

CHICAGO PUBLIC SCHOOLS BUDGET

2019-2020



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Official FY2020 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.

Amended Budget Update (11/5/2019):

As a result of the agreements reached with the Chicago Teachers Union (CTU) and the Service Employees International Union (SEIU), Chicago Public Schools is proposing an Amended FY2020 Budget to reflect the final current year costs agreed to in each contract.

Under the historic five-year agreements with each union, teachers and support staff will benefit from a 16 percent across-the-board raise and key support staff members – including clerks, teacher assistants, special education classroom assistants, nurses, and other paraprofessionals – will receive even larger raises through restructured pay scales. The agreement also includes significant investments to support lower class sizes, to guarantee a full-time nurse and social worker for every school, and to provide additional needs-based supports for schools with high populations of low-income students, English learners, and diverse learners.

The amended budget includes a total of \$7.84 billion in revenue and expenses and utilizes the following additional revenue and cost savings to support additional investment:

- \$68 million in reduced spending attributable to the six school days that were cancelled due to the strike that will not be made up
- \$66 million in additional TIF surplus from the City of Chicago on top of the \$97 million included in the approved budget

The additional revenue and cost savings allow CPS to support the following additional expenses and revenue reductions in a fully balanced manner:

- \$60 million in reduced revenue due to the shift of Municipal Employees' Annuity and Benefit Fund of Chicago (MEABF) pension costs from the City to CPS. This shift was presented as part of the City of Chicago's proposed FY20 budget, and brings CPS into alignment with all city agencies.
- \$33 million in additional costs associated with the CTU contract
 - \$15 million for increased wages and benefits, due primarily to the incremental cost of 3 percent cost of living adjustments – a 2.5 percent increase was included in the budget approved in August
 - \$11 million for a restructured wage scale for teaching assistants, nurses, and other school support staff
 - \$5 million for substitute teacher incentives for hard to staff schools, support for schools with high populations of students in temporary living situations, and pipeline initiatives for nurses, social workers, and case managers
 - \$2 million for additional class size reduction
- \$26 million in reduced short term borrowing to promote the district's financial health
- \$15 million in additional costs associated with the SEIU contract
 - \$13 million for a restructured wage scale or new stipends for special education classroom assistants, security guards, custodians, and bus aides
 - \$2 million for the incremental cost of 3 percent cost of living adjustments – a 2.5 percent increase was included in the budget approved in August

In addition to the changes above, the amended budget reflects a non-material update to align with the accounting treatment of the city's coverage of the MEABF unfunded actuarial accrued liability paid on CPS's behalf.

The remaining sections of this budget book reflect the FY2020 original budget that was approved by the Board of Education on August 28, 2019.

Dear Friends and Colleagues,

Thanks to the diligent work of our educators, the commitment of our families, and the support of our community partners, Chicago Public Schools (CPS) students are progressing at an unprecedented rate and making record-breaking academic gains. Our district is privileged to be working with the Honorable Lori E. Lightfoot, Chicago's first female African-American mayor, to propose a budget for FY2020 that reflects our continued financial stability and invests responsibly in the programming, technology, and infrastructure that drives equitable student success.

CPS' proposed FY2020 budget is aligned with our new Five-Year Vision, which builds on our commitments to academic progress, financial stability, and integrity. The district's first Equity Office, which we established in 2018, played an integral role in developing this budget — ensuring every decision we made was filtered through an equity lens. With over \$3.8 billion designated for school budgets, we are confident that the following investments will move us toward our goal of bridging the opportunity gap that remains for our students of color, limited-income students, English Learners (ELs), and diverse learners:

- CPS is providing \$31 million in equity grant funding for 219 elementary and high schools with low or declining enrollment. This ensures that students in these schools receive the same world class education as their peers attending larger schools.
- We are allocating \$12 million in state funding to provide our ELs with a high-quality bilingual education that supports their needs and celebrates the rich heritage they bring to our schools.
- As part of a new, equitable program application that allows school leaders and their communities to apply for academic programs that best suit their needs, CPS is investing \$5 million this year to provide 32 schools with new programming such as STEM (Science, Technology, Engineering, and Math), International Baccalaureate, and dual language.

In addition to school budgets, the FY2020 budget includes \$619 million in guaranteed capital investments that will ensure our highest-need communities have access to cutting-edge technology and modernized facilities that support educating the whole child. Specific investments include:

- \$280 million to complete maintenance projects and interior improvements, ensuring students in all parts of the city can learn and grow in high-quality learning environments. This investment also includes \$10.5 million to kick off a five-year plan to ensure CPS school is ADA accessible for all students and adults with disabilities.
- \$85 million to increase Internet bandwidth and purchase technology that supports student learning.
- \$45 million to upgrade playgrounds, install athletic fields, and create learning gardens around the district.
- \$30 million to build state-of-the-art high school science labs, ensuring every HS in the District has one.

The capital budget also includes an additional \$202 million in potential external funding, including \$191 million in potential state funding that was approved this spring as part of a six-year, \$45 billion state capital bill. These funds will be allocated to specific projects selected by the state as funding is made available over the next six years.

This budget also takes a significant step toward our pledge to provide all four-year-olds in Chicago with access to free full-day Pre-K by 2021. Research shows that students who attend Pre-K outperform their peers in elementary school, and we are investing \$27 million in school-based funding to expand Pre-K access this fall to up to 2,800 students in high-need communities. And to ensure that schools are equipped with modern Pre-K classrooms that will help our students build the skills they need to succeed, we are investing \$120 million in capital funding to build Pre-K classrooms throughout the city, which is the district's largest-ever single-year Pre-K facility investment.

Our proposed budget for FY2020 gives our school communities the resources they need to continue the incredible academic progress they have made in recent years. We are confident these investments will help move our district forward and go a long way toward supporting the incredible educators, students, and families who have made CPS 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, flowing style with a large initial "J" and "K".

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' (CPS) FY2020 Proposed Budget is the financial policy plan proposed to the Chicago Board of Education for the fiscal year beginning July 1, 2019 and ending June 30, 2020. 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 includes detailed reports on all dollars and positions in the district budget. Physical copies of the FY2020 Proposed Budget are available at the Board Office at 1 North Dearborn, Suite 950, Chicago, Illinois 60602.

Budget Book Chapters

The FY2020 Proposed Budget includes narrative overviews of CPS programs, goals, financial policies, and procedures; a budget summary; and detailed financial tables.

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:

This chapter describes 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:

This chapter profiles each Central Office department, including its mission and major programs, FY2020 budget summary, major accomplishments, and key budget initiatives.

Pensions:

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

Capital Budget:

This chapter describes CPS' plan for major infrastructure investments, 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 project details 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, including current outstanding debt, proposed debt issuances, and all debt service requirements.

Organization Chart:

The organization chart reflects the leadership and organizational structure for CPS.

Fund Balance Statement:

This chapter explains CPS’ goals for maintaining and calculating a minimum fund balance (cash reserve).

Fund Descriptions:

This chapter describes the four governmental fund types used by CPS to ensure taxpayer dollars are spent as authorized: 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 cash management strategies.

FAQs:

This section includes answers to some typical questions about the Budget Book and our interactive website.

More Information:

This section includes the following appendices:

- **Appendix A — Demographics:** Provides detailed information about the district structure, school population and employees, and 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:** Provides CPS’ detailed budget calendar and process, which is required by law.
- **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 readers 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 and 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 provide a high-level overview before drilling down into more detail. For example, if you search under “Budget by Unit,” you will find the department (or parent unit) name, three-year budget and expenditure detail, and a three-year view of budgeted and ending full-time equivalent positions. These are followed by the individual department units that roll up to the parent unit, with budgets and positions listed by Fund-Grant. For tracking purposes, grants that are subject to rollover each year are assigned a new six-digit identifying number. 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 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 teachers and support personnel positions budgeted and staffed at the school

Budget Overview

Thanks to the families, educators, parents, and lawmakers who advocated for historic funding reform in 2017, Chicago Public Schools (CPS) has been able to stabilize its finances and make unprecedented investments in early childhood education, school facilities, and high-quality academic programming such as Science Technology Engineering, and Math (STEM); Advanced Placement (AP); International Baccalaureate (IB); dual credit; and dual enrollment. When you couple these investments with graduation and Freshman OnTrack rates that are at an all-time high and more CPS students than ever enrolling in college, we have much to be proud of as a district.

While significant progress has been made, CPS remains underfunded based on the state's own funding adequacy targets, with CPS receiving a funding allocation that is \$1.9 billion below the appropriate level. Additional funding from the state will be crucial as the district works to continue its academic progress and narrow the opportunity gap for students of color, English learners, diverse learners, and students living in the South and West sides.

In March 2019, we launched a new Five-Year Vision that is focused on addressing these opportunity gaps, promoting equity, and building on the core commitments that remain at the heart of who we are: academic progress, financial stability, and integrity.

To achieve this vision, CPS' FY2020 operating budget invests \$3.8 billion in school-level funding for FY2020, allocating \$619 million to capital projects such as state-of-the-art science labs, high speed internet, cutting edge technology, and the expansion of free, full-day Pre-K and high-quality academic programming. Schools will receive nearly \$73 million in academic investments this year because we know rigorous, dynamic curriculum allows our students to reach their full potential. Above all, we are prioritizing equitable funding for our schools on the South and West sides to ensure every student in the district has access to the world-class education they deserve.

Narrowing the Opportunity Gap for Students Most in Need

With our district's improved financial position and our students making remarkable academic progress, CPS is focused on improving equity in our schools by working to ensure all students receive the same opportunities for a high-quality education, regardless of their race, zip code, country of origin, or diverse learning needs.

The FY2020 budget allocates millions of dollars to ensure that students who most need support will receive the necessary resources to help them reach their full potential. Most notably, CPS has established a \$31 million Equity Grant program to support 219 schools that have low or declining enrollment. Funds provided through this grant will help ensure these schools, many of which serve our city's most vulnerable populations, can continue offering high-quality academic programs during the 2019–20 school year.

Students from limited-income backgrounds need additional resources to be successful, and to ensure we support students equitably, CPS is increasing the per-student funding allocation for limited-income students for the second consecutive year. Although the district's overall enrollment has decreased, we will maintain total school-based Title I allocation, which will raise the average per-student Title I allocation from \$853 in FY19 to \$887 in FY20.

The FY2020 budget includes \$12 million in new state funding for our district's English Learners, ensuring these students receive a high-quality education that supports their unique learning needs and celebrates their diversity, which is one of our district's greatest assets. This investment guarantees that 35,000 students in 112 schools — approximately half of the district's English learners — will receive additional funding to support bilingual instruction in SY2019–20. The FY2020 budget also includes an additional \$22 million in special education funding, which will help ensure schools have the resources they need to meet the specific needs of students with Individualized Education Programs (IEPs).

To ensure greater accessibility for students with disabilities, the FY2020 budget also dedicates more than \$10 million to ADA improvements across the district. These funds are the start of a five-year plan to ensure the first floor of every CPS school is accessible to all children and adults with disabilities. In FY2020, CPS will partner with the Mayor's Office for People with Disabilities to select the schools that most need support this year.

These investments are just a few examples of our district's renewed focus on equity. They build on other efforts from SY2018–19, including the Curriculum Equity Initiative, which will provide teachers in every CPS school access to a rigorous, culturally-relevant curriculum, and the launch of CPS' first Equity Office. The Equity Office played an important role in developing the district's FY2020 budget proposal by helping to ensure that resources are distributed fairly and equitably across CPS schools so that all students can share in our record-setting progress.

Supporting Principals and Funding School-Level Success

It is critically important to afford our principals the time to thoughtfully plan for the next school year, and we are proud that we were able to provide FY2020 school budgets to principals in March 2019 — the earliest budget release in recent memory.

For the second consecutive year, school-level funding is based on each school's 20th-day enrollment from SY2018–19. These funding levels will not decrease, even if fall 2019 enrollment is lower than it was in fall 2018. However, if fall 2019 enrollment exceeds last year's enrollment, schools will receive additional funding. This funding approach gives principals the ability to plan with confidence, knowing that their funding allocation will not decrease if enrollment declines.

The FY2020 operating budget adds \$73 million in additional school-level investments, highlighted by the following:

- We are investing \$27 million to ensure up to an additional 2,800 four-year-old students, most living on the city's South and West sides, will have access to free, full-day Pre-K in the fall of

2019 as part of our multi-year commitment to provide free, full-day Pre-K to all four-year-olds in Chicago.

- Following a first-of-its-kind program application process for schools to request new high-quality academic programs, CPS is investing in the district's largest-ever academic program expansion by investing \$5.2 million next school year as part of a \$32 million multi-year investment in programs including STEM, IB and Dual Language at 32 schools. To help ensure that every student in every community has access to a well-rounded, high-quality education, we are investing over \$31 million to provide Equity Grant funding to 219 schools that are experiencing low or declining enrollment.
- We are allocating \$12 million in supplemental funding to support bilingual education and, in alignment with changing student needs, providing \$34 million in additional special education funding compared to initial 2018–19 allocations.
- We are increasing our Student-Based Budgeting rate by 2.5 percent — from \$4,397 per student to \$4,506.93 per student — to support high-quality academic programming and higher teacher salaries.

Investing in Robust Campuses to Educate the Whole Child and Enrich Communities

To create stronger schools that educate the whole child and enrich their communities, we are investing in the outdoor recreational spaces at schools throughout the city. The FY2020 budget includes nearly \$45 million for site improvements across the city, such as playgrounds, playlots, and turf fields, that will support students both inside and outside of the classroom. Through the Space to Grow program, five schools will have their schoolyards transformed into functional spaces to play, learn, garden, and participate in physical activity, outdoor learning, and community engagement. Additionally, we will build a new athletic field at Morgan Park High School.

Preparing Students for 21st Century Success

The FY2020 budget allocates \$30 million to build state-of-the-art science labs in 29 CPS high schools as part of a multi-year investment to ensure every high school in Chicago will have a state-of-the-art science lab by 2021. This investment helps the district ensure all students develop the skills needed to compete in college and a global, 21st century economy.

To improve access to modern technology in schools throughout Chicago, the district is in its second year of fulfilling a \$125 million investment that will ensure all schools have the devices and internet connectivity needed to engage with the modern educational resources. In FY2020, CPS is allocating \$85 million to provide new equipment to support the use of teacher-directed classroom technology in over 200 schools and upgrade school network bandwidth.

Strengthening Neighborhood Schools with High-Quality Academic Programming

CPS is committed to providing excellent educational opportunities for families living in every Chicago neighborhood. This commitment is reflected in the FY2020 budget, which provides for an unprecedented expansion of high-quality academic programs. Fueled by a first-of-its-kind application process that urged school communities to submit proposals for the academic programs they felt would

be most beneficial to their students, the district is funding the expansion of dynamic programs such as STEM, IB, world language, and fine and performing arts at 32 CPS schools this year.

Relevant, well-rounded, and rigorous curriculum allows our students to challenge themselves academically and reach their full potential. The FY2020 budget adds 1,900 IB seats at seven schools, bringing the total number of students with access to this curriculum to more than 19,000, which is the largest IB network in the country. In addition, 6,000 more students will have access to STEM and STEAM programming as a result of this budget, better preparing them to thrive in a technology-driven economy, and a new Gifted program at McPherson Elementary will bring the number of schools providing accelerated coursework through Gifted programs to 22.

Through the creation of six new fine and performing arts schools, the FY2020 budget will provide an additional 3,000 students with programming that integrates art, music, and dance throughout the school day. New personalized learning programs will be implemented at two schools in 2019, meaning 118 schools will use personalized learning programs to tailor instruction to the unique needs and interests of each child.

Our district is home to many culturally- and linguistically-diverse communities, and CPS is committed to helping our students develop into well-rounded global citizens. The budget for FY2020 creates four new dual-language schools and two additional world language programs so more CPS students will have the opportunity to develop literacy and fluency in a foreign language and expand their cultural understanding.

Building a Strong Foundation for Our City's Youngest Learners

As the next step in the City of Chicago's commitment to offer all four-year-olds access to free, full-day Pre-K by 2021, CPS is investing \$120 million in capital funding and \$27 million in additional school-based Pre-K funding in the FY2020 budget.

Twenty million of the total \$120 million in capital funding will support the conversion of classrooms to support Pre-K beginning in Fall 2019, and \$100 million will support the development of new Pre-K classrooms at schools throughout the city following outreach and engagement with school communities. CPS will work in the months ahead to identify the schools that will receive investments through the \$100 million capital funding allocation, and preference will be given to schools in high needs areas that educate students from limited income households.

The additional \$27 million in school-based allocations will immediately open more than 100 new Pre-K classrooms in 28 high-needs communities. As a result of this investment, up to an additional 2,800 students will have access to high-quality Pre-K in fall 2019.

Staffing Investments to Promote Equitable Access to High-Quality Schools

The district has committed to expanding staffing levels for key support roles over the next five years, and the FY2020 budget allocates \$10 million to augment staffing levels for additional nurses, social workers, and case managers. The following positions will be prioritized for the district's highest-need schools to help ensure equitable access to student supports.

- **Nurses:** The district has allocated \$2.5 million to hire an additional 30 nurses during FY2020 to ensure more schools can provide students with consistent, high-quality nursing services.
- **Social Workers:** To meet the needs of both special education and general education students, CPS has allocated \$3.5 million to fund 35 additional social worker positions in FY2020. Due to the limited candidate pool available, the district does not anticipate being able to fill these vacancies immediately, but we are committed to developing the recruiting pipeline needed to begin staffing these positions over the course of the next year.
- **Case Managers:** To ensure diverse learners receive the supports and services they need to access a high-quality education, the district is allocating \$3.6 million in FY2020 to fund 30 additional case manager positions for schools in high-need communities with a high diverse learner student population.

To address candidate shortage and establish a stable pipeline of qualified candidates, the district is also investing \$400,000 in FY2020 to support ongoing clinical staff recruitment pipeline programs and efforts.

Investing Produces Results

The FY2020 budget provides our school communities with the resources they need to build on their record-breaking gains. CPS has become a national leader in urban education, and in the past year our schools have earned the following recognition and achievements:

- According to U.S. News & World Report, CPS schools claimed seven of the top ten spots and 20 of the top 100 high schools in Illinois, with nine CPS schools ranking among the top 350 schools in the United States.
- Students earning a diploma hit an all-time high of 78.2 percent in 2018 — with the biggest improvements coming from African American and Latinx males. The graduation rate has steadily risen, growing more than 37 percent since 2011, when just over half of CPS students earned a high school diploma.
- In 2018, 89.4 percent of freshmen were considered on-track to graduate, which is the highest measure on record and a nearly 30 percent improvement since 2011. The Freshman OnTrack rate is a research-based measurement that is the single best indicator of whether or not a student will graduate, and this improvement signals that more CPS students are likely to graduate than ever before.
- More Chicago elementary students are meeting or exceeding national attainment standards for math than ever before, and reading scores have held steady at their previous record-high. In 2018, a record 56.6 percent of students met or exceeded the national average in math scores, and 61.4 percent of students met or exceeded the average in reading scores on the 2017–18 NWEA MAP assessment.

