defines a "balanced budget" as when the total resources, including revenues and spendable prior-year fund balances, equal or exceed the total budgeted expenditures, and a "structurally balanced budget" as when the total projected revenues that the Board accrues in a fiscal year are equal to or greater than the total expenditures. Revenues and expenditures are defined in accordance with Generally Accepted Accounting Principles (GAAP). The Board's current policy is that all funds should be structurally balanced unless they include the spendable prior-year fund balance that is available under the terms of the Board's Fund Balance Policy.

General Fund: Although a structurally balanced budget is the goal for the General Fund, the prior-year spendable fund balance can be appropriated in the following budget year for one-time expenditures, or under certain circumstances if the spendable fund balance exceeds five percent of the operating and debt service budget for the new fiscal year. The one-time expenditures are listed under the Fund Balance and Budget Management Policy.

Workers' Compensation Tort Fund: The restricted fund balance in the Workers' Compensation Fund can be used only for expenses specified by the Illinois School Code 105 ILCS 5/18-8.05, such as unanticipated large tort, property loss, workers' compensation, or liability claims.

Grant Funds: All grant funds shall be structurally balanced.

Capital Projects Funds: All spendable fund balances in the Capital Projects Funds will be re-appropriated in the following year for eligible construction and renovation projects.

Debt Service Funds: Funds restricted for debt service are monies held as required by a bond indenture or similar agreement and maintained mostly with bond trustees. Assigned fund balances represent reserves to cover potential risks related to swaps or variable-rate bonds.

Fund Balance Policy

Section 5/34-43 of the Illinois School Code authorizes the Board to accumulate a fund balance. The stated goals of maintaining a fund balance are to provide adequate working capital to ensure uninterrupted services in the event of budgetary shortfalls, to provide for capital improvements, and to achieve a balanced budget within a four-year period. It is the policy of the Board to retain sufficient funds to achieve these goals for operating funds. To achieve this stable financial base, CPS manages its financial resources by establishing fund-balance policies for governmental funds, which consist of the

Operating Funds (General Fund and Special Revenue Funds), Capital Projects Funds, and Debt Service Funds.

Fund-Balance Target

Fund-balance targets are established for the General Fund, the Tort Fund, the Supplemental General State Aid Fund, Debt Service Funds, and Capital Projects Funds. The set amounts differ for each fund and require an annual review. Factors included in the determination of fund-balance targets include predictability of revenues, legal requirements, bond indentures, potential volatility of expenditures and liquidity requirements. The stabilization fund target is a percentage of operating and debt service budget.

- **General Fund**

- **Stabilization Fund Balance (Assigned Fund Balance):** The policy requires the Board to maintain a minimum of five percent and a maximum of 10 percent of the operating and debt service budgets for the new fiscal year as a stabilization fund. The five percent is estimated to be the historical minimum cash requirement to provide sufficient cash flow for stable financial operations. The Chief Financial Officer (CFO) will propose to the Board a reasonable target amount that is within this range during the budget process. It is the Board's goal that this stabilization fund will not be utilized unless there is an unforeseen financial emergency and a corresponding consensus decision among the Board members.
- **Stabilization Fund Balance Replenishment:** In the event that the stabilization fund decreases below five percent, the CFO will prepare and present to the Board a plan to replenish it. If necessary, any surplus that CPS generates will first go toward replenishing the stabilization fund until the minimum five percent goal is achieved and then to the fund balance. The Board must approve and adopt a plan to restore these balances to the target levels within a 12-month period. If restoration of the stabilization fund cannot be accomplished within such a period without severe hardship, then the CFO or Director of Office of Management and Budget may request that the Board approve an extension of this restoration deadline. Because of the financial stress the district is facing, the CFO and Budget Director will request an extension of the deadline for FY18 while they develop a long-term plan to restore the fund balance.
- **Use of Excess Fund Balance above the Stabilization Fund:** When the stabilization fund is adequately established, any excess above the required stabilization funds can be assigned for appropriation in the following budget year for one-time expenditures, or under certain circumstances as outlined below:
 - When the Board decides to not increase its property tax levy to the maximum allowable under PTELL
 - To offset a temporary reduction in revenues from local, state, and federal sources
 - To retire the Board's debt
 - To fund major legal settlements or liability claims made against the Board
 - To fund necessary one-time equipment or capital spending required for the Board
 - To pay for costs related to an unforeseen emergency or natural disaster
 - To pay for specific education initiatives lasting no more than three years

- **Workers' Compensation/Tort Fund:** The fund balance target for the Workers' Compensation/Tort Fund shall be no less than one percent and no more than two percent of the operating budget.
- **Capital Projects Funds:** Fund balance shall equal the unused bond proceeds, revenues, and available fund balances from the previous fiscal year. All spendable fund balance in the Capital Projects Funds will be re-appropriated in the following year for eligible construction and renovation projects.
- **Debt Service Funds:** Funds restricted for debt service are monies held as required by a bond indenture or similar agreement and maintained mostly with escrow agents. Assigned funds in the debt service funds represent the Board's efforts to cover risks and shall be sufficient to cover potential risks such as termination, counterparty, and basis points. The Treasury Department will determine a proper level of fund balance each year.

Monitoring and Reporting

In conjunction with the submission of the annual budget, the CFO shall annually prepare a statement about the status of the fund balance in relation to this policy and present the findings to the Board. Should the CFO disclose that the stabilization funds will decline below five percent of the upcoming operating and debt service budget, a recommendation for fund-balance accumulation shall be included in the annual statement. For FY2019, with the known reduction of the stabilization fund below five percent, the CFO will develop a long-term plan to replenish fund balance to the prescribed five percent level.

One-Time Revenue

The Board Policy states that revenue shall be considered to be one-time if it was not present in the prior fiscal year and if it is unlikely that it will be available in the following fiscal year, and further states that CPS shall not use one-time revenues to fund ongoing expenditures. To do so might mean that CPS would be unable to make up the gap created by the expiration of the one-time revenues in the next budget period, a situation that could lead to service cuts. Under the policy, one-time revenues would support only one-time expenditure items described below:

- To retire the Board's debt
- To fund major legal settlements or liability claims made against the Board
- To fund necessary one-time equipment or capital spending required for the Board
- To pay for costs related to an unforeseen emergency or natural disaster
- To pay for specific education initiatives lasting no more than three years
- To increase the size of CPS's budget-stabilization fund

Basis of Budgeting and Revenue Recognition

The budgeting and accounting policies of the Board are based on GAAP. The Governmental Accounting Standards Board is the standards-setting body for governmental accounting and financial reporting. These governing bodies require accounting by funds so that limitations and restrictions on resources can be easily explained.

Budgets are presented using the modified accrual basis of accounting.

Under the revenue recognition policy adopted in FY15, revenues are recorded when they become measurable and available. Property taxes are recognized as current revenues as long as they are available within 60 days after a fiscal year ends. Federal, state, and local grants are recognized as revenues when eligible requirements imposed by grantors have been met and as long as they are collected within 60 days of the end of a fiscal year.

Expenditures are recorded when the related liability is incurred, regardless of the timing of related cash outflows. One exception is that debt service expenditures are recorded only when payment is due. Only revenues and expenditures anticipated during the fiscal year are included in the budget. Unexpended funds in the General Funds and Workers' Compensation/Tort Fund revert to the fund balance at the close of a fiscal year. Unexpended capital funds are carried forward from year to year until projects are completed.

Budgetary Control and Budget Transfer

Budgetary control is exercised at the school, department, and system-wide levels with the adoption of the budget, and at the line-item level through accounting control. The monitoring of expenditures and revenues is a crucial component of the management of the budget. In the event of an unexpected decline in revenue, certain non-essential expenses would be the first to be identified and frozen to ensure a balanced budget at year-end.

Because a budget is only a plan, transfers between line items during the year are permitted. All budget transfers follow an established fund-transfer policy and approval process. All transfers requiring Board approval will be reported at the monthly Board meeting. The following are a few of the guidelines for making transfers:

- Funds may be transferred within a fund, between units, accounts, programs, or, in certain circumstances, grants. Transfers over \$1,000 must be recommended by the Office of Management and Budget, reported to, and approved by the Board.
- No transfer may be made between any of the statutory funds supported by property taxes.
- Transfers shall not exceed 10 percent of the fund during the first half of the fiscal year, and no appropriation shall be reduced below an amount sufficient to cover all obligations that will be incurred against the appropriation, consistent with statute (105 ILCS 5/34-50).

Budget Amendments/Supplemental Budgets

The Illinois School Code (105 ILCS 5/34-47 and 48) authorizes the Board to make additional or supplemental expenditures rendered necessary to meet emergencies or unforeseen changes. After the adoption of the annual school budget, the Board may, by a vote of two-thirds of its voting members, pass an additional or supplemental budget, thereby adding appropriations to those made in the annual school budget. Such a supplemental or additional budget is considered an amendment of the annual budget for that year. However, any appropriations thus made shall not exceed the total revenues that the Board estimates it will receive in that year from all revenue sources and any fund balance not previously appropriated. In case of emergencies such as epidemics, fires, unforeseen damages, or other catastrophes happening after the annual school budget has been passed, the Board, by a concurring vote of two-thirds of all the members, may make any expenditure and incur any liability. The Board is required to hold two public hearings both on budget amendments and supplemental budgets.