- In 2018, more CPS graduates earned college and career credentials than ever before. Credential attainment jumped 3.2 percentage points, with 46.6 percent of 2018 graduates earning at least one early college and career credential, which helps make college more accessible and affordable for students and their families.
- The class of 2018 earned more than \$1.33 billion in scholarship offers — \$90 million more than 2017 and five times more than 2012, when CPS students earned \$266 million in scholarship dollars. This dramatic increase is consistent with the district’s strategic expansion of postsecondary initiatives and college-level programming such as IB, STEM, AP, dual credit, and dual enrollment in schools across the city.
- More high school students are staying in school than ever before, with the one-year dropout rate at an all-time low of 6.4 percent in 2018, and with the biggest improvements coming from African American students. CPS’ investments in mentoring, after-school programming, and social-emotional learning continue to support students and help them stay in school. Since 2011, the one-year dropout rate has decreased by 43 percent.
- During the 2017–2018 school year, 213 CPS students earned the AP Capstone Diploma — more students than any other district in the nation. AP Capstone is an intensive diploma program that requires students to earn a score of 3 or higher in both AP Seminar and AP Research courses, and four additional AP exams. AP Seminar and AP Research assessments go beyond exams to include academic papers, multimedia presentations, and defense of findings in order to prepare students for college and career success through the development of critical thinking, academic research, collaboration, presentation, and time management skills.
- CPS has made major investments in social-emotional learning programming, training, and initiatives in recent years to better support the needs of our students. As part of these efforts, CPS created the Supportive Schools Certification to recognize schools that have prioritized supportive school environments. In 2019, the number of schools that received a Supportive Schools Certification rose from 447 to 524.

The investments outlined in this budget will allow students to build on this considerable momentum and maintain the reputation Chicago has established as a national leader in the field of urban education.

FY2020 Budget Overview

Chicago Public Schools (CPS) revenues are projected to increase in FY2020, keeping the district on track for sustainable growth after a period of fiscal uncertainty. This change is due to the stability established in the third year of the state-wide Evidence-Based Funding (EBF) model, as well as increased property tax revenues and other local funding sources. CPS projects that it will take in \$6,120 million in operating revenues in FY2020 — an increase of \$198 million compared to FY2019.

However, this improved financial outlook still does not elevate the district’s revenue collection enough for our students to receive all the resources they need and deserve. In particular, CPS will still require \$1,924 million more in FY2020 state funding in order to fully fund our schools according to the Illinois State Board of Education’s own EBF formula.

Budget Overview Table 1: FY2020 Proposed Operating Budget (Millions)

	FY2019 Operating Budget	FY2020 Operating Budget	FY2020 vs. FY2019 Budget
Property Tax	\$2,899.4	\$3,073.8	\$174.4
Replacement Tax	\$126.2	\$151.0	\$24.8
TIF Surplus	\$22.3	\$96.9	\$74.6
All Other Local	\$214.2	\$192.8	\$(21.4)
Total Local	\$3,262.1	\$3,514.4	\$252.3
State	\$1,610.3	\$1,610.1	\$(0.2)
State Pension Support	\$238.9	\$257.3	\$18.5
Federal	\$805.4	\$732.7	\$(72.6)
Investment Income	\$5.0	\$5.0	\$0.0
Total Reserves	\$62.6	\$56.0	\$(6.6)
Total Revenue	\$5,984.2	\$6,175.5	\$191.3
Total Expenditure	\$5,984.2	\$6,175.5	\$191.3

For additional details on the FY2020 operating budget please see Appendix II of this chapter, as well as the Revenue Chapter of the Budget Book.

FY2020 Capital Budget Overview

The FY2020 budget for Chicago Public Schools includes a capital budget totaling \$821 million of investments in long-term district priorities, including facility renovations to keep schools safe, warm, and dry, 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. To support schools throughout the city, the FY2020 capital plan provides funding in five main areas: critical facility needs, interior improvements, educational programs, site improvements, and IT and security upgrades.

As of August 2019, there are roughly 325 active projects across the district. These projects include major renovations to ensure our schools stay warm and dry, facility construction to relieve overcrowding, security cameras to provide a safer environment for our children, and renovations to aid programmatic enhancements, among others.

The FY2020 capital budget is funded by future bond proceeds backed by the Capital Improvement Tax (CIT) and Evidence-Based Funding (EBF), potential state capital funding, federal E-Rate revenue, and potential outside resources as they become identified.

Full details on the FY2020 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.

FY2020 Debt Budget Overview

The FY2020 budget includes total appropriations of approximately \$700 million for principal and interest payments on the district’s outstanding bonds.

CPS’ Capital Improvement Program, described in the Capital chapter, funds long-term investments that provide our students with a world class education in high-quality learning environments. CPS relies on the issuance of bonds to fund the investments laid out in our Capital Improvement Program, which include roofs, envelopes, and windows; state-of-the-art high school science labs; high-speed internet and digital devices; playgrounds and athletic fields; and expansion of full-day Pre-K and other high-quality programmatic investments. Bonds are debt instruments that are similar to a loan, requiring annual principal and interest payments.

As of June 30, 2019, the Board of Education has approximately \$8.4 billion of outstanding long-term debt and \$450 million of outstanding short-term debt.

For additional information on the FY2020 Debt budget, please see the Debt chapter of the budget book.

Appendix I: FY2019 Operating Budget Financial Performance

Due largely to higher than expected TIF surplus and property tax revenues, and spending levels below budget, CPS is estimated to end the year with revenues exceeding expenditures by \$41 million. The end-of-year surplus improves the district’s financial position by reducing, but not eliminating, the need for short-term borrowing.

Appendix I Table 1: FY2019 Year-End Estimates (millions)

	FY2019 Budget	FY2019 Estimated End of Year	Variance Over (Under) Budget
REVENUES			
Property Tax	\$ 2,899.4	\$ 2,952.9	\$ 53.5
Replacement Tax	\$ 126.2	\$ 152.3	\$ 26.2
TIF Surplus	\$ 22.3	\$ 96.9	\$ 74.6
All Other Local	\$ 214.2	\$ 143.9	\$ (70.3)
State	\$ 1,610.3	\$ 1,554.8	\$ (55.5)
State Pension Support	\$ 238.9	\$ 238.9	\$ -
Federal	\$ 805.4	\$ 755.4	\$ (50.0)
Investment Income	\$ 5.0	\$ 5.7	\$ 0.7
Total Revenue	\$ 5,921.6	\$ 5,900.8	\$ (20.8)
EXPENDITURES			

Salaries	\$ 2,503.1	\$ 2,554.2	\$ 51.2
Benefits	\$ 1,450.9	\$ 1,424.4	\$ (26.5)
Contracts	\$ 1,292.0	\$ 1,337.9	\$ 45.9
Commodities	\$ 243.4	\$ 359.7	\$ 116.3
Transportation	\$ 106.2	\$ 106.1	\$ (0.1)
Equipment	\$ 18.3	\$ 53.3	\$ 34.9
Others	\$ -	\$ -	\$ -
Contingencies	\$ 370.3	\$ 24.6	\$ (345.8)
Total Expenditure	\$ 5,984.2	\$ 5,860.2	\$ (124.0)
Revenue (less than) Expenditure	\$ (62.5)	\$ 40.6	

Revenues

Local Revenue

While the disbursement of property taxes in the second installment of property tax bills is still yet to be completed, the year-end total of property tax revenue is projected to come in \$6 million higher than the originally budgeted amount of \$2.9 billion. Because of higher than expected assessment increases within Transit TIF boundaries, revenues from the Transit TIF were \$48 million higher than expected. Personal Property Replacement Tax (PPRT) revenues are projected to come in \$26 million above budget due to higher than expected statewide receipts of corporate income.

State Revenue

Under the Evidence-Based Funding (EBF) model, CPS in FY2019 received \$40 million less than originally budgeted in EBF revenues. This was a result of other school districts being further from their adequacy targets than expected, and because diversions to schools approved by the Illinois State Charter School Commission (SCSC) were higher than expected. Categorical grant revenue is also projected to be \$15 million lower than budgeted, because of decreased revenues from Orphanage Tuition and transportation.

Federal Revenue

Federal revenues received in FY2019 were \$50 million lower than budgeted. Much of these reduced federal revenues was offset by a corresponding reduction in expenditures typically reimbursed with federal funds.

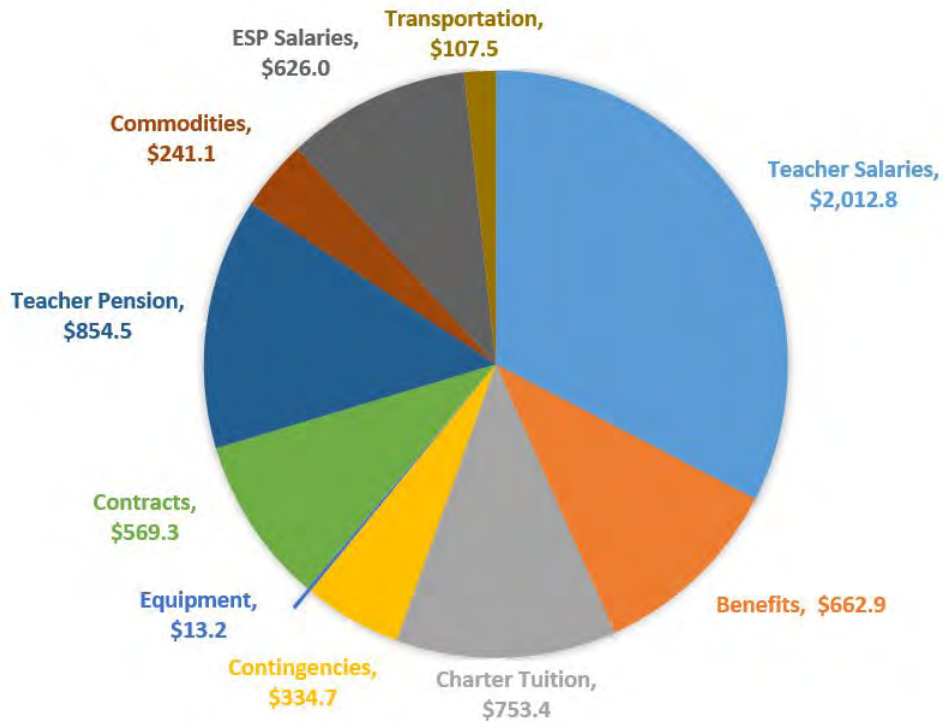
Expenditures

Estimated FY2019 expenditures are \$124 million lower than the FY2019 budget. This underspend is largely driven by grant and school-based contingencies. Funds budgeted in contingencies may not spend their full budgeted amount especially in the case where anticipated grant funds are not received.

Appendix II: FY2020 Summary Information

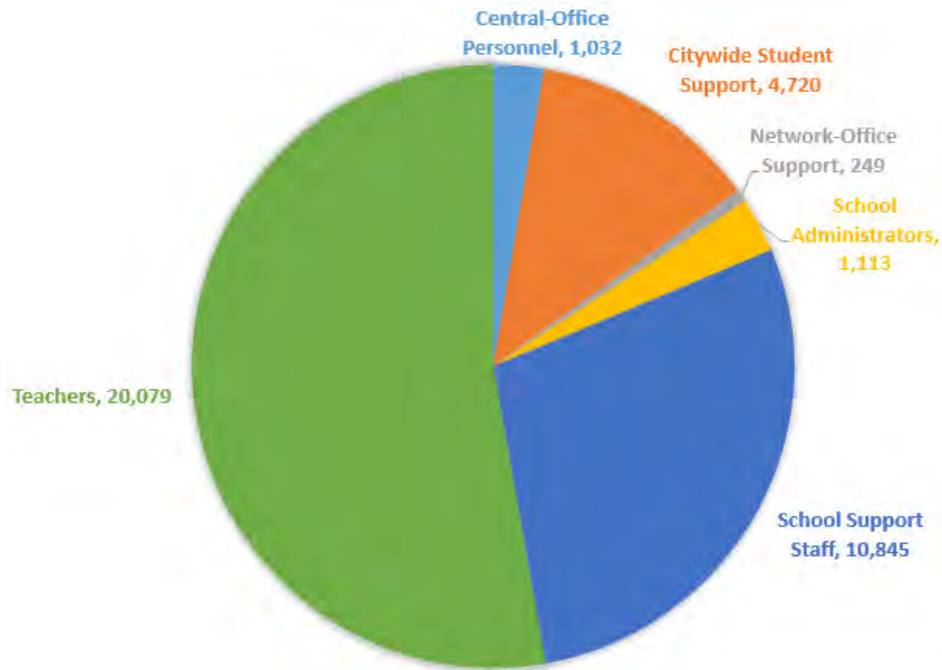
The FY2020 operating budget is approximately \$6.18 billion. Sixty eight percent of the budget is tied to teacher and education support personnel salaries and benefits (including pension costs). Charter tuition makes up nearly 12 percent of the operating budget while commodities (utilities, textbooks, supplies), transportation, contractual services, contingencies, and equipment make up the remaining 20 percent.

Appendix II Chart 1: FY2020 Budget by Expense Category (millions)



The FY2020 budget includes 38,037 FTE, an increase of 930 FTE from the FY2019 budget. 97% of all positions in the FY2020 budget provide direct support to schools.

Appendix II Chart 2: Of the 38,037 Positions in the FY2020 Budget, 97% Directly Support Schools (FTEs)



Appendix II Table 1: FY2019 Projected Expenditures vs. FY2020 Budget

	FY2018 Expenditures	FY2019 Projected Expenditures	FY2020 Proposed Budget
Salaries	\$ 2,436,266,892	\$ 2,554,240,792	\$ 2,638,844,896
Benefits	\$ 1,399,213,799	\$ 1,424,409,310	\$ 1,517,399,044
Contracts	\$ 1,245,247,852	\$ 1,337,860,113	\$ 1,322,684,750
Commodities	\$ 252,796,378	\$ 359,716,294	\$ 241,094,132
Transportation	\$ 106,021,382	\$ 106,110,711	\$ 107,537,226
Equipment	\$ 36,313,379	\$ 53,258,001	\$ 13,231,464
Others	\$ 50,563	\$ -	\$ -
Conferences	\$ 37,969,855	\$ 24,568,161	\$ 334,745,742
Grand Total	\$ 5,513,880,100	\$ 5,860,163,382	\$ 6,175,537,251

Salaries and Benefits. 68 percent of operating expenditures in FY2019 were on employee salaries and benefits. The FY2020 salary budget reflects an increase of \$178 million over FY2019 spending due to a combination of factors. Positions that remained unfilled during the course of FY2019 caused a reduction in FY2019 spending and the addition of positions in the FY2020 budget, drives the increase year-over-year. Additionally, funds that are held in conference often get transferred and spent on

salary and benefits during the year (see "Contingencies" below for additional detail) which accounts for the remaining increase.

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. FY2019 spending is projected to be higher than the FY2020 budget due to efforts to address school-based maintenance issues, including elevator and fire system upgrades and other environmental related repairs throughout the district.

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. FY2019 spending is projected to be higher than the FY2020 budget due to higher than anticipated FY2019 spending on digital curriculum materials and software, software licensing and support for the district's student information and financial systems, and other instructional materials.

Equipment. Equipment pays for the cost of furniture, computers, and similar other non-consumable items. During FY2019, district spending increased in this category to provide uniform technology within classrooms. Additionally this category experiences increases in spending during the year as schools transfer funds into the equipment account from other areas of their respective budgets.

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 FY2020 budget for transportation is relatively flat as compared to FY2019 expenditures, due to the continual optimization of routes as contractual costs rise.

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

Chicago Public Schools (CPS) revenues are projected to increase in FY2020, keeping the district on track for sustainable growth after a period of fiscal uncertainty. This change is due to the stability established in the third year of the state-wide Evidence-Based Funding (EBF) model, as well as increased property tax revenues and other local funding sources. Compared with the FY2019 budget, CPS is budgeted to receive an additional \$27 million in EBF funding, \$19 million through the state's Early Childhood Block Grant, \$150 million in property tax collections, and \$54 million in Personal Property Replacement Tax revenues in FY2020. Federal revenues are decreasing by \$69 million, due to the replacement of pre-K Head Start funding with state and local funding, aligned to our universal pre-K model and decreases in other federal grants. In all, CPS projects that it will take in \$6,120 million in operating revenues in FY2020 — an increase of \$198 million compared to FY2019.

However, this improved financial outlook still does not elevate the district's revenue collection enough for our students to receive all the resources they need and deserve. In particular, CPS will still require \$1,924 million more in FY2020 state funding to fully fund our schools according to the Illinois State Board of Education's own EBF formula.

It is critical that state lawmakers work toward fully funding the EBF formula to protect the hard-earned, equitable improvements to education funding. Although Chicago is experiencing significant growth in property values, CPS' ability to raise revenue locally from property taxes — and total education levy collections — are effectively limited to the rate of inflation for the vast majority of CPS' property tax levy.

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

	FY2019 Budget	FY2019 Projected End of Year	FY2020 Budget	FY2020 vs. FY2019 Budget
Local Revenues				
Property Tax	\$2,984.3	\$3,037.8	\$3,134.5	\$150.2
Replacement Tax	\$161.1	\$187.3	\$215.3	\$54.2
Other Local	\$381.6	\$311.3	\$457.1	\$75.5
Total Local	\$3,527.0	\$3,536.4	\$3,806.9	\$279.9
State Revenues				
EBF	\$1,646.3	\$1,605.8	\$1,673.7	\$27.4
Capital	\$15.3	\$15.3	\$32.4	\$17.1
Other State	\$530.8	\$515.8	\$575.6	\$44.8
Total State	\$2,192.4	\$2,136.9	\$2,281.8	\$89.3
Federal	\$836.7	\$786.7	\$767.5	\$(69.2)
Investment Income	\$5.0	\$5.7	\$5.0	\$0.0
Total Revenue	\$6,561.1	\$6,465.7	\$6,861.2	\$300.1

Table 2 illustrates how CPS revenues are distributed into operating, debt service, and capital funds. Although the total revenues are \$6.9 billion in FY2020, only \$6.1 billion are available for operations.

Table 2: FY2020 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	\$3,134.5	\$51.1	\$9.6	\$3,073.8
Replacement Tax	\$215.3	\$64.3	\$0.0	\$151.0
Other Local	\$457.1	\$142.3	\$25.2	\$289.7
Total Local	\$3,806.9	\$257.7	\$34.8	\$3,514.4
State Revenues				
EBF	\$1,673.7	\$382.0	\$0.0	\$1,291.8
Capital	\$32.4	\$0.0	\$32.4	\$0.0
Other State	\$575.6	\$0.0	\$0.0	\$575.6
Total State	\$2,281.8	\$382.0	\$32.4	\$1,867.4
Federal	\$767.5	\$24.7	\$10.1	\$732.7
Investment Income	\$5.0	\$0.0	\$0.0	\$5.0
Total Revenue	\$6,861.2	\$664.4	\$77.2	\$6,119.6

Revenue Projections

This section summarizes the district’s major revenue sources and each source’s projected FY2020 revenue. Additional details about each revenue source is provided in the Interactive Budget on the CPS budget website: cps.edu/budget.

FY2020 operating revenues are budgeted at \$6,120 million, an increase of \$198 million from our FY2019 budget and \$219 million more than our FY2019 estimated end-of-year operating revenues.

Table 3: FY2020 Operating Revenues (\$ in millions)

	FY2019 Operating Budget	FY2019 Estimated End of Year	Variance Estimated vs Budget	FY2020 Operating Budget	FY2020 vs. FY2019 Budget
Property Tax	\$2,899.4	\$2,952.9	\$53.5	\$3,073.8	\$174.4
Replacement Tax	\$126.2	\$152.3	\$26.2	\$151.0	\$24.8
TIF Surplus	\$22.3	\$96.9	\$74.6	\$96.9	\$74.6
All Other Local	\$214.2	\$143.9	\$(70.3)	\$192.8	\$(21.4)
Total Local	\$3,262.1	\$3,346.1	\$84.0	\$3,514.4	\$252.3
State	\$1,610.3	\$1,554.8	\$(55.5)	\$1,610.1	\$(0.2)
State Pension Support	\$238.9	\$238.9	\$0.0	\$257.3	\$18.5
Federal	\$805.4	\$755.4	\$(50.0)	\$732.7	\$(72.6)
Investment Income	\$5.0	\$5.7	\$0.7	\$5.0	\$0.0
Total Revenue	\$5,921.6	\$5,900.8	\$(20.8)	\$6,119.6	\$197.9

Local Revenues

Property Taxes

CPS is projected to receive \$3,135 million in property tax revenues in FY2020, which remains the district’s largest single revenue source. Property taxes will make up 50.2 percent of all operating revenues, up from 49.0 percent in FY2019. Of the total property tax revenue, \$51 million is restricted for paying off Capital Improvement debt, \$10 million is allocated to other capital needs, and \$477 million is projected as revenue from the dedicated Chicago Teachers’ Pension Fund (CTPF) levy. This leaves \$2,597 million left for all other operating costs, an increase of \$127 million from the FY2019 budget.

The \$127 million increase includes \$39 million from increasing the education levy by the rate of inflation of 1.9 percent¹, which is the announced national inflation rate as of December 2018; \$17 million

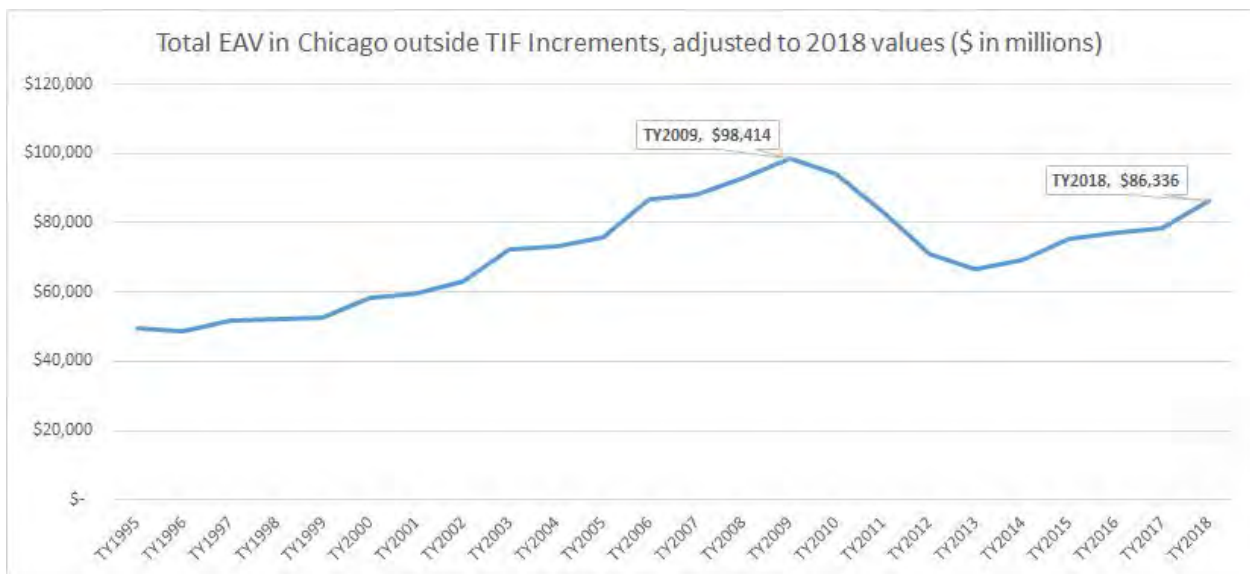
¹ The growth in a taxing district’s aggregate extension base (sum of all extensions for funds subject to the PTELL) is limited to 5 percent or the rate of inflation, whichever is less. The inflationary increase is equal to the percentage change in the Consumer Price Index (CPI) from the prior year, and is called the “limitation”. The CPI used is the national CPI for all urban consumers (CPI-U) for all items as published by the United States Department of Labor,

generated from the \$712 million in new property that is projected to be included in the 2019 tax bill; \$67 million from the Red-Purple Modernization Phase One Transit Tax Increment Financing (Transit TIF); and \$4 million in the projected 2 percent increase in assessed value growth. There is currently no levy backing the issuance of Public Building Commission (PBC) bonds, which decreases the property tax debt service budget by \$31 million from FY2019.

FY2020’s increased budget for property tax revenues primarily reflects the impact of slightly larger-than-expected assessment increases in FY2019, after the Cook County Assessor’s office re-assessed properties within Chicago for the first time since 2015 and the City Council passed an unanticipated sunset of five separate TIF districts in December 2018. The FY2019 budget assumed an 11 percent growth in the value of pre-existing properties, and actual increases were slightly higher at 11.2 percent, the largest annual growth rate since 2007.²

Property value in the city outside of TIF districts was \$86.3 billion in 2018, representing the first time that valuations in Chicago exceeded \$84 billion since 2010. However, adjusted for inflation (Chart 1), property values in 2018 are still 12.3 percent lower than their 2009 peak before the Great Recession. In the context of this improvement, Chicago taxpayers face a modest tax rate of 3.552 percent on the equalized assessed values of their properties, which is the lowest tax rate since 2015.

Chart 1: Total EAV in Chicago outside TIF Incremental Value, TY1995-2018



Four factors will primarily determine property tax performance for CPS over the next three years.

First, the slight increase in property tax valuations in the current 2018 reassessment will serve as the baseline for the next two fiscal years. It is not certain how the assessment and appeal reforms that will be implemented by the new administration of the Cook County Assessor’s office and in the Cook County

Bureau of Labor Statistics. The December 2018 CPI-U, which impacts FY2020, was 1.9 percent.

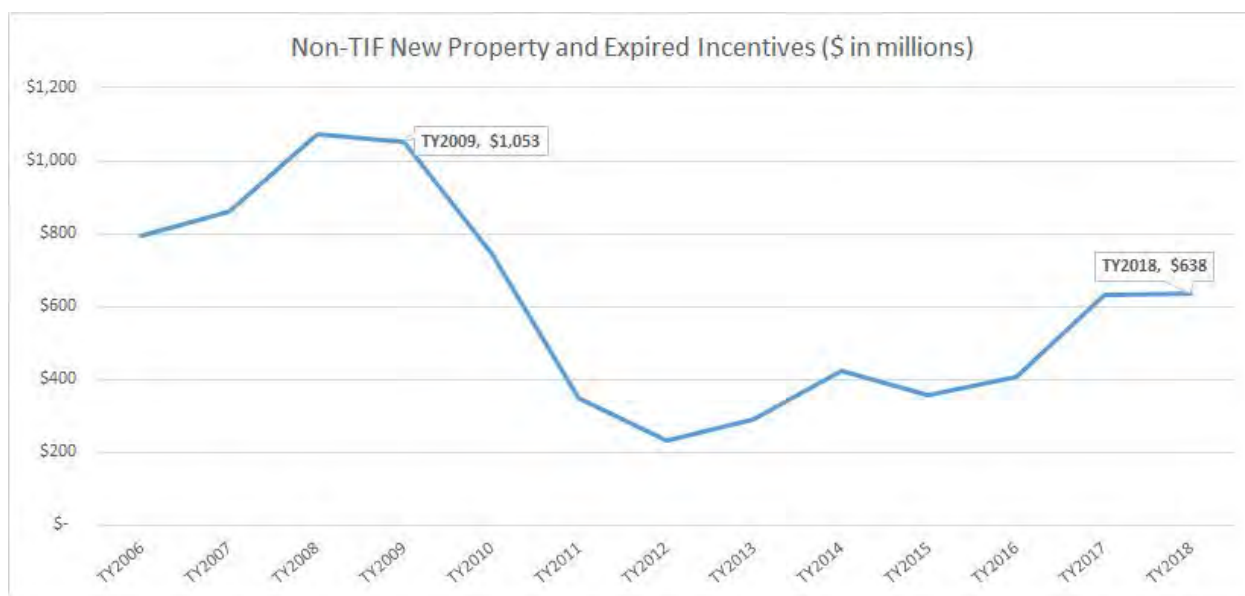
² https://cps.edu/About_CPS/Financial_information/Pages/Officialstatements.aspx

Property Tax Appeal Board (PTAB) will impact Chicago’s property tax growth in 2021, the next time that properties in the city will be reassessed.

Second, assuming that inflation remains at its long-term average of around 2 percent, the biggest determinant of CPS’ property tax revenues is the amount of new property that is constructed in the city. New property construction outside of TIF districts has not recovered to pre-recession standards, and 2018 construction was valued at 40.6 percent lower than the pre-recession peak in 2008, unadjusted for inflation. (Chart 2)

If new construction were level with 2009 levels, non-pension operating revenues in FY2020 would be projected to increase by over \$10 million. Continued new construction in Chicago will also drive down tax rates for all other city residents. In FY2020, CPS projects that there will be \$712 million of new property, a 12 percent increase from FY2019.

Chart 2: Non-TIF New Property in Chicago, Tax Years 2006-2018



Third, when a TIF district expires, any incremental value over the frozen value when the TIF district was first created counts as ‘new property,’ indistinguishable in its effects on CPS from other construction that happened in the current tax year. In 2018, the City Council passed legislation that terminated five TIF districts well ahead of their scheduled sunsets.³ Together with two other TIF districts that were scheduled to be sunset at the end of 2018, the increments in these TIF districts were worth \$320 million, just over half of all other new construction. There is currently only one TIF district that is scheduled to sunset in FY2020 with an increment of \$2.9 million, and CPS will be impacted by any potential changes to the way that TIF districts are currently governed. Because CPS levies are constrained by inflation rather than total property value, CPS is not materially harmed from the future creation of any new TIF districts.

3
<https://www.chicago.gov/city/en/depts/dcd/provdrs/tif/news/2018/november/proposals-would-terminate-five-tif-districts.html>

Lastly, a growing proportion of all CPS operating revenues is generated by the TIF district created for the Red-Purple Modernization Program (Transit TIF) on the North side of Chicago to modernize Chicago Transit Authority (CTA) tracks from North Avenue to Devon Avenue. By statute, CPS is due approximately 52 percent of all incremental value produced in the Transit TIF⁴, and per projections produced by the Cook County Clerk in 2019⁵, CPS should generate \$143 million in Transit TIF by 2030. Chicago's North side near the lakefront experienced strong property value growth in the 2018 reassessment as compared to the rest of the city, with properties within Transit TIF boundaries increasing in value by 17.9 percent compared to a citywide average of 11.2 percent. CPS will benefit if property growth within the boundaries of the Transit TIF continues in future assessment years.

The effect of increased 2018 assessments on individual, commercial, and industrial taxpayers was tempered by the Property Tax Extension Limitation Law (PTELL). Since 1994, CPS has been one of over 450 school districts in the state whose education levy is not primarily determined by property value, but instead by the total levy from the previous year. Under PTELL, increases in property tax extensions are limited to the lesser of five percent or to the national increase in inflation in the year preceding the levy year. The money that CPS raises from the education levy for FY2020 is therefore the final extension for FY2019, multiplied by the finalized 2018 inflation rate of 1.9 percent⁶. Given that the inflation rate is lower than the city-wide increase in assessments of 11.2 percent, individual property tax rates for CPS went down from 3.89 percent in FY2018 to 3.55 percent in FY2019.

The pension property tax levy dedicated to funding CPS employer contribution costs to CTPF is not subject to PTELL, and is instead equal to a flat 0.567 percent applied to the prior year's base value and the current year's new property value. Further discussion of this revenue stream can be found in the Pensions chapter.

Like other government bodies, CPS has a 60-day revenue recognition period. This allows the district to recognize FY2019-budgeted revenues received prior to August 29, 2019, as FY2019 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 \$161 million in FY2019 to \$215 million in FY2020. This increase reflects how actual PPRT revenues in FY2019 were \$187 million, \$26 million over budget, largely because corporate tax collection in Illinois continues to grow at a robust pace. This figure includes \$64.3 million set aside for debt service and leaves \$151.0 million for operating purposes, which is \$24.8 million higher than FY2019. Debt service costs backed by PPRT are higher in FY2020 compared to FY2019 by \$29 million.

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

⁴ Specifically, CPS' proportionate share of Transit TIF revenue is equal to its tax rate divided by the total composite tax rate faced by taxpayers. In 2018, CPS' tax rate is 3.552 percent, 52.3 percent of the composite tax rate of 6.786 percent. Currently, this is the only TIF District which produces dedicated revenues for CPS, rather than being subject to the TIF Surplus mechanism common to all other Districts.

⁵ <https://www.cookcountyclerk.com/sites/default/files/pdfs/2018%20TIF%20Report.pdf>, page 18

⁶ <https://www2.illinois.gov/rev/localgovernments/property/Documents/cpihistory.pdf>

income for corporations, and 1.5 percent of federal taxable income for partnerships, trusts, and Subchapter S corporations.

The state collects and 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 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 FY2019, that refund rate was 15.5 percent of all corporate income tax collections, leaving the remaining 84.5 percent to be largely disbursed to local governments.⁷

According to the state budget that was signed by Governor Pritzker on June 6, 2019, the refund rate will decline to 14.75 percent, meaning that CPS and other local governments will see a small bump in the amount they receive in PPRT revenues. Additionally, total corporate tax receipts are projected in the state budget to increase by 0.8 percent in FY2020 because of growing corporate profits.

Per the state's own PPRT projections, CPS and other local governments throughout the state of Illinois will receive one-time revenue bumps in FY2020. Factors causing this increase include a transfer of \$32 million from corporate income tax funds to PPRT funds, a transfer of \$96 million from Income Tax Refund funds to PPRT funds because deposits into the Refund Fund are projected to exceed the amounts paid out for refunds, and a decrease in the federal tax rate on foreign-derived intangible income.⁸ None of these changes structurally change Illinois' economic outlook.

PPRT is a volatile revenue source, and is dependent on Illinois and the United States not slipping into a recession that negatively impacts corporate profits in FY2020.

TIF Surplus and Other Local Resources

Since the beginning of the TIF program, CPS has received more than \$1.3 billion in TIF funds for capital investments in schools throughout the city.⁹ Since FY2018, \$68.3 million in TIF-funded projects provided

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<https://www2.illinois.gov/sites/budget/Documents/Budget%20Book/FY2020-Budget-Book/Fiscal-Year-2020-Operating-Budget-Book.pdf>, page 139

⁸ <https://www2.illinois.gov/rev/localgovernments/replacementtaxestimate/Pages/replacement20.aspx>

9

https://www.cityofchicago.org/content/dam/city/depts/obm/supp_info/2019Budget/2018AnnualFinancialAnalysis

renovations and improvements at 13 unique schools. \$13 million of TIF money will be spent on four school projects in FY2020.

CPS expects to receive \$96.9 million in TIF surplus funding in FY2020. TIF surpluses are one-time actions that when declared, allow for accumulated reserves to be distributed to local governments on a proportional basis. Per Executive Order 2013-3, which is still active, the City of Chicago is committed to declaring a TIF surplus in districts that are older than three years, were not created for a single redevelopment project, do not support debt service costs on Modern Schools Across Chicago (MSAC) bonds, and have a balance of at least \$1 million.

“All other local” revenue includes the pension payment made by the City of Chicago to the Municipal Employees’ Annuity and Benefit Fund (MEABF), which is estimated to be \$60 million in FY2020. It is recorded as revenue as required by the Governmental Accounting Standards Board (GASB).

Local Contributions to Capital

FY2020 local capital revenue of \$34.6 million includes \$13 million in Tax Increment Financing (TIF)-related project reimbursements and \$21.6 million from other local funding sources such as aldermanic funds, and the water reclamation district.

State Revenue

In FY2020, \$1.87 billion in state funding will comprise 31 percent of CPS’ total operating budget. The majority of that figure comes from the statewide Evidence-Based Funding (EBF) model which, beginning in FY2018, has been used to disburse money based on need to each school district in the state of Illinois . In addition, the state supplements the EBF disbursement with categorical grants that support specific initiatives within school districts, including transportation and early childhood education.

Evidence-Based Funding

The EBF model of state education funding is now in its third year of implementation, replacing the old General State Aid (GSA) formula. While the EBF model has contributed to CPS’ improved financial standing, it is still does not sufficiently close the district’s deficit.

In FY2020, CPS projects that it will receive a total of \$1,657 million in EBF money from the state. This includes a \$64 million increase in tier money from the state budget in FY2019 and \$4 million in decreased diversions to fund five charter schools authorized by the Illinois State Charter School Commission (SCSC). It is important to note that because EBF actual revenues in FY2019 were \$41 million lower than what was budgeted, the FY2020 EBF increased \$27 million from the FY2019 budget — not \$68 million.

Of the \$1,657 million, \$382 million will be used to back debt service issuances. CPS projects to receive \$16.3 million in adjustments to prior year EBF and GSA revenues when property values were reduced after revenues were already disbursed to CPS.

Under current law, CPS’ EBF allocation cannot decrease from year to year. CPS receives the prior year EBF allocation (FY2019), which totals \$1.619 billion, as the current year Base Funding Minimum (BFM).

Any money appropriated over the BFM is referred to as tier money, as it is distributed according to a district's standing in one of four tiers. Tier 1 districts like CPS are the neediest in the state and receive funding that is equal to half of all new funding. Total tier funding for CPS in FY2020 will be \$64.3 million.

According to the state budget (Public Act 101-0007), funding for districts in all four tiers is equal to \$375 million. \$50 million of that \$375 million is dedicated to the Property Tax Relief Fund, designed to lessen the property tax burden for residents living in high-tax areas. CPS is not able to access these funds because our operating tax rate is 3.27 percent of city property value, well below the state-wide average of 3.73 percent. An additional \$12.4 million is diverted to be included in the base funding minimum for Regional Offices of Education (ROEs) for the first time, per Public Act 101-0010. This leaves \$312 million allocated to tier money that is actually distributed to low-tax districts like CPS.

Since the implementation of EBF in FY2018, CPS has remained a Tier 1 district. These four tiers are determined based on the percentage of an Adequacy Target that a school district is able to fulfill with local resources in a given fiscal year. Adequacy Targets are determined by the cost of providing each student with core investments such as teachers, guidance counselors, nurses, and librarians, and account for additional support for limited-income students, English Learners, and diverse learners. CPS has a FY2020 Adequacy Target of \$5.59 billion, equivalent to \$15,531 of spending per student.

However, with current levels of resources, which combine the BFM, operating revenue from property taxes, and PPRT, CPS only meets a projected \$3.66 billion of that \$5.59 billion target — or 65.6 percent adequacy. CPS will remain a Tier 1 district in FY2020 because our Adequacy percentage is lower than the 67.4 percent threshold. The following section of this chapter outlines our risk of losing this Tier 1 status in the future.

While the sum of the \$1.62 billion in BFM and the \$64 million in tier funding is insufficient to fully fund CPS' activity to the level the state recommends, CPS would require an additional \$1.92 billion annually from the state to fully fund the investments that Chicago's children deserve, equivalent to \$5,348 per student. CPS supports any future efforts from the Governor and state legislative leaders to accelerate investments to fully fund the EBF model as quickly as possible.

The future of EBF

CPS faces two main risks to the fiscal stability that has been provided since the implementation of EBF in FY2018. The first is the distinct possibility that CPS slips to Tier 2 status within the next two to three years, which would mean that it loses approximately \$30 million of new tier money. The second is that the amount of money diverted away from CPS towards charter schools approved by the SCSC grows, which increases the amount of funding that these schools receive compared to other non-SCSC charter schools.

1) CPS faces becoming a Tier 2 district

In FY2020, CPS will be a Tier 1 district, which means we receive funds designated for districts whose local resources are least able to provide an adequate level of evidence-based investments in its children, as determined by the state. CPS is at 65.6 percent of adequacy, just 1.8 percentage points away from the Tier 1 threshold of 67.4 percent.