Cash and Investment Management Policy

In accordance with the Illinois School Code (105 ILCS 5/34-28) and Public Funds Investment Act (30 ILCS 235/1), the Board adopted an investment policy that provides guidelines for the prudent investment of

all public funds and outlines the policies for maximizing efficient cash management. The ultimate goal is to manage public funds in a manner that will meet cash flow needs, ensure security, and provide the highest investment return while complying with all state and local requirements governing the investments of public funds. To achieve these goals, the Treasury maintains cash-flow forecasts that closely match cash on hand with projected disbursements. To minimize the potential risk and losses, the Board limits investments to the safest types of securities, pre-qualifies the financial institutions, and diversifies the investment portfolios. The Treasury evaluates and monitors the portfolio regularly. The Investment Policy detail can be accessed by going to <http://policy.cps.k12.il.us/download.aspx?ID=27>

Debt Management Policy

The Board established a debt management policy that sets forth the parameters for issuing debt and managing the outstanding debt portfolio. Additionally, the policy provides guidance for the debt-payment structure that directly affects the Board's finances, the types and amounts of permissible debt, the timing and method of sale that may be used, the structural features that may be incorporated, and the selection of swap advisors. The purpose of this policy is to enhance the Board's ability to issue and manage its debt in a fiscally conservative and prudent manner and to ensure the Board's continued access to the capital markets. The Board will match the term of the borrowing to a useful life of projects and will seek the best possible credit rating in order to reduce interest costs. Every project proposed for debt financing should be accompanied by amortization schedules that best fit within the existing debt structure and minimize the impact on future operating and maintenance costs of the tax and debt burden on the General Fund and the overlapping debt of other local governments. The Treasury will determine the mix of variable- and fixed-rate debt that best manages its overall interest costs while considering risks and benefits associated with each type of debt. The following link provides details about the debt management policy; visit <http://policy.cps.k12.il.us/download.aspx?ID=42>

Appendix E

Glossary

Account: A budget attribute used to group funds with a similar purpose, such as supplies, salaries, or travel expenses. Sometimes referred to as the “object” of the expenditure, it means what the dollars will be spent on.

Accrual Basis: The accounting technique under which transactions are recognized when they occur, regardless of the timing of estimated cash flow.

Accrued Expense: Expense incurred and recorded on the books but not payable until a later date.

Adopted Budget: The budget ultimately approved and authorized by the Chicago Board of Education that authorizes spending for the fiscal year based on the appropriations in the budget.

Ancillary Classrooms: Identified for elementary schools only. Refers to the number of allotted classroom spaces required for non-homeroom uses, such as science labs, computer labs, resource rooms, special education rooms, after school programs, and/or community organization special programs. The number of ancillary classrooms can be identified by subtracting the number of allotted homeroom classrooms from the total number of classrooms.

Appropriation: An authorization to make expenditures and incur obligations for a specific purpose granted by a legislative body, in this case the Board of Education, for a specific time period.

Assessed Valuation (AV): The value placed on all taxable property for tax purposes. This amount is subject to the state equalization factor and the deduction of exemptions.

Average Daily Attendance (ADA): The aggregate number of pupil days of attendance divided by the number of days in the regular school session. Attending school for five or more clock hours while school is in session constitutes one pupil day of attendance. The best three months’ average daily attendance of the prior year is used in calculating General State Aid for the current year.

Balance Sheet: A statement of the financial position of an organization at a point in time. It includes assets, liabilities, and fund balances.

Bill (HB or SB): Legislation drafted in the form of an Act for introduction into Illinois General Assembly and identified with a bill number. HB refers to a bill introduced into the House and SB refers to a bill introduced into the Senate. Bills are available on the General Assembly website at www.ilga.gov.

Block Grant: A state or federal grant program that consolidates several previously separate categorical grant programs into one larger grant. Block grants usually allow the recipient agency more flexibility in the use of the resources than would be allowed with separate grants.

Bond: A written promise to pay a specified sum of money, called the “face value” or “principal amount,” along with the periodic interest at a specified rate; the money is to be paid off at a specified date in the future.

Bonded Debt: The portion of indebtedness represented by outstanding bonds.

Bond Rating: An assessment of the credit risk of a specific bond issue.

Bond Redemption and Interest Fund: A debt service fund for the receipt and disbursement of the proceeds of annual tax levies for the payment of the principal and interest on specific bond issues.

Budget: An estimate of income and expenditure for a set period of time.

Budget Classification: A series of numerical codes used to categorize items of appropriation by unit, fund, account, program, and grant.

Budgetary Control: The control or management of a governmental or enterprise fund in accordance with an approved budget to keep expenditures within the limits of available revenue appropriations.

Capital Development Board (CDB): The State of Illinois government organization that administers the School Construction program.

Capital Outlay: An expenditure that results in the acquisition of, or addition to, fixed assets. Capital outlay meets the following criteria: has an anticipated useful life of more than one year; can be permanently identified as an individual unit of property; belongs to land, buildings, structures and improvements, or equipment; constitutes a tangible, permanent addition to the value of city assets; does not constitute repair or maintenance; and is not readily susceptible to loss.

Capital Project: A specific and identifiable improvement or purpose for which expenditures are proposed within the capital budget or capital improvement program.

Capital Project Fund: A fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.