Each school district's slice of the total state funding for EBF is calculated with the following equation. Each of the three components in this equation are likely to change in the near-term, which means it is more likely that CPS becomes a Tier 2 district.

$$\frac{\textit{Local Resources}}{\textit{Adequacy Target}} = \textit{Adequacy Percentage}$$

Adequacy Target

The EBF formula heavily considers total enrollment and the proportion of low income students as determined by the Illinois Department of Human Services (DHS). When a district's student population declines, or when the percentage of low income students decreases, EBF lowers the Adequacy Target accordingly.

From FY2019 to FY2020, the total student population in CPS as measured by the state decreased by 1.4 percent. Declining enrollment is a well-documented trend that is projected to continue in FY2020 and beyond. Additionally, the total count of low income students from DHS has decreased at a faster rate than the decline of the total student population. From 2014 to 2018, the low income population has declined by an average of 3.6 percent annually, with the largest single year decline of 6.31 percent coming in 2017 to 2018. The continuation of these two large macro trends will drive down the Adequacy Target for CPS.

Local Resources

As discussed in more detail in the Property Tax section of this chapter, Chicago saw relatively significant increases in property value in FY2019. If this trend continues in the next assessment year in FY2022, this will increase the amount of local resources. The amount of local resources that CPS can access is also boosted by higher PPRT revenues if corporate profits continue to grow. Both of these trends will drive up the Adequacy Percentage.

Statewide Ranking of Adequacy Percentage

The statewide threshold for a school district to be considered Tier 1 is a moving target, primarily dependent on the total amount of state-wide funding. If statewide funding increases from year to year, as is the case in FY2020, then there is more money available for Tier 1 funding, which is statutorily pegged at 50 percent of all new money. This moves up the Tier 1 percentage threshold, as do any changes to student population and local resources for all districts in Illinois.

Under ISBE calculations, all school districts that are below 67.4 percent of adequacy in FY2020 will be considered as Tier 1 schools who can receive the most funding. Even though CPS' financial picture has improved, reflected in the 1.3 percentage point increase of its adequacy percentage from 64.3 percent in FY2019 to 65.6 percent in FY2020, it will remain a Tier 1 district in FY2020.

However, this is likely to change in future years absent broader state reform. Unless the state keeps increasing the total amount of tier funding available, therefore increasing the Tier 1 threshold, it is likely that CPS becomes a less-needy Tier 2 district within the next 2 to 5 years. Several ISBE formulas take an

average of the past three years when considering a particular metric, which would delay CPS' slide into Tier 2 status.

CPS being a Tier 2 district could jeopardize its current fiscal stability. It will receive \$30.1 million in Tier 1 funding in FY2020, which it would not receive as a Tier 2 school district. This would constrain CPS' ability to invest in schools. Because of PTELL, CPS has no ability to increase property tax revenues in order to fill the gap left by smaller increases in funding through EBF each year.

2) More money is diverted to Illinois State Charter School Commission (SCSC)-approved schools
As it currently stands, schools that have their charter authorization rejected by the Chicago Board of Education can appeal directly to the Illinois State Charter School Commission (SCSC), a legal body governed by the Illinois Charter Schools Law that can overrule the local school board's decision, allowing the school to stay open.

Unlike all other charter schools whose operating costs are paid for by CPS, the state pays for SCSC-approved schools by diverting EBF money away from CPS. In FY2020, five SCSC-approved schools are projected to receive \$26 million in EBF diversion, which is a \$4 million decline from FY2019. If the SCSC were to increase the total number of charter schools funded through them, or if their enrollment increased, CPS would lose out on more EBF money.

At publishing, there is state legislation pending in SB1226, which would abolish the SCSC on July 1, 2020, and transfer its powers to the Illinois State Board of Education. If signed into law by the Governor, SCSC-approved schools would continue operating absent any immediate change by ISBE. There is projected to be no fiscal impact from this legislation in FY2020.

Categorical Grants

CPS will receive approximately 20 categorical grants from the state in FY2020, totaling approximately \$315.3 million. The majority of this revenue is earmarked for early childhood education, which will be worth \$201.2 million. The remainder, totaling \$114.1 million, will pay for diverse learner tuition costs, transportation, after-school programming, and nutrition, among other activities.

Under GSA, the grant money that CPS received was calculated by multiplying the total state appropriation for the programs included in the grant by the Board's percentage share of those programs in FY1995. This grant structure no longer exists apart from early childhood, and CPS has to submit claims in order to receive most categorical grant revenues like all other school districts in Illinois.

CPS will receive a pre-defined 37 percent of total state appropriation of the early childhood block grant. In FY2020, the state appropriated an additional \$50 million to the state-wide early childhood block grant in its budget, meaning CPS will receive an additional \$18.5 million in budgeted revenue.

The district expects that all other grant revenues will slightly increase by \$4.8 million from FY2019 budgeted levels. This is largely because of increased state appropriations to pay for district-level after-school programming and reimbursements of out-of-district tuition for diverse learners.

State Contribution for Capital

The state revenue total of \$32.4 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 through state environmental fines, and \$18 million in other potential state grants.

Federal Revenues

Most federal grants require the Chicago Board of Education to provide supplemental educational services for children from low-income households, children from non-English speaking families, and 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 as No Child Left Behind)

- **Title I-A — Low Income:** Allocated based on a district's poverty levels, 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. CPS estimates that the district will receive \$228.2 million in Title I funding in FY2020. This includes an anticipated reduction of \$2.8 million in the formula-based Title I grant from FY2019 to FY2020. The anticipated total grant award for FY2020 is \$254.6 million, which includes allowable carryover of \$26.4 million from the previous year.
- **Title I-A — IL Empower:** This grant is a state-wide system of differentiated supports and accountability to improve student learning, purposely designed to develop capacity to meet student needs. CPS anticipates a grant award of \$24.1 million in FY2020, which includes a carryover of \$4.1 million from the previous year.
- **Title I-A — School Improvement Grants 1003(g):** School Improvement Grants help ensure that all students have grade-level reading and math skills. CPS estimates the total available amount will be \$1 million in FY2020. A reduction of \$3.4 million in funding from FY2019 is due to no new grants being awarded and grant expiration in FY2020.
- **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 total grant award for FY2020 is \$2.4 million, which includes allowable carryover of \$1 million from the previous year.
- **Title II-A — Improving Teacher Quality:** This grant funds class size reduction, recruitment and training, mentoring, and other support services to improve teacher quality. CPS anticipates a total of \$22.7 million to be awarded for the FY2020 Title II-A grant, which includes a current award of \$18.7 million and an estimated \$4 million in carryover from the previous year.
- **Title III-A — Language Acquisition:** These funds support students with limited English proficiency who meet eligibility requirements. The total funding available is estimated at \$7.6 million for FY2020, which does not include carryover from the previous year.
- **Title IV-A — Student Support and Academic Enrichment Grants:** These grants support states, local educational agencies, schools, and local communities to provide all students with access to a well-rounded education, improved student learning conditions in schools, and increased technology in order to improve the academic achievement and digital literacy of all students. CPS anticipates a total of \$18.7 million to be awarded for the FY2020 Title IV-A grant, which includes a carryover of \$4.8 million from the previous year.
- **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. CPS estimates grant awards of \$9.4 million in FY2020, which includes an increase of \$2.5 million from FY2019 through additional grants.

- **Title VII-A — Indian Education:** Funds from this grant are used to meet the educational and cultural needs of American Indian and Alaska Native students. Funds are expected to increase from \$210,023 to \$229,367 for FY2020.

Individuals with Disabilities Education Act (IDEA)

IDEA grants are allocated based on a state-established formula to 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, with the estimated award for FY2020 totalling \$101 million, which includes \$11 million in carryover funding from FY2019.
- **IDEA Room and Board:** This grant provides room and board reimbursement for students attending facilities outside of Chicago and is estimated at \$2.5 million in FY2020.
- **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 FY2020.

Total FY2020 IDEA funding equals \$105 million, including small competitive grants and carryover from the previous year in the preschool grant.

National School Lunch Program & Child and Adult Care Food Program

CPS offers free 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.

In 2012, CPS began participating 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 CPS for free after-school supper through the Child and Adult Care Food Program. The nutrition department also takes advantage of the donated commodities program.

CPS anticipates \$201.3 million in federal reimbursements for FY2020. These revenues include:

- \$130 million for school lunches and snacks
- \$49.5 million for breakfast programs
- \$12.8 million of donated food from the U.S. Department of Agriculture
- \$9 million for after-school meals

Medicaid Reimbursement

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

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

Medicaid provides reimbursement for covered direct medical services including: audiology, developmental assessments, medical equipment, medical services, medical supplies, nursing services, occupational therapy (OT), physical therapy (PT), 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 FY2020 are projected to remain stable at \$35 million. FY2020 Medicaid revenues will be strengthened by continued revenue retention initiatives focused on improving time capture, maximizing claiming and billing processes, and ensuring all claimable costs are reimbursed. New initiatives include increasing compliance at non-public schools, improvements to paraprofessional documentation and approval, and reducing claim failures for OT and PT services due to expired prescriptions.

Other Federal Grants

This category includes competitive grants for other specific purposes, including:

- **Carl D. Perkins:** This grant was established to help students in secondary and post-secondary education develop academic and technical skills for career opportunities, specific job training, and occupational retraining. The FY2020 Perkins formula grant is anticipated to be \$6.2 million, which includes an estimated rollover of \$690,000.
- **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 FY2020, CPS expects to receive \$10 million of federal E-rate money to reimburse IT projects.
- **Head Start:** As the district continues to implement Universal Preschool (UPK), state and local funding will be used to replace Head Start funding beginning FY2020. This shift in funding is due to the district's commitment to provide free, full-day preschool to all four-year-old students in Chicago. CPS will continue to provide comprehensive supports and services to all students regardless of funding source.

Federal Contribution for Capital

Federal contributions to the capital budget are expected to be \$10.1 million; these contributions are driven by spending on E-Rate eligible upgrades to the district's IT infrastructure.

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

In FY2020, 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 percent for federal sequestration and has not changed from our FY2019 assumptions. See the Debt

Management chapter for more information.

Pensions

Growing pension costs shouldered by CPS and the city's taxpayers have long represented the greatest budgetary risk to the district. However, that risk has now been significantly mitigated thanks to the identification of local revenue sources that are dedicated to pension costs and the state of Illinois taking meaningful steps toward righting inequitable funding structures that stretch back for decades. Though CPS remains the only district in the state to fund its own pension costs, there is now a path forward to ensure past and current pension liabilities are covered and do not imperil CPS' future ability to invest in its students.

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. CPS is the only school district in the state with its own teachers' pension system, which is separate from the statewide Teachers' Retirement System (TRS). Under this arrangement, Chicago taxpayers have faced the unique burden of having to support both the CTPF and the TRS. Like all other working Illinoisans, their income, corporate, and sales taxes pay for TRS costs, but Chicagoans alone support the CTPF through property taxes and other local revenue streams.

As part of education funding reform, the state has begun to address this long-standing inequity. Beginning in FY2018, the state has contributed funding in the amount of CPS teacher pension normal costs (i.e., the cost of the benefits that are projected to be created in the current year). In addition, the state reinstated a CPS teacher pension property tax levy in FY2017 that is appropriated exclusively for paying CTPF costs. Today and moving forward, a 0.567% maximum levy on the adjusted Equalized Assessed Value (EAV)¹ of Chicago properties is dedicated to covering CPS' statutory obligations to the CTPF.

In FY2020, per the CTPF's 2018 actuarial report², the total required employer contribution to the CTPF will be \$854.5 million. Of that number, the state will pay \$257.3 million (comprising the projected normal cost and 0.544% of the CTPF's total payroll, pursuant to Public Act 90-0655) and the reinstated pension levy is projected to raise \$477.1 million. Other operating revenues will contribute toward the remaining \$120.0 million. This constitutes an \$18.5 million decrease in pension costs diverted from operating funds compared to FY2019. More details on the breakdown of FY2020 employer costs can be found in the footnoted CTPF actuarial report.

With these FY2020 payments, the funded ratio of the CTPF based on the actuarial value of assets is projected to decline to 47.85% in 2018, down from 50.10% from 2017. This decline is attributable to a decrease in the assumption of returns from investments to 7.00% from 7.25%. This, together with other changes in actuarial assumptions, increased the actuarial accrued liability of the CTPF by \$622 million in 2018.

There Remains a Large Disparity in how the TRS and CTPF are Funded by the State

The passage of state education funding reform in 2017 began to address a pension system that unfairly penalized Chicagoans.

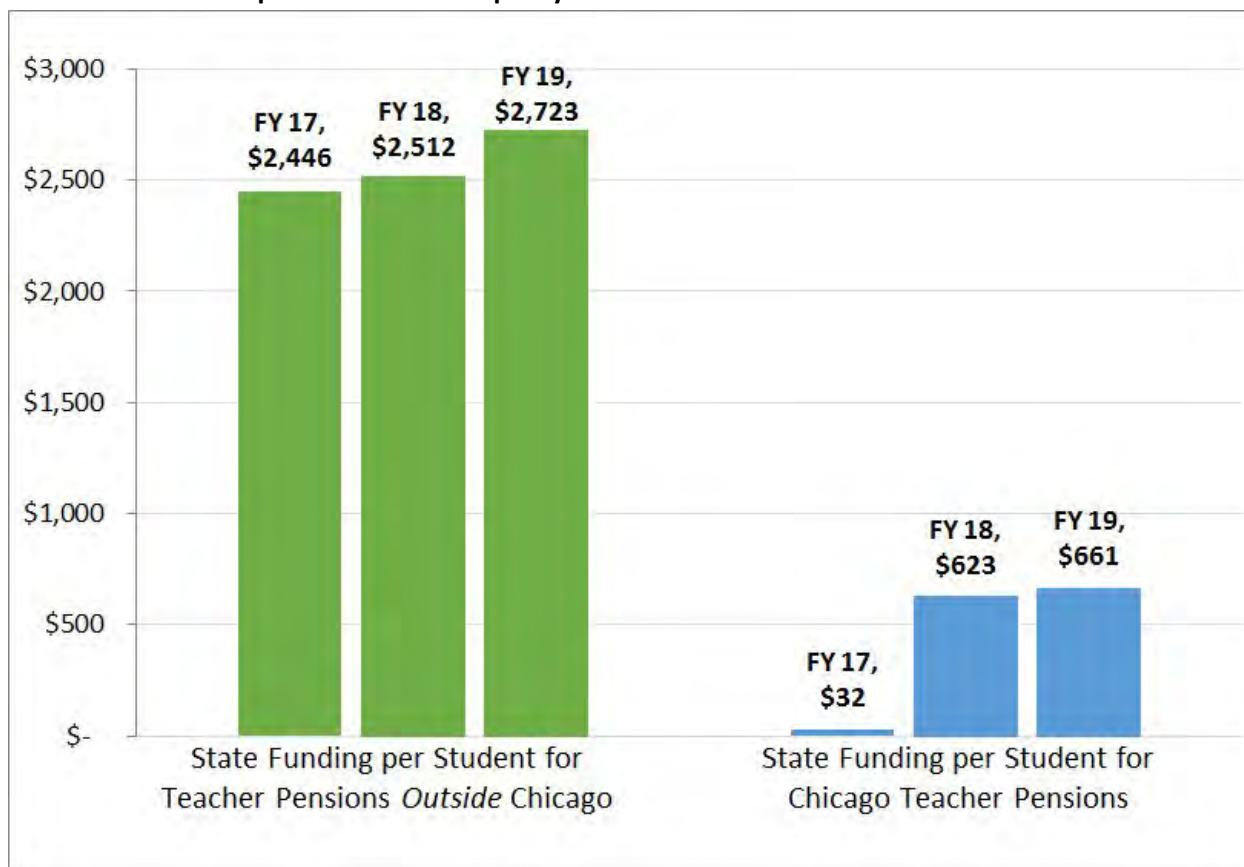
¹ Per 105 ILCS 5/34-53 and 35 ILCS 200/18-45, CPS has the ability to tax up to a 0.567% levy on the prior year's taxable non-TIF base property, and the current year's taxable non-TIF new property.

² https://www.ctpf.org/sites/main/files/file-attachments/ctpf_val_2018_final_12.11.2018.pdf

Even though both the CTPF and TRS are governed by state statute, there has been a vast difference in the source of funding for both pension systems. With the state of Illinois projected to pay \$245.5 million in FY2020 for teacher pension normal costs, CPS is still on the hook for approximately 71% of the statutorily required employer contribution. In contrast, per the statutory funding plan, other individual school districts in Illinois are projected to only pay \$87 million of the \$4.9 billion total employer contribution to the TRS in FY2020, 2% of the total.³

In FY2019, the state’s estimated contribution to TRS is \$4,353 million, per the latest TRS actuarial report. This amounts to a pension contribution for downstate and suburban school districts of \$2,723 per student, while CPS only received \$661 per student (Chart 1). Before the state began to pick up the normal cost in FY2018, the disparity between Chicago and all other school districts in Illinois was significantly larger.

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



CPS’ Pension Contribution Requirements as an Employer

CPS teachers and other employees with teaching certificates (e.g., principals) participate in the CTPF.

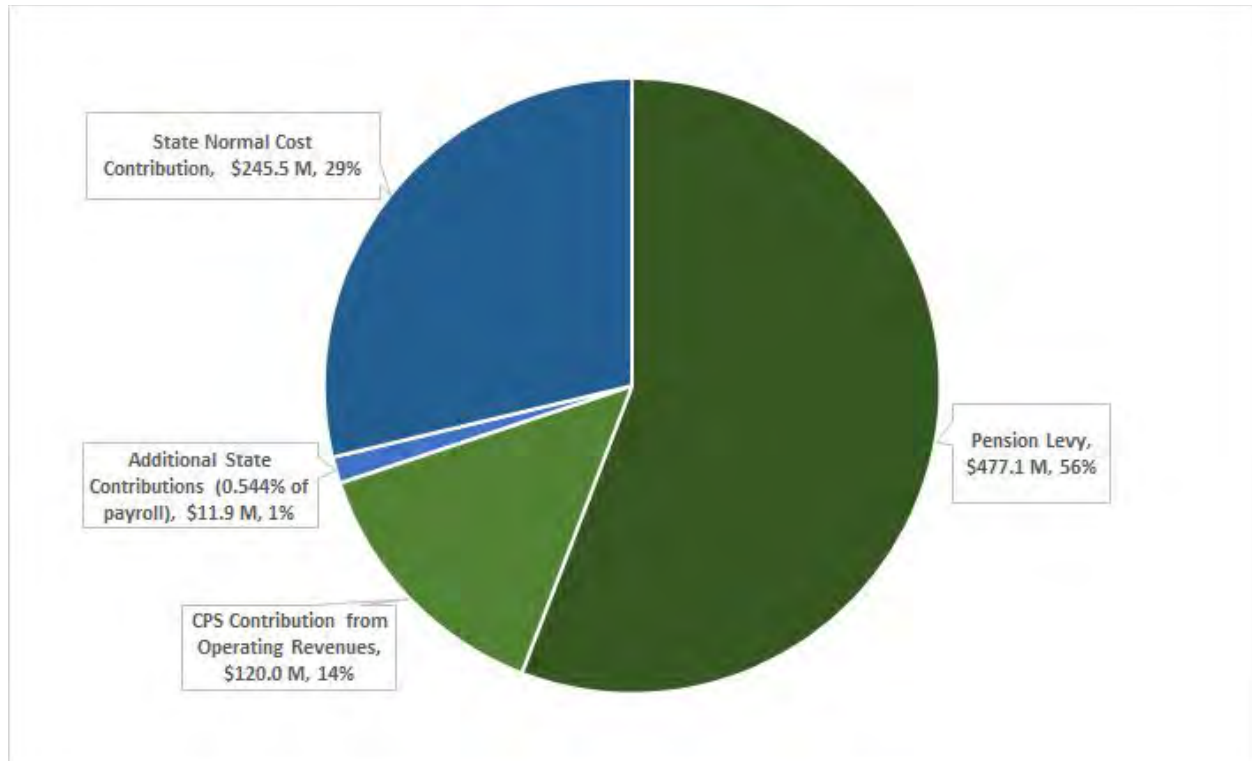
CPS is required to make an annual employer contribution to CTPF, based on an actuarial calculation, such

³ http://www.trsil.org/sites/default/files/documents/TRSFinalActuarialValuationforJune_30_2018.pdf, page 32

that the “funded ratio” of assets to liabilities in the Fund is 90% by 2059. This ramp between the present day and 2059 is enshrined in State Law, with Public Act 96-0889.

By statute, CPS is allowed to offset its contribution with funding the state contributes to the pension fund. Currently, funding includes the pension levy, state normal cost funding, state additional contributions equal to 0.544% of payroll, and diversions from other operating revenues, as shown in Chart 2.

Chart 2: Projected FY2020 Funding for Required CTPF Employer Contributions



In FY2020, CPS is projected to contribute \$597.2 million for Chicago pensions out of its own resources, with the state picking up the other \$257.3 million. Of the \$257.3 million in state funding, \$245.5 million is for CTPF normal cost, and \$11.9 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.

Revenues from the pension levy make up the majority of CPS’ contribution to the CTPF, estimated at \$477.1 million in FY2020. The pension levy was reinstated in FY2017 as part of pension reform at an initial flat rate of 0.383% of Equalized Assessed Value (EAV), which increased to the current 0.567% rate in FY2018.

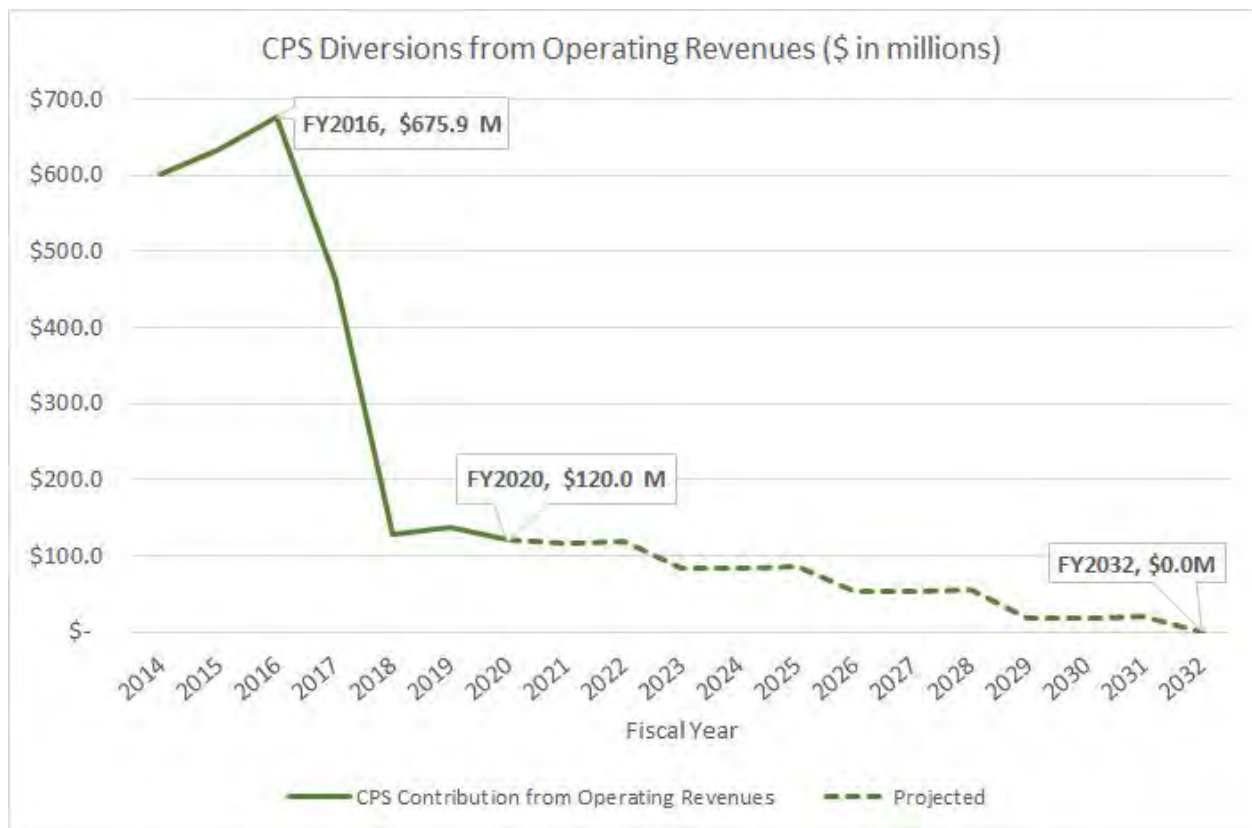
In FY2019, the flat 0.567% rate-limited levy works out to a lower effective rate of 0.511% because the property tax code states that any rate-limited levy be applied to the prior year’s base property value and the current year’s new property value. Because Chicago’s valuations have increased by upwards of 11% from 2017 to 2018, relying on last year’s property values has the effect of driving down the effective tax

rate from 0.567% to 0.511% of EAV. This creates a lag for the individual property owner, whereby a single-year increase in property tax value does not immediately translate into higher property tax costs, but instead only takes effect a year later.

Projected continued growth in Chicago’s property value from 2019 onwards means that the pension levy will generate more revenue in future fiscal years, decreasing diversions from operating revenues that could otherwise be spent directly on investments in Chicago’s children. In FY2020, diversions from operating revenues are projected to decline from \$138.6 million to \$120.0 million.

Based on the CTPF’s 2018 actuarial report and an assumption of approximately 8% growth in property values in assessment years and 2% growth in non-assessment years, CPS is on track to have no diversions from other operating revenues by FY2032. Although this represents an improvement from recent years, during which diversions from operating revenues peaked at \$675.9 million in FY2016, the costs associated with paying for CTPF contributions will continue to be significant for the foreseeable future.

Chart 3: Diversions from Operating Revenues are Projected to Continue until 2032

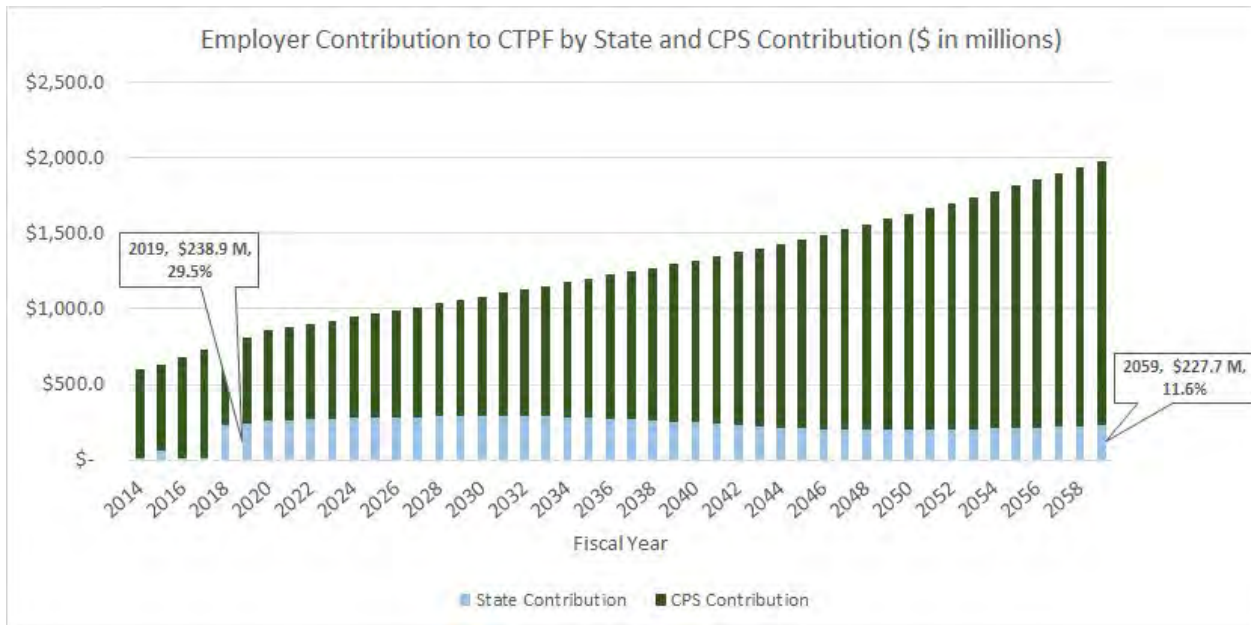


Pension Contributions by the State and by Individual Employees

As the total employer contribution costs continue to increase in accordance with the actuarially required amount to reach a 90% funding ratio of CTPF by 2059, state contributions will shrink as a total share of the overall revenues used to cover this cost, if limited to just the normal cost and the “additional” 0.544% of payroll. In FY2019, the state’s share of CTPF costs was 29.5%, and this is scheduled to decline

to 11.6% by 2059 if there is no further expansion of the CTPF’s employer cost assumed by the state. The normal cost borne by the state will gradually decline as a greater share of the workforce covered by CTPF comprises “Tier II” teachers who are entitled to a lower level of benefits. CPS is reliant on the state continuing to add funding to the Evidence Based Funding (EBF) model so that future pension costs do not prohibit us from investing in students and schools.

Chart 4: The State Share of CTPF Costs will Shrink in Future Years

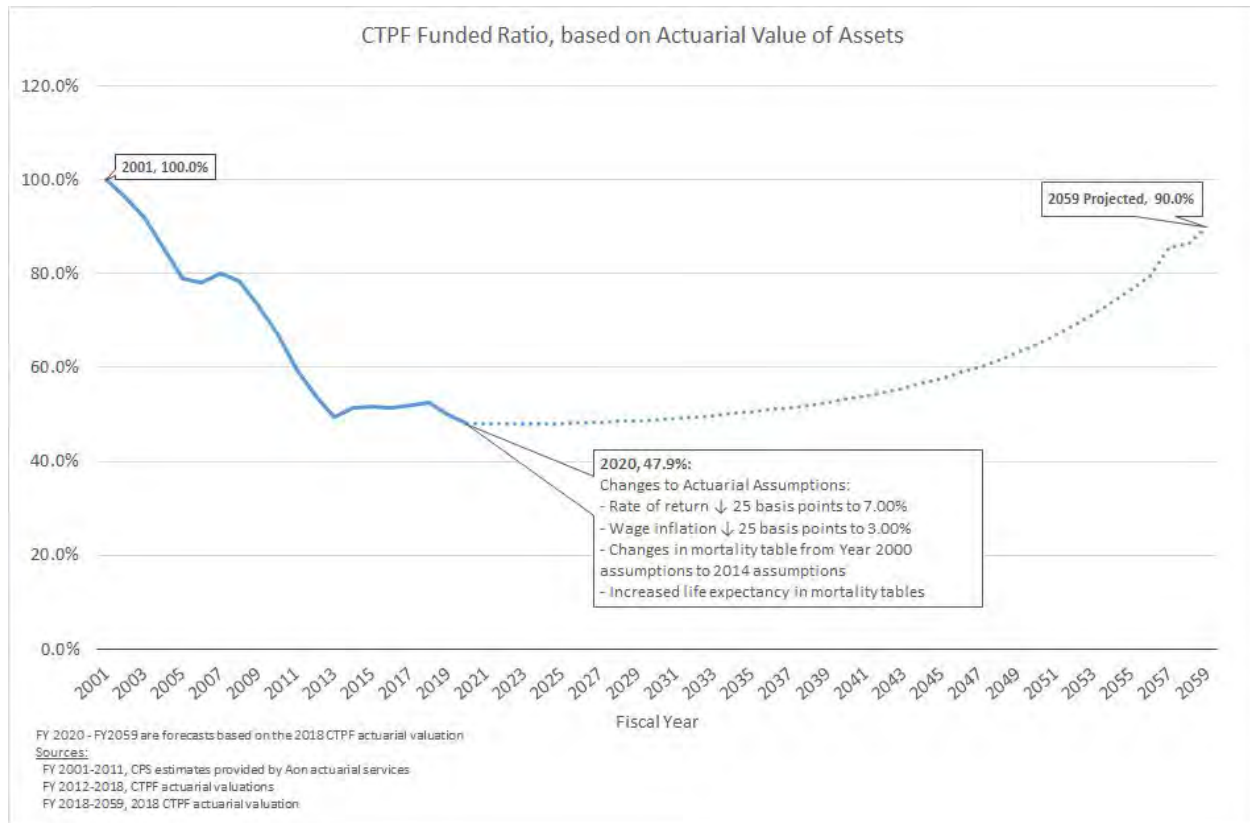


At the individual level, employees covered by CTPF are required by statute to contribute 9% of their salary to pensions (“employee contribution”). However, from 1981 through 2017, CPS paid the first 7% on the employee’s behalf in addition to its own employer contribution. Under the 2015-19 Collective Bargaining Agreement with the Chicago Teachers Union, CPS no longer pays 7% for “Tier II” 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%, 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%, below a 90% threshold, and therefore CPS was statutorily required to make employer contributions beginning in 2006.

Chart 5: CTPF Funded Ratio Has Generally Decreased Since Early 2000s (Actuarial Value of Assets)



For the FY2018 CTPF valuation, the fund made a series of changes which negatively impacted the funded ratio and grew the Unfunded Actuarial Accrued Liability (UAAL). Those changes include:

- Reduced assumed rate of return from 7.25% to 7.00%
- Reduced wage inflation assumption from 3.25% to 3.00%
- Revised mortality assumptions table for all lives from Year 2000 to 2014
- Increased life expectancy expectations
- Increased disability rates for members age 50 and older
- Projected administrative expenses at an increase of 5.75% a year for 15 years, up from 5.00%

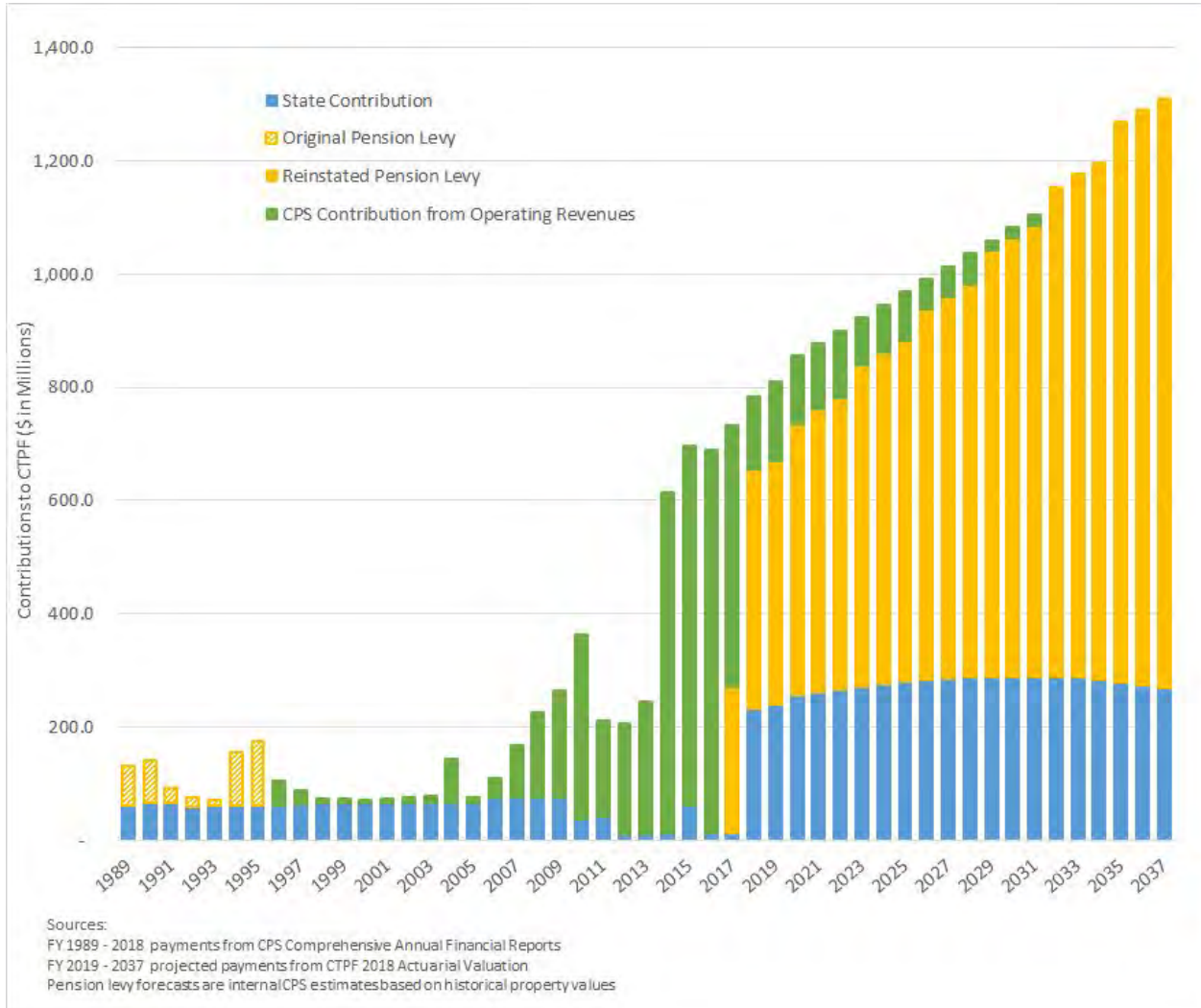
This negatively builds upon an approximate return on actuarial value of assets of 5.84%, lower than the assumed rate of return of 7.25%. As such, the certified CPS employer contributions for FY2020 is \$597.2 million, \$6 million higher than the prior year's FY2020 projection of \$590.9 million, reflecting an increase in the actuarial accrued liability of the CTPF by \$622 million.

CPS' Pension Contributions Continue to Grow

Pension contribution costs borne by CPS will continue to grow until 2059. The state's assumption of the normal cost since FY2017 will not fully fund the rising total costs of pension contributions because the normal cost is projected to decline as a share of the total employer cost. The pension levy, if assumed to stay flat at 0.567% of a property's value, should eventually help pay for CPS' entire share of the pension costs. However, long-term fiscal stability is still predicated upon the state lessening the tax

burden placed on Chicagoans by fully funding the EBF model, which will provide additional resources to CPS and other school districts that primarily educate low-income students. More discussion on the state’s EBF formula can be found in the Revenue chapter of the Budget Book.

Chart 6: CPS Employer Pension Contributions Will Continue to Grow Every Year, With the Majority Covered by the Reinstated Pension Levy



Schools and Networks

Chicago Public Schools (CPS) is building on the district’s record-setting progress by investing \$3.7 billion in school-level funding in FY2020.

FY2020 is the seventh year that CPS has used Student-Based Budgeting (SBB) to fund schools. SBB allocates funds to schools on a per-pupil basis, which helps ensure that funding is fair and equitable, as dollars follow students.