Categorical Revenue: Funds from local, state, federal, or private sources that can, by law, only be used for specific purposes (e.g., Every Student Succeeds Act revenue).

Change Orders: Modifications of scope and/or costs related to a project.

Chicago Board of Education: The local government organization established to provide elementary and secondary education in the city of Chicago.

Chicago Public Schools (CPS): The K-12 school system that operates under the Chicago Board of Education.

Chicago Teacher Pension Fund (CTPF): The pension fund for Chicago teachers, principals, and administrative staff with teaching certificates. Teachers, principals, and administrative staff in the rest of the state belong to the Illinois Teacher Retirement System (TRS).

Common Core State Standards (CCSS): Describes what students are expected to learn at every grade level in order to be prepared for success in college and careers. CCSS is designed to be relevant to the real world and help students succeed in a global economy. Chicago Public Schools began the transition to CCSS in School Year 2011-12 and fully implemented during School Year 2014-15.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures.

Continuous Improvement Work Plan (CIWP): The two-year school improvement plan required of all CPS schools. The purpose of the CIWP is to establish each school's mission, its strategic priorities, and the steps the school will take to accomplish its goals.

Personal Property Replacement Taxes (PPRT): A tax instituted in 1979 to replace the Corporate Personal Property Tax. It consists of a state income tax on corporations and partnerships and a tax on the invested capital of public utilities. The tax is collected by the Illinois Department of Revenue and distributed to over 6,000 local governments based on each government's share of Corporate Personal Property tax collections in a base year (1976 or 1977).

Cost of Living Adjustment (COLA): The "cost of living adjustment" commonly refers to the amount or percentage change to salary and/or benefits in order to protect income from being eroded by inflation.

Debt Service: The amount of money required to pay the principal and interest on all bonds and other debt instruments according to a predetermined payment schedule.

Debt Service Fund: A fund established to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt.

Deficit: Excess of expenditures over revenues in a given period.

Depreciation: That portion of the cost of a capital asset that is charged as an expense during a particular period. This is a process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset.

Education Support Professionals (ESP): Position classification for non-teacher/principal support staff. This category covers positions such as custodians, engineers, and security guards as well as most central office departmental staff.

Effective Date: The date on which a Public Act takes effect (i.e., the date it becomes generally enforceable).

Effective Tax Rate: The ratio of taxes billed to the market value, generally expressed as a percentage.

Encumbrance: Obligation in the form of a purchase order and/or contract which is chargeable to an appropriation and which reserves a part of the fund balance because the goods or services have not been received. When paid, the encumbrance is liquidated and recorded as an expenditure.

Enrollment Efficiency Range: Ideal Enrollment less 20% through Ideal Enrollment plus 20%.

Enterprise Fund: A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Equalization: The application of a uniform percentage increase or decrease to assessed values of various areas or classes of property to bring assessment levels, on average, to a uniform level of market value.

Equalization Factor (multiplier): The factor that must be applied to local property assessments to bring about the percentage increase that will result in an equalized assessed valuation equal to one-third of the market value of the taxable property in a jurisdiction.

Equalized Assessed Valuation (EAV): The assessed value multiplied by the State of Illinois equalization factor minus adjustments for exemptions. This gives the property value from which the tax rate is calculated.

Every Student Succeeds Act (ESSA): On January 8, 2002, President Bush signed into law the No Child Left Behind Act of 2001. This law provided for the most significant reform to the Elementary and Secondary Education Act (ESEA) since its inception in 1965. In December 2015, President Obama signed into law the Every Student Succeeds Act (ESSA), which updates and replaces NCLB and was in full effect for School Year 2017-2018.

Evidence-Based Funding (EBF): State revenue provided to school districts to support basic education programs. The amount that each school district receives depends upon the educational needs of the school district, the size of the local tax base, the amount of tax effort by the local school district (in certain cases) and the foundation level. The Evidence-Based Funding formula works so that every child in the state has access to resources for his or her education at least equal to the foundation level.

Exemption: The removal of property from the tax base. An exemption may be partial – like a homestead exemption – or complete. An example of a complete exemption is a church building used exclusively for religious purposes.

Expenditure: The outflow of funds paid for an asset or service obtained. This term applies to all funds.

Extension: The actual dollar amount billed to the property taxpayers of a district. All taxes are extended by the County Clerk.

Federal Special Education I.D.E.A. Program Fund Revenue: Provides supplemental programs for all students with disabilities for students ages 3-21.

Federal Lunchroom Revenue: Revenue from the federal program that supports free and reduced-price meals for children from low-income families.

Fiscal Year: The time period designated by the system signifying the beginning and ending period for recording financial transactions. The Chicago Public Schools fiscal year begins July 1 and ends June 30.

Fixed Asset: An asset of a long-term character that is intended to continue to be held or used, such as land, buildings, machinery, and equipment.