CPS is increasing the SBB rate by 2.5 percent in FY2020 to support academic programming and higher teacher salaries. The base SBB rate for FY2020 is \$4,506.93 per pupil, compared to \$4,397.00 in FY2019.

In addition to increasing the SBB rate, CPS is increasing per-student funding allocations for students from low-income households. To ensure schools can effectively support their highest-needs students, CPS is increasing the Supplemental Aid allocation (from \$910 in FY2019 to \$920 in FY2020) and maintaining total school-based Title I funding — despite declining enrollment — by raising the average per-pupil Title 1 allocation (from \$853 to \$887). CPS is also providing \$31 million in school-based Equity Grants to support 219 elementary and high schools that are experiencing continuously declining enrollment. Together, these investments will provide high quality instructional supports and resources to district schools and ensure that schools with the greatest needs are appropriately supported.

ENROLLMENT

CPS school budgets are based on student enrollment and demographics. Please see Appendix A for more information.

Budgets for SY2019–20 are based on each school’s 20th day enrollment during SY2018–19. Funding schools based on prior-year enrollment ensures that schools will not see a budget reduction in the fall, even if enrollment declines. However, if a school’s enrollment in the fall of SY2019-20 exceeds 20th day enrollment from the fall of SY2018–19, they will receive additional funding to support additional students. This model allows schools to plan confidently for the year ahead without concern for potential budget reductions and provides school-based staff greater certainty about their positions in the coming year.

Table 1: FY2019 Enrollment by School Type Used to Set FY2020 School Budgets

School Type	FY2019 20th Day Enrollment		
	Pre-K	K-12	Total
Traditional District-Run Schools	16,301	280,451	296,752
Charter Schools	286	56,771	57,057
Contract Schools	0	2,540	2,540
District Specialty Schools	1,081	1,051	2,132
District Options Schools	0	510	510

ALOP/SAFE	0	2,323	2,323
Total District Enrollment	17,668	343,646	361,314

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 toward 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 642 schools in FY2020, two fewer than FY2019. Table 2 provides the school count by type.

Table 2: Number of CPS Schools by School Type, FY2019 and FY2020

School Type	Description	FY2019	FY2020
Traditional district schools	District-run schools funded through Student Based Budgeting	499	500
Charter schools	Public schools managed by independent operators and certified under state charter law	121	118
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		644	642
ALOP programs	Programs managed by independent operators that provide educational options for students who have dropped out of school and seek to return	10	8

The following table explains the change in school count between FY2019 and FY2020.

Table 3: School Openings and Closings Between FY2019 and FY2020

School Short Name	Description	Change
Traditional District Schools		
ENGLEWOOD STEM	New School	+1
ALCOTT HS	Split of Alcott (previously K-12) into ES and HS	+1
TEAM ENGLEWOOD	Closed School	-1
	Net Change in Traditional District Schools	+1
Charter Schools		
URBAN PREP - WEST	Revocation Approved by Board	-1
YOUNG WOMEN'S LEADERSHIP	Voluntary Closure Approved by Board	-1
KWAME NKRUMAH	Non-Renewal Approved by Board	-1
UNIVERSITY OF CHICAGO - WOODSON	Voluntary Closure Approved by Board	-1
ART IN MOTION	New School	+1
	Net Change in Charter Schools	-3
	Total Net Change in Schools	-2
ALOP Programs		
BRIDGESCAPE - BRAINERD	Contract Expired	-1
BRIDGESCAPE - HUMBOLDT PARK	Contract Expired	-1
BRIDGESCAPE - NORTH LAWNSDALE	Contract Expired	-1
BRIDGESCAPE - ROSELAND	Contract Expired	-1
OMBUDSMAN - ROSELAND	New School	+1
PATHWAYS - HUMBOLDT PARK	New School	+1
	Net Change in ALOP Programs	-2

SCHOOL BUDGET OVERVIEW

The FY2020 budget contains more than \$3.8 billion budgeted at school units. The following tables show fund and position allocations by school type and funding category:

Table 4: FY2020 Funding in School Budgets, by School Type and Department (\$ in thousands)

School Type	SBB	Diverse Learners	Bilingual	Early Childhood	Other Programs	Title I & Supplemental Aid	Operations	Total
District Elementary	\$1,140,240	\$435,986	\$24,174	\$160,084	\$77,541	\$268,276	\$102,322	\$2,208,623
District High Schools	\$481,303	\$146,875	\$5,059	\$0	\$40,310	\$92,416	\$41,017	\$806,980
Charter/Contract	\$338,038	\$86,749	\$3,086	\$0	\$217,356	\$81,399	\$4,122	\$730,750
ALOP	\$9,816	\$1,715	\$109	\$0	\$5,819	\$2,888	\$0	\$20,347
Specialty	\$0	\$32,260	\$563	\$8,580	\$9,054	\$1,731	\$1,331	\$53,519
District Options	\$0	\$3,566	\$0	\$0	\$6,216	\$11,133	\$281	\$21,196
SAFE	\$30	\$30	\$0	\$0	\$1,021	\$108	\$0	\$1,189
Total	\$1,969,427	\$707,181	\$32,992	\$168,663	\$357,317	\$457,951	\$149,073	\$3,842,604

Table 5: FY2020 Positions in School Budgets, by School Type and Department (FTEs)

School Type	SBB	Diverse Learners	Bilingual	Early Childhood	Other Programs	Title I & Supplemental Aid	Operations	Total
District Elementary	10,115.0	5,558.0	341.0	1,973.0	804.0	2,426.0	2,438.0	23,665.0
District High Schools	4,294.0	1,659.0	67.0	0.0	350.0	834.0	851.0	8,055.0
Charter/Contract	0.0	0.0	0.0	0.0	0.0	0.0	108.0	108.0
ALOP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Specialty	0.0	449.0	10.0	102	9.0	5.0	28.0	633.0
District Options	12.0	32.0	0.0	0.0	0.0	3.0	6.0	53.0
SAFE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	14,451.0	7,698.0	418.0	2,075.0	1,163.6	3,268.0	3,431.0	32,504.0

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 (SBB)

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 provided Equity Grants for FY2020, which allocate an additional \$30.7 million for district-run schools with low enrollment. This supplemental funding is being provided to help ensure all schools, especially those serving a vulnerable student population, are able to offer high-quality academics in the 2019-20 school year.

In the aggregate, SBB funding for district-run schools is decreasing by \$15 million from the 20th day of FY2019. While aggregate SBB funding is down in FY20, total funding for schools has increased due to supplemental funding targeted at the district’s highest-need schools.

Table 6: FY2020 Schools and Enrollment at Traditional District Schools

Traditional District Schools	FY2019 20th Day	FY2020 Budgeted	Change	% Change
Number of schools	499	501	2	0.4
Number of K-12 students	284,376*	279,571	(4,805)	(1.69)
SBB funding, in millions	\$1,372	\$1,357	\$(15)	(1.09)

*Although school budgeting for FY2020 is based on 20th day enrollment from FY2019, 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.

Charter and Contract Schools

Charter and contract schools are public schools managed by independent operators and offer an alternative to traditional district-managed schools.

SBB is the largest portion of the general funds budget, and it is allocated to charter and contract schools . The general funds budget also includes some funding categories that are considered district-wide shared obligations, such as the unfunded pension liability. Charter and 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 charter and contract schools through non-SBB funding, rather than through citywide spending for district-run schools. This ensures that these 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 they contribute equitably to district overhead costs. For more details on how contract schools will be funded in FY2020, please see Appendix B.

The base rate for non-SBB funding is \$1,953 in FY2020.

Table 7: Projected SBB and Non-SBB Tuition Funding at Charter and Contract Schools

	FY2020 Projections
Number of schools	117
Number of K-12 students (FY19 20th day count)	58,670
SBB funding, in millions	\$338.0
Non-SBB funding, in millions	\$121.1
Administrative fees (estimated), in millions	\$(13.8)
Total general education tuition payments, in millions	\$445.3

Alternative Learning Opportunity Programs (ALOP)

Alternative Learning Opportunity Programs provide different educational options for at-risk youth who have not been consistently 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.

Four ALOP programs were not renewed by the Board of Education for FY2020, and two of those sites have been taken over by other providers to ensure students can continue to access quality ALOP programs. 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 8: Projected SBB and Non-SBB Tuition Funding at ALOP Programs

	FY2020 Projections
Number of programs	10
Number of K-12 students (FY19 20th day count)	2,602
SBB funding, in millions	\$9.8
Non-SBB funding, in millions	\$5.8
Administrative fees (estimated), in millions	\$(0.5)
Total general education tuition payments, in millions	\$15.1

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 and 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 FY2020, specialty schools will receive \$6.4 million in funding for core instruction, which represents 18.2 percent of their total budget of \$35 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 and the Office of Diverse Learner Support Services. To account for the specific needs of the diverse learners they serve, the costs of these schools are significantly higher than traditional schools when compared on a per-pupil basis.

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 school located 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 FY2020, district options schools received a core allocation of \$7.4 million for teachers and administrative positions. In addition, the schools received \$7.5 million in supplemental Title I positions to help 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 \$1.2 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

A school's FY2020 diverse learner allocations are based on the number of special education teachers and paraprofessionals needed to deliver the supports and services defined in their students' individualized education plans. Initial allocations are determined by each school's special education population as of March 2019. Allocations may be updated during the year in response to changes in student support needs.

Language and Cultural Education

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

The FY2020 budget contains \$32.5 million in supplemental funding to schools, including 264

supplemental bilingual education teachers and coaches. Bilingual education is supported by local funding and dedicated state and federal funding.

Early Childhood

The FY2020 budget contains \$273 million in funding for early childhood education and community-based programs. This includes \$201 million allocated for 361 elementary schools, with \$2.4 million budgeted for tuition-based Pre-K programs at district-run schools and \$2.7 million of Title I funding for 19 child-parent centers.

Early childhood programs serve Pre-K students, usually ages 3 and 4, and are funded from both a state grant (Preschool for All) and local funds. CPS also provides state grant 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 receiving services that will set the foundation for long-term success, CPS has expanded its investment in Early Childhood education in FY2020 and will provide an additional 123 full-day preschool classrooms in high-need communities. The expansion of full-day Pre-K is part of a four-year plan to provide all four-year-olds in Chicago with access to tuition-free early childhood education.

Other Programs

Schools that offer board-funded educational programming receive additional teaching positions or funding. 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 Table 9.

Table 9: Board Funded Programs

	Positions (FTEs)			Budget (\$ millions)		
	FY2019 Budget	FY2020 Budget	Change	FY2019 Budget	FY2020 Budget	Change
Magnet Schools	152.4	156.4	4.0	\$18.1	\$19.0	\$0.9
JROTC	145.0	148.0	3.0	\$15.5	\$15.9	\$0.4
International Baccalaureate	126.5	133.5	7.0	\$14.6	\$15.9	\$1.3
Magnet Cluster Programs	100.0	106.0	6.0	\$11.8	\$12.6	\$0.8
STEM*	50.0	57.0	7.0	\$5.8	\$6.7	\$0.9
Selective Enrollment HS	35.0	35.0	0.0	\$4.5	\$4.5	\$0.0
Montessori Programs	54.0	46.0	(8.0)	\$4.0	\$3.4	\$(0.6)
Critical Language Initiative	30.0	30.0	0.0	\$3.2	\$3.3	\$0.1
Regional Gifted Centers	20.7	24.1	3.4	\$2.4	\$3.0	\$0.6
Classical Schools	17.0	17.2	0.2	\$1.9	\$1.9	\$0.0
Regional Gifted Centers ELL	7.0	7.0	0.0	\$0.8	\$0.8	\$0.0
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	740.6	763.2	22.6	\$83.0	\$87.4	\$4.4
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*Includes grant funding

Discretionary Funds

CPS schools receive two discretionary funding sources that provide targeted support to low-income students: Supplemental Aid and Title I.

Supplemental Aid (SA) funds are distributed to schools based on the number of students 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. In FY2020, CPS increased the rate from \$910 per student to \$920, providing over \$221 million in total funding. SA follows the same spending rules as local funds, allowing greater flexibility in how funds are used.

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 89 percent of CPS schools qualify for Title I discretionary funding. Even though the district’s enrollment has decreased, CPS is maintaining school-based Title I allocations in 2019-20, which is raising the average per-student Title I allocation from \$853 to \$887.

Research has shown that students from low-income households generally require additional resources to be successful, and the increase in SA and Title I per-student funding will help ensure all of our students have the support they need to reach their potential.

Operational Expenses

Schools receive additional positions, services, and funding for various operational expenses. In FY2020, the following operational 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 by the Central Office to ensure 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 ESSA (Title I, Title II, Title III, Title IV) and the Individuals with Disabilities Education Act (IDEA). CPS must set aside federal funds to provide services to eligible private/nonpublic school students, teachers, and parents.

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

The following table shows the allocations for private/nonpublic federal programs. Funding is proportionate to the number of eligible students in each private school compared to the student’s designated CPS neighborhood school. FY2020 amounts are projections; the final amounts will be determined after the district’s FY2020 application is approved by the Illinois State Board of Education.

Table 10: FY2020 Budget for Private School Programs

Federal Program	FY2019 Budget	FY2020 Projections
Title I (Improving Academic Achievement of Disadvantaged Students)	\$18,999,805	\$20,519,625
Title II-A (Improving Teacher Quality)	\$2,942,957	\$2,561,960
Title III (English Language Learners)	\$351,658	\$417,260
Title IV-A	\$519,658	\$1,905,881
Individuals with Disabilities Education Act (IDEA)	\$2,171,830	\$1,480,974
Title I, Part D (Neglected)	\$507,839	\$577,719
Total	\$25,493,747	\$27,463,419

NETWORKS

District-run schools are organized into networks, which provide administrative support, strategic direction, and leadership development to the schools within the network. In FY2019, CPS moved from a 13-network structure to a 17-network structure to better support the unique needs of both elementary and high schools. Under the revised structure, elementary schools remained in their current networks, and high schools were placed into four new networks.

Networks are led by network chiefs who are responsible for building effective schools with strong leaders. Network chiefs play an integral role in developing professional development plans, collecting and assessing data to drive interventions, supporting schools in developing and implementing their Continuous Improvement Work Plan, collaborating on best practices with other networks, and fostering community and parental involvement. Networks are supported by deputy chiefs, data strategists, instructional support leaders, and administrative personnel. High school networks have a designated network operations manager, data strategist, and shared executive assistant.

Each network also has a social emotional learning specialist and a specialized services administrator, which appear in the budgets for the Office of College and Career Success and the Office of Diverse Learner Support and Services. All network staff report to the Office of Network Support.

There are instances where schools are exempt from network oversight. High-performing principals who are a part of the Independent School Principals (ISP) program have the autonomy to operate their schools with reduced oversight from Central Office. Academy for Urban School Leadership (AUSL) schools are also not included in the 17-network structure.

Table 11: FY2020 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	High School Network 1 (shares planning zones with elementary networks 1, 2, and 4)
15	High School Network 2 (shares planning zones with elementary networks 3, 5, 6, 7, and 8)
16	High School Network 3 (shares planning zones with elementary networks 7, 8, 9, 10, and 11)
17	High School Network 4 (shares planning zones with elementary networks 9, 12, and 13)
AUSL	
ISP	

In FY2020, consistent with prior years, each Network will receive a \$55,000 non-personnel budget for administrative expenses and professional development. Each Network receives a foundation allocation of personnel, and additional positions may be allocated based on a variety of factors including number, types, and needs of schools served. Non-personnel costs are funded through general education funds, while positions are funded through general education, Title I, and Title II funds.

Table 12: FY2020 Network Budgets

Network	Personnel	Non-Personnel	FY2020 Budget
1	\$ 1,383,380	\$55,000	\$ 1,438,380
2	\$ 1,346,276	\$55,000	\$ 1,401,276
3	\$ 1,588,336	\$55,000	\$ 1,643,336
4	\$ 1,362,859	\$55,000	\$ 1,417,859
5	\$ 1,445,942	\$55,000	\$ 1,500,942
6	\$ 1,485,035	\$55,000	\$ 1,540,035
7	\$ 1,291,691	\$55,000	\$ 1,346,691
8	\$ 1,486,210	\$55,000	\$ 1,541,210
9	\$ 1,320,840	\$55,000	\$ 1,375,840
10	\$ 1,382,434	\$55,000	\$ 1,437,434
11	\$ 1,782,429	\$55,000	\$ 1,837,429
12	\$ 1,262,663	\$55,000	\$ 1,317,663
13	\$ 1,499,192	\$55,000	\$ 1,554,192
14	\$ 389,971	\$55,000	\$ 444,971
15	\$ 481,270	\$55,000	\$ 536,270
16	\$ 547,077	\$55,000	\$ 602,077
17	\$ 386,277	\$55,000	\$ 441,277
Total	\$20,441,882	\$935,000	\$21,376,882

Department Narratives Overview

Departments within Chicago Public Schools provide, direct, and oversee resources to students, parents, families, teachers, partners, and the 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 managed and monitored by a Central Office department.

The following department narratives explain the role each department plays in the district, with a focus on how they serve students. 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, the budgets are aggregated.

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

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 96,800,444	\$ 121,722,858	\$ 121,444,524	\$ 119,148,450	\$ 121,934,864
Title Funds	\$ -	\$ 206,087	\$ 192,517	\$ 206,087	\$ 206,087
Total Department	\$ 96,800,444	\$ 121,928,945	\$ 121,637,041	\$ 119,354,537	\$ 122,140,951
Budgeted at Schools	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	\$ 96,800,444	\$ 121,928,945	\$ 121,637,041	\$ 119,354,537	\$ 122,140,951

2018 Actual Expenses are categorized by funding source (as are all other columns) to inform readers of the amount spent by the department during FY2018.

The 2019 Approved Budget reflects the original budget for each department at the beginning of FY2019. 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 2019 Ending Budget** reflects those changes.

In addition to reporting the final department budget, **2019 Projected Expenditures** reflects OBG’s estimate of the year-end spending for each department at the time of budget preparation.

The **2020 Proposed Budget** represents the amount allocated to the department for the fiscal year starting July 1, 2019 and ending June 30, 2020.

Amounts **Budgeted at Schools** are for programs that are managed by the department but whose funding is included in schools’ budgets.

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

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	839.0	839.0	839.0
Total Department	839.0	839.0	839.0
Budgeted at Schools	0.0	0.0	0.0
Grand Total	839.0	839.0	839.0

2019 Budgeted Positions reflects the original number of full-time equivalent (FTE) positions for each department at the beginning of FY2019.

2019 Ending Positions reflects any changes during the course of the fiscal year, including those caused by reorganizations or newly awarded grants that fund additional positions.

2020 Proposed Positions represents the number of FTE positions allocated to the department for the fiscal year starting July 1, 2019 and ending June 30, 2020.

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

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. OAE is dedicated to increasing student achievement by ensuring that all Chicago Public School (CPS) students have equal access to high-quality programs that fit their educational needs.

MAJOR PROGRAMS

- Manage and oversee the application, testing, selection, projection, and transfer process for all district-managed and designated charter schools and programs.
- Coordinate and execute testing for selective enrollment elementary and high schools.
- Facilitate principal discretion process for selective enrollment high schools.
- Provide training and communication about navigating the application and enrollment process, including the annual creation of the Elementary and High School Guides.
- Train clerks and counselors on best practices related to the application process.
- Coordinate the annual appeals process to ensure that all applications were accurately processed during the application period and remedy any possible CPS errors.
- Provide year-round information, guidance, and assistance regarding the application process to parents, school staff, administrators, and community residents.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$3,946,142	\$5,886,855	\$5,078,418	\$4,804,092	\$6,419,615
Total Department	\$3,946,142	\$5,886,855	\$5,078,418	\$4,804,092	\$6,419,615

Note: Increase due to two FTEs, increased spend on testing materials related to the unfunded state-mandated Accelerated Placement Act, and expansion of school marketing supports.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	18.0	18.0	18.0
Total Department	18.0	18.0	18.0

MAJOR ACCOMPLISHMENTS in FY19

- 93 percent of CPS eighth graders and their families used the GoCPS application to apply to ninth grade.
- 81 percent of students were matched to one of their top three high school choices.
- 92.2 percent of students who used GoCPS received a high school match.
- The Federal Reserve and the University of Chicago Consortium on Education Research released a study which showed that the GoCPS algorithm performed as intended.
- Extended Call Center hours to provide better customer service and easier access to information.