Focus Schools: A designation referring to a Title I school that has a) the largest gaps between the highest- and lowest-achieving subgroups within its school, b) a subgroup or subgroups with low achievement, OR c) a high school with low graduation rates. ISBE categorizes schools in the “focus” group if the school had a 3-year average state assessment composite between 26% and 45%

Full-Time Equivalent (FTE): A unit that indicates the workload of an employed person in a way that makes workloads comparable across various contexts. An FTE of 1.0 means that the person is equivalent to a full-time worker, while an FTE of 0.5 signals that the worker is only half-time or works full-time for half a year.

Fund: A separate accounting entity with a self-balancing set of accounts that comprise its assets, fund equity, revenues, and expenditures. Money and other fund assets are set aside in an account for specific purposes and activities in accordance with legal requirements. A school or department may have resources available from several funds. Examples include the General Fund, Workers' Compensation/Tort Fund, and the Federal Title I Fund.

Fund Accounting: A governmental accounting system that organizes its financial accounts into several distinct and separate sets of accounts, or "funds," designated by their different functions.

Fund Balance: The assets of a fund minus liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted, leaving a remaining unreserved fund balance.

GASB 24 – Governmental Accounting Standards Board Statement #24: Establishes accounting rules for pass-through grants, food stamps, and on-behalf payments for fringe benefits and salaries. As it relates to "on-behalf payments," GASB 24 requires payments made by other governments to be included as revenues and expenditures as long as they are for employee benefits. By law, the City of Chicago has been contributing to the Municipal Employees' Annuity and Benefit Fund of Chicago on behalf of the Board's educational support personnel (ESP).

GASB 54 - Governmental Accounting Standard Board Statement #54: In order to improve consistency and clarity in fund balance reporting, GASB 54 establishes a hierarchy of fund balance classifications categorized by the extent to which governments are bound by constraints on resources reported in the funds. The hierarchy includes:

1. Non-spendable fund balance: Amounts that cannot be spent such as inventories, prepaid amounts, and the principal of a permanent fund. Also, long-term loans, notes receivables, and property held for resale would be reported as non-spendable unless the proceeds are restricted, committed, or assigned.
2. Restricted fund balance: Amounts constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.
3. Committed fund balance: Amounts constrained for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Formal action is also required by the same group to remove or change the constraints placed on the resources.
4. Assigned fund balance: For all governmental funds other than the general fund, any remaining positive amounts not classified as non-spendable, restricted, or committed. For the general fund, assigned fund balance is amounts constrained for the intent to be used for a specific purpose by a governing board, a body, or official that has been delegated authority to assign such amount.
5. Unassigned Fund Balance: Amounts not classified as non-spendable, restricted, committed, or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance.

General Fund: The primary operating fund used to account for all revenue and expenditures except those related to specific programs that are accounted for separately in special purpose funds.

General Obligation Bonds: Bonds that finance public projects, such as new school buildings. The repayment of the bonds is made from property taxes and is backed by the full faith and credit of the issuing entity.

Generally Accepted Accounting Principles (GAAP): A uniform minimum standard of, and guidelines to, financial accounting and reporting. GAAP governs the form and content of the basic financial statements of an entity, encompassing the conventions, rules, and procedures necessary to define accepted accounting practices at a particular time. They include not only broad guidelines of general application, but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

Goals: Specific plans that a department has for upcoming and future years. Goals identify intended end results but are often ongoing and may not be achieved in a single year.

Government-Funded Funds and Special Grant Funds: Funds established by the Board to account for programs that are fully reimbursable by the state or federal government and special grants.

Governmental Accounting Standards Board (GASB): Organization that establishes accounting standards for state and local governments in the U.S.

Grant: A contribution given by a government entity, private foundation, or other type of organization to support a particular activity or function.

Homeroom Classrooms: Refers to the number of allotted classroom spaces required for homeroom use. Homerooms are important for tracking daily attendance and distributing report cards. The number of classrooms allotted for homeroom use is determined by multiplying the total number of classrooms by 0.769, rounding down to the nearest whole number.

Hyperion: Performance management software owned and managed by Oracle. CPS implemented Hyperion in June of 2015 and utilizes the system for planning, budgeting, and forecasting of revenue and expenditures.

Ideal Program Enrollment (also referred to as Ideal Capacity): For elementary schools, equals the number of Allotted Homeroom Classrooms multiplied by 30. For high schools, equals the total number of instructional classrooms multiplied by 30 multiplied by 80%.

Illinois School-Based Health Services Program: In September 1994, the Illinois Department of Public Aid (now the Illinois Department of Healthcare and Family Services) submitted a Medicaid State Plan Amendment, which expanded the range and scope of existing covered services and increased reimbursement rates. The program, based on 42 CFR 440.13D(d) of the Social Security Act, allows the district to receive reimbursements through Medicaid for certain services provided to eligible children.

Illinois State Board of Education (ISBE): The state organization created to oversee elementary and secondary education in Illinois.

Individuals with Disabilities Education Act (IDEA) - PL 94-142: Federal law which requires school districts to provide appropriate education services to children with disabilities. IDEA governs how states and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities.

Inter-government Agreement (1997 IGA) with City of Chicago - October 1, 1997: The 1997 IGA represents a unique financing arrangement between the city of Chicago and the Chicago Public Schools to pay for the construction of new schools, school building additions, and renovation of existing schools and equipment. Per the agreement, the city will help the Board to finance its Capital Improvement Program by providing it with funds to be used to pay debt service on bonds issued by the Board for such purpose. The amount to be provided by the city will be derived from the proceeds of ad valorem taxes levied in future years by the city on all taxable property.

Inter-government Agreement using Tax Increment Financing (IGA-TIF): This agreement secures revenues from certain eligible Tax Increment Financing districts, which will be used by the Chicago Public Schools to pay for the construction of new schools.

Interest Earnings: Earnings from available funds invested during the year in U.S. treasury bonds, certificates of deposit, and other short-term securities consistent with our investment policies.

Investments: Securities and real estate held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

Levy: Amount of money a taxing body authorizes to be raised from the property tax.

Liabilities: Debts or other legal obligations arising out of transactions in the past that must be liquidated, renewed or refunded at some future date.

Local School Councils (LSC): Local School Councils are comprised of 6 parents, 2 community members, 2 teachers, 1 non-teacher staff, a school's principal, and a student representative (high school LSCs only). The LSC is responsible for approving how school funds and resources are allocated, developing and monitoring the annual School Improvement Plan, and evaluating and selecting the school's principal.

Long-term Debt: Debt with a maturity of more than one year after the date of issuance.

Lunchroom Fund: A fund for the assets, liabilities, receipts, and disbursements of the School Lunchroom Program.

Maintenance: All materials or contract expenditures covering repair and upkeep of buildings, machinery and equipment, systems, and land.

Medicaid Revenue: Revenue from the federal Medicaid program that the Board receives as reimbursement for the provision of Medicaid-eligible services to eligible children.

Miscellaneous Revenues: Proceeds derived from notes and bonds sold by the Board, interest on investments and undistributed property taxes, collections from food service sales, rental of property, gifts, donations, and sale of real estate owned by the Board.

Mission Statement: Designation of a department's purpose or benefits; how the department supports the overall mission of the system.

Modified Accrual Basis: An accounting method commonly used by government agencies that combines accrual- and cash-based accounting. Under this basis, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current fiscal period. Expenditures are

recognized when the related fund liability is incurred, except when: (1) inventories of materials and supplies that may be considered expenditures, either when purchased or when used; (2) prepaid insurance and similar items that need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts that need not be recognized in the current period, but for which larger than normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness that may be recorded when due rather than accrued, if offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt that are generally recognized when due.

Multiplier: See Equalization Factor.

Multi-Tiered Systems of Support (MTSS): A five-tiered performance system based on school performance metrics that together provide multiple lines of evidence for measuring school quality.

Network: Geographical grouping of schools for management and support purposes.

Northwestern Evaluation Association Measures of Academic Progress (NWEA MAP): Adopted by CPS in school year 2015-16 as the uniform assessment for all students applying to a selective enrollment school, academic center, or gifted school.

Object: Specific nature or purpose of an expenditure. Object codes are common across all units, programs, and projects. Examples of objects include professional services and teacher salaries. Also referred to as *accounts*.

Operating Budget: Financial plan outlining estimated revenues, expenditures, and other information for a specified period (usually one fiscal year). Long-term costs, such as those related to capital projects, are typically excluded from the operation budget.

Operating Expenses: Proprietary fund expenses that are directly related to the fund's primary service activities.

Operating Expense Per Pupil: Gross operating cost of a school district for K-12 programs (excludes summer school, adult education, bond principal retired and capital expenditures) divided by the average daily attendance for the regular school term.

Operations & Maintenance (O&M): Represents the portion of taxes assessed for the maintenance and operations of the system's facilities.

P.A.: Abbreviation for "Public Act." Public acts are available on the General Assembly website at www.ilga.gov.

P.A. 87-17: Property Tax Extension Limitation Law that imposes a tax cap in Lake County, Will County, DuPage County, McHenry County, and Kane County, as well as the prior year's Equalized Assessed Valuation (EAV) on Cook County. The tax cap limits the annual growth in total property tax extensions in the operating funds of a non-home rule government to either five percent or the percentage increase in the Consumer Price Index (CPI), whichever is less. The prior year EAV provision limits extensions in rate-limited funds to the maximum tax rate multiplied by the prior-year EAV for all property currently in the district.

P.A. 88-593: Public Act that requires all five state pension funds to reach 90 percent funding by the year 2045; also established a state goal of funding the Chicago Teacher Pension Fund at between 20 percent and 30 percent of state funding for the teacher retirement system.

P.A. 89-1: Property Tax Extension Limitation Law that imposes a tax cap in Cook County. The provisions of this tax cap are the same as in P.A. 87-17.