- Expanded school training and marketing support by hosting additional webinars and in-person trainings for school staff.

KEY BUDGET INITIATIVES for FY20

- Solicit vendor to develop a system that includes the application, offer, and waitlist modules on a single online platform.
- Purchase additional assessment material and administrators to ensure compliance with the Accelerated Placement Act.
- Purchase modern selective enrollment testing materials.
- Extend marketing and information session efforts in underserved neighborhoods to increase equity of access to information.
- Invest in new technology to expedite the paper application timeline.
- Update the GoCPS website to be more user-friendly and include additional information.

Internal Audit and Compliance

MISSION

The Office of Internal Audit and Compliance (IAC) performs independent, objective reviews to enforce accountability across the district. IAC is responsible for:

- Conducting enterprise risk assessments (ERAs) to define a risk-based internal audit plan and inform enterprise risk management strategies.
- Evaluating the effectiveness of the internal controls and business processes designed to achieve operational and financial compliance and strategic objectives.
- Assessing compliance to applicable laws, regulations, ordinances, Chicago Board of Education policies, ethics, contracts, grants, and administrative policies and procedures.
- Improving organizational efficiency and effectiveness and minimizing organizational risk by integrating leading practices and innovative business strategies.

MAJOR PROGRAMS

- **Special Projects:** Assess enterprise risk management and provide management advice and best practices to Central Office departments.
- **Audits:** Provide uniform audit coverage of high-risk areas. Central Office audits assess the internal control environment; compliance with Board policies, laws, and regulations; efficient utilization of resources; safeguarding of assets; and production of accurate, reliable, and timely data. School audits assess student safety, financial, and operational processes to determine compliance with applicable Board rules, administrative policies and procedures, and codes of conduct.
- **Enterprise-Wide Audit Check-Ups:** Conduct ongoing risk-based discussions with departments and timely follow-ups to audit findings.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 2,816,651	\$ 2,712,495	\$ 2,741,157	\$ 2,006,290	\$ 2,543,724
Title Funds	\$ 187,556	\$ 51,727	\$ 51,727	\$ 45,219	\$ -
Total Department	\$ 3,004,207	\$ 2,764,222	\$ 2,792,884	\$ 2,051,509	\$ 2,543,724

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	19.0	15.0	15.0
Total Department	19.0	15.0	15.0

MAJOR ACCOMPLISHMENTS in FY19

- Conducted an expanded ERA through an extensive and highly transparent process which consisted of 75 interviews across 31 departments. The ERA was focused on creating a culture of risk management. The ERA findings resulted in detailed risk registers and a plan to embed risk management in district-wide continuous improvement.
- Developed a cross-functional Risk Committee that bolsters data analytics, risk management processes, internal controls, and oversight around student safety and climate.
- Completed full-scope audits to meet goal of performing audits of high schools every three years and elementary schools every six years.
- Expanded school audit scope to ensure audits are more focused on student safety.
- Conducted a comprehensive travel expense reimbursement audit and identified process and policy improvements based on comparison of best practices.
- Assisted in developing payroll analytics and dashboard tool to provide capability for real-time analysis and continuous monitoring of high-risk areas.
- Expanded reporting and followed up on previous Central Office and school audits to confirm Management Action Plans are being implemented.
- Collaborated with Finance, Payroll, and the School Support Center (SSC) to lead the development of clerk and business manager training, covering topics including payroll, internal accounts, purchasing, reimbursements, fixed assets, STLS, substitute management, and more.

KEY BUDGET INITIATIVES for FY20

- Further develop the Risk Committee to continue district risk management work. Enhance analytics and dashboard to flag high-risk areas.
- Perform comprehensive audits of charter school governance and special education. Continue to complete audits as presented in FY2020 Audit Plan.
- Develop data analytics over school-based transactions and perform continuous monitoring of high-risk areas.
- Develop reporting to provide departments with timely results of school audit findings.

Board Office

MISSION

The Chicago Board of Education is responsible for the governance and oversight of Chicago Public Schools (CPS). The department establishes policies, standards, goals, and initiatives to ensure district accountability in providing a world-class education that prepares CPS students for college and career success. The Board Office supports Chicago Board of Education members in the following ways:

- Support and increase the capacity of Chicago Board of Education members to govern CPS.
- Increase public access and engagement with Chicago Board of Education members.
- Strengthen transparency of CPS policies, operations, and initiatives.
- Lead execution of all administrative responsibilities of the Board Office.

MAJOR PROGRAMS

- Administer Chicago Board of Education meetings, including releasing meeting agendas, registering speakers and attendees, recording meeting proceedings, and logging Board actions.
- Host Board member office hours to allow the public to speak with Board members regarding important issues.
- Maintain Board rules, policies, and the CPS archive.
- Execute and process contracts, agreements, and legal instruments.
- Provide supports and services to key stakeholders, including www.cpsboe.org and phone service at (773) 553-1600.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 874,859	\$ 992,484	\$ 992,484	\$ 1,020,000	\$ 1,191,237
Total Department	\$ 874,859	\$ 992,484	\$ 992,484	\$ 1,020,000	\$ 1,191,237

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	7.0	8.0	8.0
Total Department	7.0	8.0	8.0

MAJOR ACCOMPLISHMENTS FY19

- Increased the opportunity for engagement with parents, teachers, community members, and other stakeholders through school visits and office hours.
- Added a Senior Policy Analyst, which increased the Board Office’s policy research and analysis capacity, and informed new rules and policies, high-priority projects and decisions, and the guidance of key management partners.

KEY BUDGET INITIATIVES FY20

- Convert to a new document storage system to reduce annual maintenance costs by 90 percent.
- Increase the Board's analytic capacity through a new reporting project management tracking system and data dashboard.

Chief Education Office

MISSION

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

MAJOR PROGRAMS

The Chief Education Officer oversees seven offices:

- Office of Network Support (ONS) manages 17 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 result in high-quality curriculum and instruction that engages and empowers students.
- 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, offers programs that provide a route for students to achieve the State Seal of Biliteracy, and supports schools implementing Dual Language 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.
- Office of Early Childhood Education manages school-based childhood preschool programs and community-based programs for children from birth to age five.
- Office of Student Health and Wellness (OSHW) aims to eliminate health-related barriers to learning and advance child health equity in Chicago. In addition to managing district health and wellness policies, OSHW provides dental, hearing, vision, and other student health services and houses the Children and Family Benefits Unit.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,054,086	\$ 1,137,634	\$ 1,199,954	\$ 1,000,184	\$ 1,107,515
School Generated Funds	\$ -	\$ 15,000	\$ 15,000	\$ -	\$ 15,000
Total Department	\$ 1,054,086	\$ 1,152,634	\$ 1,214,954	\$ 1,000,184	\$ 1,122,515

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Education Fund	5.0	5.0	5.0
Total Department	5.0	5.0	5.0

MAJOR ACCOMPLISHMENTS in FY19

- **Support academic program expansion:** The Chief Education Office increased access to specialty programs, including those that yield college and career credentials. The SY18-19 Programmatic Request for Proposal process resulted in the largest-ever program expansion in district schools. Nearly 17,000 students at 32 schools across the city gained access to high-quality programming next school year. Programs include IB, STEM/STEAM, Fine and Performing Arts, Dual Language, World Language, Personalized Learning and Gifted.
- **Expansion of Early Childhood Programming:** The Chief Education Office supported the expansion of free, full day pre-Kindergarten (pre-K) for every 4-year old in Chicago. In the 2019-20 school year will include the addition of 100 new classrooms in 28 high-needs communities.
- **Pre-K-12 Curriculum:** The Curriculum Equity Initiative was formally launched in May of 2019. This multi-year effort ensures that teachers at all schools have guaranteed access to high-quality, culturally responsive curriculum to supplement or serve as a basis for instruction.
- **Central Office Coherence and Operational Effectiveness:** In order to ensure Central Office departments are working as effectively and efficiently as possible, and are aligned with school supports and needs, ongoing professional development continues to be provided on continuous improvement and related disciplines.

KEY BUDGET INITIATIVES for FY20

- **Curriculum Equity Initiative Implementation:** Oversee the first phases of the district's curriculum roll out design, development, and review by establishing and managing the development process and gradual release of resources.
- **Specialty Program Expansion:** Support the incubation of approved new school programs at 32 schools across the city, and launch and execute the second year of the program RFP.
- **New School Supports:** Provide supports to new and growing schools including Sor Juana, Bronzeville Classical and the New Englewood STEM High School.
- **Post-Secondary Planning:** The Chief Education Office will continue to support the implementation of Learn.Plan.Succeed. This graduation initiative is designed to guide

postsecondary success for students of all levels by ensuring that school staff engage students to develop plans for life after graduation.

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

- **Strategic management, leadership, and alignment for the five major departments within OCCS:**
 - Student Support and Engagement
 - Social and Emotional Learning (SEL)
 - School Counseling and Postsecondary Advising
 - Early College and Career Education
 - Computer Science
- **Learn.Plan.Succeed. (LPS):** LPS, the first of its kind in the country, is a district initiative created to help students plan for life after graduation. Through a combination of targeted interventions and supports, LPS helps ensure students are planning for success in college, career, and life after graduation.
- **Competency-Based Learning:** As part of Illinois’s Postsecondary and Workforce Readiness Act, Chicago Public Schools (CPS) piloted competency-based education (CBE) in six schools beginning in SY18–19. Students advance once they have demonstrated mastery and receive more time and personalized instruction, if needed. The six schools that participated in the first year of the pilot are Gwendolyn Brooks College Preparatory Academy High School, Southside Occupational Academy High School, Robert Lindblom Math and Science Academy High School, Consuella B. York Alternative High School, Benito Juarez Community Academy High School, and Walter Payton College Preparatory High School. For SY19–20, four additional schools will participate in the pilot: Disney II Magnet High School, Northside College Preparatory High School, Marie Sklodowska Curie Metropolitan High School, and Phoenix Military Academy High School.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 297,713	\$532,369	\$ 532,096	\$ 533,242	\$909,480
Other Grant Funds	\$ -	\$ 64,072	\$ 99,275	\$30,000	\$304,065
School Generated Funds	\$ -	\$ 40,737	\$ 39,170	\$41,364	\$39,440
Total Department	\$ 297,713	\$ 637,178	\$ 670,514	\$604,606	\$ 1,252,984

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	3.7	3.7	4.7
School Generated Funds	0.3	0.3	0.3
Total Department	4.0	4.0	5.0

MAJOR ACCOMPLISHMENTS in FY19

- Improved strategic planning and progress monitoring practices to drive continuous improvement.
- **Competency-Based Learning:** Implemented CBE in six schools in SY18-19. Additionally, pilot schools co-created foundational principles and frameworks of competency-based education. Teachers at each school participated in Steering Committee meetings to discuss key topics related to CBE. Professional development for teachers and administrators is ongoing, as is collaborating with students and the community to develop individual models for each school. CBE successfully collaborated with various CPS departments to better support students. Furthermore, the district embarked on a partnership with Thrive Chicago and Communities in Schools to provide engaging learning opportunities both inside and outside the classroom to demonstrably develop SEL skills.

KEY BUDGET INITIATIVES for FY20

- **Competency-Based Learning:** SEL integration will be a key element of CBE in 2020. To better support SEL integration and compensate teachers for their commitment, ten teachers will receive stipends to be coached and trained as SEL leads. Resources will also be allocated to evaluate the SEL integration model. Teachers in Cohort 1 will be paid extended time for three weeks of Mastery School over the summer in order to support students who have not reached proficiency during the school year. Over 80 teachers will receive a week of extended teacher time over the summer for curriculum planning. A CBE consultant will help build the capacity of the district and school leaders to support implementation at each of the 10 campuses piloting CBE.

Communications

MISSION

The Office of Communications promotes the district’s vision, mission, activities, and priorities, as well as aid schools by promoting their 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: Plans, manages, and executes the district’s communications to inform the public and all stakeholders about initiatives and activities of the district. The department provides proactive communication support to all departments, networks, and schools in situations involving media, digital information, and stakeholder communications.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget*
General Funds	\$ 1,127,525	\$ 1,959,593	\$ 1,632,231	\$ 1,198,725	\$ 1,593,220
Total Department	\$ 1,127,525	\$ 1,959,593	\$ 1,632,231	\$ 1,198,725	\$ 1,593,220

*FY2020 budget reduction due to one-time IT project costs budgeted in FY2019.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	14.0	14.0	15.0
Total Department	14.0	14.0	15.0

MAJOR ACCOMPLISHMENTS in FY19

- Enhanced online communication channels to help parents and the public access key information about major announcements and activities.
 - CPS’ social media accounts have grown to over 134,836 followers which represents a 25 percent increase since the start of FY19.
 - Increased the Chief Education Officer’s (CEO) Twitter following by 932% since April 2017.
 - Launched CEO’s Instagram and monthly newsletter.
- Furthered investment in video and graphical content, including an emphasis on video live streaming.
 - Facebook video views totaled nearly 1,615 hours.
 - Twitter video views totaled more than 420 hours.
- Emails delivered to parent list garnered a 43% open rate, nearly double the industry average.

KEY BUDGET INITIATIVES for FY20

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

Computer Science

MISSION

Building on the foundation of the groundbreaking CS4All initiative, the Office of Computer Science (OCS) provides access to rigorous, relevant computer science courses and facilitates the development of high-quality computer science (CS) learning environments that incubate innovative thinkers, creativity, and collaboration. The goal of OCS is to increase student preparedness for the 21st Century by expanding access to computer science and implementing the computer science graduation policy.

MAJOR PROGRAMS

- **High School Computer Science Graduation Requirement:** Starting with the class of 2020, all high school students throughout Chicago Public Schools (CPS) must complete one unit of computer science. OCS facilitates this requirement and ensures schools and educators have the proper supports to implement the requirement for the class of 2020 and beyond.
- **Elementary School Computer Science Curriculum and Teacher Development:** In an effort to increase access to quality computer science education in Pre-K–8 , OCS has identified key curricula and professional development opportunities that will support the teaching, learning, and development of sustainable computer science integration and experiences at district elementary schools.
- **Computer Science Teacher Training:** OCS coordinates training for approximately 90 high school teachers in computer science curricula every year through professional development and tuition support for in-service teachers pursuing a CS Endorsement. OCS also runs an extensive coaching program for novice computer science teachers.
- **Center for Excellence in Computer Science Education:** The Center for Excellence in Computer Science Education (the Center) is a partnership between Apple, CPS, and Northwestern University. The Center, which is located at Lane Tech High School, serves as an innovation hub for coding and computer science learning for both students and teachers. The Center supports Apple’s Everyone Can Code initiative which provides CPS students a pipeline to postsecondary CS opportunities and careers in coding and app development through coding clubs, summer internship opportunities for CPS high school students. In addition, students have the option to pursue dual credit and dual enrollment opportunities with City Colleges of Chicago.
- **1Million Project:** This program provides free internet-accessible devices to students who have insufficient access at home with the goal of increasing their ability to complete homework and prepare for the SAT via access to Khan Academy. The original goal was to provide 25,000 devices to CPS students over a span of five years. The 1Million Project Foundation has since decided to continue the program for as long as it is deemed useful to districts across the country.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 193,507	\$ 498,315	\$ 545,540	\$550,217	\$ 665,087
Title Funds	\$133,563	\$ 248,885	\$ 248,885	\$262,113	\$ 256,995
Other Grant Funds	\$1,237,495	\$1,634,800	\$2,599,295	\$1,292,659	\$ 1,977,595
School Generated Funds	\$ 1,248	\$ -	\$ 576,432	\$225,893	\$234,503
Total Department	\$ 1,565,812	\$2,381,999	\$ 3,970,152	\$2,330,882	\$3,134,179

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	3.0	3.0	4.0
Title Funds	2.0	2.0	2.0
Other Grant Funds	10.0	10.0	10.0
School Generated Funds	0.0	2.0	2.0
Total Department	15.0	17.0	18.0

MAJOR ACCOMPLISHMENTS in FY19

- 80 percent of high schools, which is a total of 89 schools, now offer an approved CS course that counts towards graduation requirements.
- Enrollment in AP Computer Science Principles doubled to approximately 1,200 students.
 - Four CPS high schools were awarded the first-ever Female Diversity Award from the College Board for achieving high female representation in AP Computer Science Courses.
- Funded cohorts of CS teachers who are working towards earning an ISBE-approved CS endorsement. Approximately 30 CPS teachers are enrolled in the endorsement program with Northeastern Illinois University and Illinois State University.
- Facilitated numerous professional development sessions and created a robust Peer Coach model. Over 30 teachers received one-on-one coaching, both in person and remotely through the use of videotaping tools.
- Approximately 200 elementary schools implemented CS in at least one grade and 157 elementary school teachers attended professional development this year.
- In collaboration with UChicago STEM Education, CPS launched pilots of CS curriculum with 47 educators.
- As part of the 1Million Project, 3,848 devices were delivered to high schools, in addition to the 6,295 devices delivered in SY18 to students who did not have reliable internet access at home.
- The Center recruited 28 teachers fellows who have begun training in App Development with Swift programming language at Truman College in Chicago.

KEY BUDGET INITIATIVES for FY20

- Support and increase the number of high schools implementing the CS graduation requirement.
- Work to increase and diversify enrollment in AP Computer Science and in other intermediate level computer science courses.
- Build teacher capacity via extensive professional learning and through additional teacher cohorts seeking the CS credential.
- Expand the peer coaching model to reach more high school teachers and expand the model to K–8 schools.
- Expand CS offerings at the elementary school level with a goal of reaching 75 percent of elementary schools offering a CS course in five years.
- Expand projects supported by the National Science Foundation grant, including:
 - The Bridges program, which integrates computational thinking into high school math and science.
 - The development of hybrid-online CS curricula to provide additional options for student credit recovery, students in temporary living situations, and justice-involved youth.
 - The creation of a CS placement exam.
- 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.