P.A. 89-15: Public Act that gives the mayor of Chicago effective control of the Chicago Board of Education; also changed the financial structure of the Board.

P.A. 93-21: Public Act that defines the current state poverty grant formula and defines the poverty count to be used for this grant as the unduplicated count of children in any one of four low-income programs (Medicaid, KidCare, Temporary Assistance for Needy Families (TANF), and food stamps); excludes children who are eligible for services from the Department of Children and Family Services.

P.A. 93-845: Public Act that authorized school districts to continue to file for adjustments of prior year GSA claims to reflect revenue lost due to property tax refunds.

P.A. 94-976: Property Tax Extension Limitation Law that set the maximum extension rate for funds subject to tax caps including the rate that requires voter approval. This does not allow a local government to exceed its total tax cap limit, but it does make it much less likely that tax rate limits in specific funds will prevent the local government from taxing up to its tax cap limit.

P.A. 96-490: Public Act that changed the value of the property tax bills mailed in the spring from 50 percent of the prior year's total bill to 55 percent of the prior year's total bill.

P.A. 96-889: Public Act that created a new second-tier pension plan for the state pension funds and the Chicago Teacher Pension Fund; changed the required funding schedule for the Chicago Teacher Pension Fund.

P.A. 97-8 (SB 7): Public Act that makes significant changes to teacher tenure, layoff, and dismissal policies; changes the process for resolving collective bargaining impasses.

Partnership for Assessment of Readiness for College and Careers (PARCC): PARCC is a consortium of states and the District of Columbia that are working to create and deploy a standard set of mathematics and English assessments for the purpose of measuring college and career readiness of students in grades K-12. The assessments are administered electronically and are closely aligned with the Common Core State Standards, and replace the former state ISAT exam. CPS first began administering PARCC during school year 2014-15 when the district focused on administering the assessment to elementary school students in grades 3-8 and high school students in English I and Algebra I / Integrated Math I courses.

Penalty Date: Date by which property tax bills are due and payable. In Cook County, the penalty date for first-half tax bills is normally March 1, and the penalty date for second-half tax bills is August 1.

Pension: A defined benefit amount paid regularly to a former employee during his or her retirement.

Pension Funded Ratio: A percentage measurement of actuarially-calculated assets compared to actuarially-determined pension liabilities.

Pension Relief: A legislative action by the Illinois General Assembly that temporarily reduced required pension contributions by CPS. The relief, which lasted three years, expired in FY2013.

Per Capita Tuition Charge (PCTC): A funding formula that the State Board of Education uses to quantify the amount a school district pays from its own resources for each student.

Performance Measures: Specific measures of the workload and key outcomes of each department. These provide information about how effectively and efficiently the department is operating.

Priority School: A designation by the Illinois State Board of Education describing a Title I or Title I-eligible school that is a) among the persistently lowest performing 5% of all Title I schools within the state based on a 3-three-year average AND b) demonstrates a lack of progress OR c) is a Title I (participating or eligible) secondary school with a three-year average graduation rate of 60% or less.

Program: Instructional or functional activity.

Program Description: Describes the nature of service delivery provided at this level of funding. The description includes department/bureau mission, goals, accomplishments, and performance measures as well as total expenditures and staff counts.

Project: An activity that usually has a given time period for its accomplishment and whose costs are generally reimbursed by the state or federal government.

Property Tax Revenue: Revenue from a tax levied on the equalized assessed value of real property.

Proposed Budget: Financial plan presented by the Chief Executive Officer for consideration by the Chicago Board of Education.

Public Hearing: A formal open meeting held to present information and receive public testimony on a local issue.

Public Building Commission (PBC): The Chicago municipal corporation from which local government taxing authorities lease facilities. The PBC issues bonds, acquires land, and contracts for construction for capital projects of other local governments associated with the facilities that are being leased. Annual payments on these leases are included in the local government's tax extensions. The Chicago Board of Education is currently leasing many facilities from the Public Building Commission.

Public Building Commission (PBC) Lease/Rent Fund: Debt service fund for the receipt and disbursement of the proceeds of an annual tax levy for the rental of school buildings from the PBC. Most of the rental payment is used by the PBC to make debt service payments on revenue bonds that were issued to finance capital projects in the schools that are leased from the PBC.

Public Building Commission (PBC) Operation and Maintenance Fund: Fund for the receipt and disbursement of the proceeds of an annual tax levy for operation and maintenance of buildings leased from the PBC.

Prior Year's Equalized Assessed Valuation (EAV): Provision of P.A. 87-17 which requires that extension limits for rate-limited funds for Cook County governments be determined using the EAV one year prior to the year of the levy.

Rate Limited Fund: Fund to account for the accumulation and use of revenue generated by a rate-limited tax levy.

Reserve: Account used to indicate that a portion of a fund balance is restricted for a specific purpose, or an account used to earmark a portion of a fund balance to indicate that it is not available for expenditure. A reserve may also be an account used to earmark a portion of fund balance as legally segregated for a specific future use.

Revenue Bonds: A municipal bond whose principal and interest are payable exclusively from a revenue source (rather than a tax source) that is pledged as the payment source before issuance.

Safe Passage: A program designed to increase children's safety as they walk to and from school by placing CPS employees along designated safe passage routes.

School Actions: Significant changes to schools that require Board approval. Examples of school actions include consolidations, school moves, and turnaround implementation.

Seal of Biliteracy: The Seal of Biliteracy is an award given by a school, district, or county office of education in recognition of students who have studied and attained proficiency in two or more languages by high school graduation. It is designed to function as a nationally-recognized standard of achievement in bilingual education. In Illinois, the State Seal of Biliteracy will be designated on the high school diplomas and transcripts of graduating public school pupils attaining proficiency in one or more languages in addition to English.

Social Impact Bond (SIB): A debt instrument that commits a public sector entity to pay for improved social outcomes that result in public sector savings. Private investors inject capital into the specified social initiative and are paid a financial return by the public entity only if social outcomes are achieved. SIBs are also known as "Pay for Success Bonds" or "Social Benefit Bonds."

Space Use Status: There are three Space Use Statuses: Underutilized, Efficient, and Overcrowded. Underutilized is defined as School Enrollment less than the lower end of the Enrollment Efficiency Range, Efficient is defined as School Enrollment within the Efficiency Range, and Overcrowded is defined as School Enrollment greater than the upper end of Efficiency Range.

Space Utilization Index: A school's enrollment expressed as a percentage above or below the Ideal Program Enrollment of the facility. $\text{Space Utilization Index} = (\text{Enrollment} - \text{Ideal Program Enrollment}) / \text{Ideal Program Enrollment}$. Also communicated as Utilization Rate, which is equal to Space Utilization Index +100%.

Special Revenue Funds: A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

State Aid Pension Revenue: Revenue from an annual state appropriation to fund a portion of the employer contribution to the Chicago Teachers' Pension fund.

State Statute: A law enacted by the Illinois General Assembly and approved by the governor.

Student Based Budgeting (SBB): A flexible, per-pupil funding model giving principals more control over the resources they can use to best meet the needs of their students. Unlike the District's prior Quota

funding methodology, which provided specific positions for each school, Student Based Budgeting provides dollars based on the number of students at each school allowing principals to structure the school in the way that best serves its students. CPS moved to Student Based Budgeting in FY2014.

Supplemental Aid: Funding stream provided to schools that replaces Supplemental General State Aid. The previous state funding law required CPS to distribute \$261 million of Supplemental General State Aid directly to schools based on their poverty levels. The new funding law does not have this requirement but CPS has maintained the poverty-based distribution methodology in the form of Supplemental Aid.

Tax Base: The total value of all taxable real and personal property in the city as of January 1 of each year, as certified by the Appraisal Review Board. The tax base represents net value after all exemptions.

Tax Caps: Abbreviated method of referring to the tax increase limitations imposed by the Property Tax Extension Limitation Laws (P.A. 87-17 and P.A. 89-1). A tax cap places an upper bound on the amount of government tax that an individual might be required to pay.

Tax Increment Financing (TIF): A public financing method of providing local property tax funding for economic development projects within a designated TIF area.

Tax Rate: The amount of a tax stated in terms of a percentage of the tax base.

Tax Rate Limit: Maximum tax rate that a county clerk can extend for a particular levy. Not all tax levies have a tax rate limit.

Tax Roll: Official list showing the amount of taxes levied against each taxpayer or property in the county.

Title I Grant: Provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet challenging state academic standards.

Title II Grant: Federal grant that seeks to increase student achievement by supporting the placement and development of highly qualified, effective leaders in every school.

Tort Fund: Used to collect tort fund revenue received from a special property tax earmarked to fund expenses related to tort judgment and settlement, liability, security, workers' compensation, unemployment insurance, and risk management. The monies in this fund, including interest earned on the assets of this fund, should be used only for the purposes authorized under the Tort Immunity Act.

Total Classrooms: Refers to the number of classroom spaces (located within a permanent non-leased building) designed to be used as classrooms regardless of current use, including science labs, art rooms, resource rooms, and special education rooms, but excluding spaces not designed as classrooms, such as offices, lunchrooms, libraries, gymnasias, and auditoria.

Vacancy Savings: The anticipated savings resulting from the delay in staffing new positions and those positions that become vacant during the course of the school year.

Unit: Each school, central office department, network office, or other special operating entity represented by a five-digit number. Examples of units include the Law Department and DuSable High School.

Uniform Pension System: A standard pension system that treats all teachers and all taxpayers in a given state exactly the same. References to a “uniform pension system” as it relates to CPS expresses the desire for the Chicago Public School district to be treated exactly the same as other school districts within Illinois in terms of receiving funding from the state to cover annual teacher pension costs.