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 every diverse learner receives 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:** 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, customization, training, and repair. City-wide 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:** Provide guidance for special education and limited general health requirements, as well as medical compliance and direct and indirect mandated IEP/504 services. ODLSS 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 city-wide 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 Chicago Public Schools (CPS), as well as students who are parentally placed in private Chicago schools, or who reside in Chicago, or both. The CATs also consist of city-wide teachers and RSPs who conduct child find activities and developmental screenings. City-wide 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. ODLSS 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 CPS educators so 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 coach special education teachers and provide instructional guidance for each network. In addition, professional development is offered to all special education teachers and general education teachers on best practices regarding inclusionary instruction and quality indicators for cluster programs. The goal is to provide coaching and professional development in each network and on an ongoing basis to support positive academic outcomes for special education students.
- **Procedures and Standards:** ODLSS is responsible for ensuring the district's compliance with federal and state laws governing the identification, evaluation, placement, and provision of a free and appropriate public education, including procedural safeguards, for students with disabilities. The Procedures and 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 and 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 and Standards unit 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:** ODLSS provides financial and operational support to schools, networks, and central office departments, including the 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 students with disabilities.
- **Professional Development:** ODLSS is responsible for designing, coordinating, and implementing all ODLSS professional development and follow-ups, which include 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 support and feedback to ensure that the implementation of professional development is effective and promotes systemic change in instruction. Professional development helps build professional capacity to support increased student growth, development, and 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

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 177,316,559	\$ 229,263,745	\$ 239,608,606	\$ 231,818,905	\$ 249,313,019
Other Grant Funds	\$ 16,776,945	\$ 21,136,655	\$ 18,536,465	\$ 16,048,430	\$ 18,062,124
School Generated Funds	\$ -	\$ -	\$ 1,000	\$ -	\$ -
Total Department	\$ 194,093,504	\$ 250,400,400	\$ 258,146,071	\$ 247,867,335	\$ 267,375,143
Budgeted at Schools	\$ 226,008,029	\$ 598,789,613	\$ 604,566,088	\$ 595,317,709	\$ 707,180,882
FY20 Post Budget Allocations	\$-	\$-	\$-	\$-	\$ 11,782,230
New Priority Investments for FY2020 - Nurses, Social Workers, Case Managers	\$-	\$-	\$-	\$-	\$ 10,000,000
Grand Total	\$ 420,101,533	\$ 849,190,013	\$ 862,712,159	\$ 843,185,044	\$ 996,338,255

- 1) In FY2019, charter schools received the majority of their special education funding as part of their Per Capita Tuition Charge (PCTC) per-pupil allocation rather than through ODLSS. In FY2020, the charter school funding model changed and special education funding is delivered through ODLSS, adding \$64 million to the FY2020 budget.
- 2) Initial school budgets were released on March 25, 2019 and reflected a \$22 million increase in teacher and paraprofessional positions above original FY2019 school budgets. An additional \$11.8 million in teacher and paraprofessional positions have been added since the budget release.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	1,475.2	1,708.4	1,708.4
Other Grant Funds	161.4	123.1	129.1
Total Department	1,636.6	1,831.5	1,837.5
Budgeted at Schools	7,609.9	8,077.4	7,677.9
FY20 Post Budget Allocations*	-	-	173.0
New Priority Investments for FY2020 - Nurses, Social Workers, Case Managers	-	-	95.0
Grand Total	9,246.5	9,908.9	9,783.4

Note: School-based teacher and paraprofessional positions added following the March 2019 school budget rollout due to new and/or changing student needs and appeals.

MAJOR ACCOMPLISHMENTS in FY19

- Expanded school-based positions and supports to bolster academic and social-emotional support for diverse learners in high-need schools. These included:
 - Added 160.0 FTE social worker positions
 - Provided 94.0 FTE special education case manager positions at 78 schools
 - Increased related service providers by 11.0 FTE, including speech pathologists, occupational therapists, and assistive technology technicians
- Expanded translation services to support equity and access to all students and their parents as it relates to special education process and procedures; as a part of this effort, the Procedural Manual has been translated into five different languages.
- Provided over 75 professional development opportunities across the district for teachers and staff related to special education topics including curriculum and instruction, co-teaching, behavior and instructional strategies, IEP writing and goal setting, and progress monitoring.
- Expanded parent engagement strategies and opportunities, including:
 - Hired four Parent Involvement Specialists to directly support families by helping them navigate the IEP process at their schools.
 - Established a Parent Advisory Committee that meets on a monthly basis to advise the district on policies, systems, and communication to better support families.
 - Provided Parent University training to 261 parents and guardians on Know Your rights, the IEP evaluation process, transition programming, and other critical topics. These trainings took place at Parent Universities across the city from January 2019 through the end of the school year.
- Continued collaboration with ISBE to ensure the district is providing the strongest possible education to students.

KEY BUDGET INITIATIVES for FY20

- Increasing staffing levels in key student support positions, such as social workers, special education case managers, and nurses:
 - Hire additional 35 social workers during SY19-20
 - Hire additional 30 nurses during SY19-20
 - Hire additional 30 special education case managers
- Increasing number of network-based administrative and support positions, including:
 - Special Education Administrators to lead instructional quality efforts in our cluster and Early Childhood classrooms
 - Behavioral Support Team Technicians that provide schools with much needed guidance with students that have challenging behavioral needs
 - Related Service Provider Managers
- Working to reduce vacancies for school-based staff through continued recruitment efforts, including:
 - Working with the Talent Office to expand university partnerships and teacher residencies;

- Continuing partnership with Lewis University to provide Health Service Nurses an opportunity to earn credentials to become Certified School Nurses;
 - Partnering with Talent to have joint ODLSS/Talent representation at job fairs and trade shows in Illinois; and
 - Partnering with Talent to make early offers for all RSP disciplines.
- Launching guidance for educators to create effective and inclusive instruction for students with special needs. The guidance document will be utilized by network and school staff, and also by the CPS team designing the Curriculum Equity Initiative.
- Implementing an intensive structured literacy plan in approximately 30 schools across the district to support early literacy and targeted instruction for students with specific reading needs, in partnership with the Office of Teaching and Learning.
- Continuing collaboration with the Office of Language and Culture to provide a five-part learning module designed to better support students dually identified as Diverse Learners and English Learners.

Early Childhood Education

MISSION

The Office of Early Childhood Education (OECE) is committed to engaging Chicago Public Schools (CPS) 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:** Provide high-quality full- and half-day preschool programs for primarily at-risk children ages three through five in CPS buildings. Students are taught by appropriately certified teachers and teacher assistants.
- **Child Parent Centers (CPCs):** 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 workday. The program class size is 20 students and is offered in nine classrooms at seven sites. Schools must identify exactly 20 families that are in need of these services and are able to pay the tuition. The costs for these programs are fully covered by the tuition charged to families.

Community Partnership Programs

- **Community-Based Preschool for All, Prevention Initiative, and Home Visiting Programs (birth—five years old):** In SY19–20, CPS will sub-grant a portion of the Illinois Early Childhood Block Grant to the Chicago Department of Family and Support Services (DFSS) to give funding and oversight to community-based organizations providing preschool, prevention initiative, and home-visiting services to 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.

Intergovernmental Agreement for the Early Learning Investment Program: DFSS and CPS have an agreement to invest in high-quality early childhood education for students most in need by supporting 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 West Side	20
Near West Side	20
North Lawndale	20
Rogers Park	20
Roseland	40
Woodlawn	20
Total	500

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 514,862	\$ 4,989,858	\$ 1,089,493	\$ 372,540	\$728,019
Title Funds	\$ 30,867	\$31,156	\$ 31,156	\$32,707	\$32,083
Other Grant Funds	\$ 78,899,609	\$87,437,062	\$78,971,556	\$72,873,045	\$ 103,630,410
School Generated Funds	\$ 2,631	\$ -	\$ 14,850	\$ -	\$ -
Total Department	\$79,447,969	\$ 92,458,076	\$ 80,107,055	\$ 73,276,375	\$104,390,512
Budgeted at Schools	\$141,516,100	\$ 167,734,494	\$ 151,095,537	\$ 156,527,951	\$ 182,775,336
Grand Total	\$ 220,964,069	\$260,192,570	\$ 231,202,592	\$ 229,806,243	\$ 287,165,848

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	1.0	1.0	3.5
Title Funds	0.3	0.3	0.3
Other Grant Funds	35.8	28.6	26.3
Total Department	37.1	29.9	30.0
Budgeted at Schools	1958.2	1917.7	2141.2
Grand Total	1995.3	1947.6	2171.2

MAJOR ACCOMPLISHMENTS in FY19

- Standardized quality across CPS preschool programs by implementing the Chicago Early Learning Preschool Program Standards in 232 elementary schools, ensuring all programs across the district are high quality regardless of funding source.
- Increased access to full-day early childhood education in an additional 196 classrooms during SY18–19, a 52 percent increase from the previous school year.
- Implemented a successful School Verification Pilot in two networks, which reduced application and enrollment barriers by allowing families to verify required documentation and register at school, rather than go to a Family Resource Center. Additionally, roaming teams were sent into at-risk communities to assist with application and verification.
- In August 2018, the sixth annual Ready...Set...Teach! Summer Institute offered over 1,400 preschool through second grade teachers, teacher assistants, and district and community-based organization staff over 100 professional development sessions on topics ranging from assessment systems to play-based learning. Every participant walked away from the institute 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.
- 2018 was the third year OECE collaborated with DFSS to host a Chicago Early Learning Parent Conference, which offered 1,000 current and prospective parents, families, guardians, and caregivers of preschool students 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 a second language supports, diverse learning needs, and a range of services provided by partner non-profit agencies.
- In February 2019, the second annual Ready...Set...Teach! Winter Institute served over 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 early childhood educators, administrators, and support staff who work with students from birth through second grade. This event builds on the Summer Institute collaboration to create a cohesive approach to early learning.

KEY BUDGET INITIATIVES for FY20

- Expand preschool classrooms by adding an additional 123 new classrooms in high-need communities as part of Universal Pre-K initiative.
- Allocate costs of preschool programs based on multiple funding sources.
- Allocate costs of preschool programs based on students' program and funding source eligibility; student-level funding has allowed us to ensure each grant is paying its fair share of program expenses.
- Increase non-personnel funds allocated to schools to facilitate additional collaboration between principals and early childhood teachers in purchasing materials that would most benefit each individual preschool program.
- Provide additional professional development opportunities for school-based staff to support implementation of universal preschool.
- Increase full-day teacher prep support allocation from \$7,000 to \$8,500 per classroom. Prep support is discretionary funding to schools in order to help provide prep periods for classroom teachers. Schools are able to use the funding for art and music teachers, additional assistants, parent workers, and other supports that allow the classroom teacher time for a prep period.

Early College and Career Education

MISSION

The mission of the Office of Early College and Career Education (ECCE) is to provide access and support for rigorous, college-level, hands-on, and career-focused courses; facilitate the design and implementation of high-quality STEM learning environments; and establish secondary-to-employment pipelines that accelerate Chicago Public Schools (CPS) students towards postsecondary success by offering college credit, professional credentials, and the soft skills needed to succeed in college, civic life, and the 21st century labor market.

MAJOR PROGRAMS

- **Career and Technical Education (CTE):** Engage students in advanced, career-focused curriculum, industry certification opportunities, and work-based learning to drive increased graduation, college enrollment, and employability rates to ensure students have access to multiple pathways for postsecondary success.
- **STEM Supports:** Implement the following goals in nine Early-College STEM Schools (ECSS): increase the number of students that graduate with Early College Credit, increase the number of students who graduate college-ready in math and science, and increase the number of students that graduate with an AS/AAS in IT.
- **Early College Support:** Focus on providing educational options for students to gain college credits, experiences, and rigor while in high school. This work includes: ECSS, dual credit, dual enrollment, and CTE Articulation Agreements.
- **City-Wide Programs:** Support city-wide training programs such as Chicago Builds, Chicago Police and Firefighter Training Academy, and Cooperative Education, which provide CPS students with expertise and career pathways after graduation.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 867,372	\$ 1,049,680	\$ 1,035,274	\$ 1,035,274	\$2,001,540
Title Funds	\$ 6,815	\$ 65,000	\$ 65,000	\$32,500	\$ 65,000
Other Grant Funds	\$ 5,0574,350	\$ 10,680,374	\$ 7,045,491	\$7,045,491	\$10,748,851
School Generated Funds	\$ 227,150	\$ 71,710	\$172,214	\$ 157,448	\$142,409
Total Department	\$ 6,675,686	\$ 11,856,764	\$8,307,979	\$8,270,713	\$12,957,799
Budgeted at Schools	\$ 4,200,745	\$ 525,957	\$4,596,384	\$3,530,436	\$158,208
Grand Total	\$10,876,431	\$ 12,382,721	\$12,904,363	\$11,801,149	\$13,116,007

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	2.0	3.0	5.0
Other Grant Funds	36.0	32.0	47.0
Total Department	38.0	35.0	52.0
Budgeted at Schools	5.6	5.6	1.2
Grand Total	43.6	40.6	53.2

MAJOR ACCOMPLISHMENTS in FY19

- Increased CTE program offerings in schools that serve diverse learners by offering Web-Design at Graham High School and Culinary Arts at Northside Learning Center.
- Increased access to dual credit by adding 15 new schools, which represents a 20 percent increase in the number of schools that offer dual credit from the previous year.
- Took measures to ensure department alignment with Perkins V re-authorization.

KEY BUDGET INITIATIVES for FY20

- Continue to support the expansion of Early College STEM High Schools through the program application process.
- Continue expansion of CTE services to support and align with CPS Networks.
- Increase in high-skill, high-wage, and in-demand work-based learning opportunities.

Equity Office

MISSION

The Equity Office develops, supports, implements, and reports district efforts to eliminate the opportunity gaps in education quality, policies, and supports for Chicago Public Schools (CPS) students and educators.

MAJOR PROGRAMS

- **Great Expectations Mentorship Program:** Coordinate and support a leadership pipeline for African American male and Latinx leaders.
- **Supporting Schools and Departments:** Highlight district and school progress toward achieving equity. In connection with the Five-Year Vision, the Equity Office assists schools and departments with goals and monitoring tools to achieve equitable outcomes.
- **Equity Learning Experiences:** Develop equity learning opportunities for stakeholders.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ -	\$ 1,021,209	\$ 1,042,627	\$ 499,000	\$ 1,280,258
Title Funds	\$ -	\$ -	\$ 26,271	\$ 26,271	\$ 25,363
Total Department	\$ -	\$ 1,021,209	\$ 1,068,898	\$ 525,271	\$ 1,305,621

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	4.0	5.0	7.0
Total Department	4.0	5.0	7.0

Note: Increase due to added resources for the Great Expectations Mentorship program and 1.0 FTE added during FY19.

MAJOR ACCOMPLISHMENTS in FY19

- Established the Office of Equity by hiring a Chief Equity Officer, Equity Data Strategist, Equity Policy Strategist, Equity Achievement Specialist, and Executive Assistant.
- Conducted a listening tour to learn about CPS stakeholder perspectives on what is needed to achieve equitable outcomes throughout the district.
- Collaborated with the Chief Education Officer and Law departments to develop Board policy review process.
- Collaborated with the Chief Operating Officer to ensure FY2020 budget was reviewed through an equity lens.

KEY BUDGET INITIATIVES for FY20

- Collaborate with district offices to ensure policies and procedures are examined through an equity lens.
- Collect best practices across CPS to inform and populate the CPS equity framework.
- Provide equity professional learning opportunities for educators and staff members.
- Create and implement an African American and Latinx male equity plan.

Chief Executive Office

MISSION

The Chief Executive Office is responsible for ensuring that Chicago Public Schools' (CPS) mission of providing a high-quality education to every child in every neighborhood is realized, steering innovations that improve academic outcomes and ensuring organizational stability.

MAJOR PROGRAMS

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

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$1,215,229	\$1,296,314	\$1,300,334	\$1,361,423	\$1,329,399
Total Department	\$1,215,229	\$1,296,314	\$1,330,334	\$1,361,423	\$1,329,399

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	8.0	8.0	8.0
Total Department	8.0	8.0	8.0

KEY BUDGET INITIATIVES for FY20

- Align resources to equitably serve students across the district and enhance educational outcomes based on need.
- Increase district-wide fiscal stability by adopting strategies that eliminate inefficiencies, streamline operations, and reduce non-classroom costs. Promote policies and initiatives that maximize classroom resources.
- Provide all students the opportunities they deserve and 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.
- Continue to support cycles of Continuous Improvement across Central and Network Offices to align goals, create more targeted performance indicators, and ensure all district work benefits schools.

- Continue to foster a school-centered mindset for Central Office staff that is oriented toward high quality customer service.

External Affairs and Children First Fund

MISSION

The mission of the Office of External Affairs and the Children First Fund (CFF) is to promote the growth and success of Chicago Public Schools (CPS) through philanthropy and partnerships by working to align the generosity of Chicago to the advancement of the CPS Five-Year Vision.

MAJOR PROGRAMS

- **Fundraising:** Proactively pursue funding from external donors and partners that align to the CPS Five-Year Vision and facilitate unsolicited awards. The distribution of awards varies; generally, awards from the philanthropic and corporate community go directly to the CFF and federal grants go directly to CPS.
- **Competitive and Federal Grants:** Work with CPS to provide grant development and management support, including analyzing RFPs and writing, reviewing, revising, finalizing, and submitting federal and private grant applications and reports.
- **Communications:** Share stories about partnerships between the CFF and the philanthropic and business communities on the CFF website, social media, and newsletter.
- **Partnerships:** Serve as knowledge hub and liaison between CPS and its community of partners including businesses, foundations, hospitals, higher education, and cultural institutions.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ -	\$ 952,379	\$ 960,603	\$ 803,294	\$ 1,352,082
School Generated Funds	\$ -	\$ -	\$ -	\$ -	\$ 234,409
Total Department	\$ -	\$ 952,379	\$ 960,603	\$ 803,294	\$ 1,586,491

Note: External Affairs/CFF was established halfway through FY19. The FY20 cost represents the annualization of the position costs.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	11.0	8.0	10.5
School Generated Funds	0.0	0.0	1.5
Total Department	11.0	8.0	12.0

MAJOR ACCOMPLISHMENTS in FY19

- **CFF Re-Launch:** Hosted an engagement event informing donors and partners about the district's accomplishments and upcoming priorities from Chief Executive Officer Dr. Janice K. Jackson and facilitated conversations about the CPS Five-Year Vision with various academic chiefs and leaders.

KEY BUDGET INITIATIVES for FY20

- Establish the CFF as a locally and nationally known independent platform celebrating progress and successful partnerships that positively impact schools.
- Continue to increase CPS efficiency in managing partnerships and centralize external partner engagement and philanthropic requests to ensure donations and partnerships succeed.

Facility Operations and Maintenance

MISSION

The Facilities Operations and Maintenance Department is dedicated to ensuring Chicago Public Schools' (CPS) buildings are safe, warm, and dry. The department also assists school-based staff with the day-to-day physical operation of their buildings which includes working with schools to reduce their energy consumption.

MAJOR PROGRAMS

- **Integrated Facilities Management (IFM):** Under the IFM model, schools receive engineer and custodial services, interior 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.
- **Capital Planning Office:** Manages the district's complex capital program, conducts cost estimations, processes invoices, and conducts long-term facility needs assessments.
- **Energy Management:** Develops projects to reduce the overall consumption of energy usage and spend in each school, as well as strategically plan the procurement of natural gas and electricity.
- **Waste Removal and Recycling:** Manages trash and recycling services for schools and district offices including collection, disposal, and equipment necessary for collection. Each school has waste and recycling dumpsters appropriate for building size and capacity.
- **Real Estate:** Manages the district's property sales, purchases, and occupancy.
- **CPS Warehouse:** Facilitates the collection and recycling of unused equipment, furniture, educational materials, and other assets for district schools and administrative offices.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$262,311,557	\$356,935,679	\$400,960,522	\$376,145,626	\$367,243,777
Lunchroom Funds	\$26,894	\$58,742	\$13,645	\$750	\$-
Other Grant Funds	\$786,969	\$1,497,467	\$1,530,667	\$849,138	\$1,784,143
School Generated Funds	\$134,437	\$560,620	\$1,005,497	\$531,209	\$689,224
Total Department	\$263,259,957	\$359,052,508	\$403,510,331	\$377,526,723	\$369,717,145

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	883.0	900.0	913.0
Other Grant Funds	6.0	8.0	8.0
Lunchroom Funds	1.0	0.0	0.0
Total Department	890.0	908.0	921.0

MAJOR ACCOMPLISHMENTS in FY2019

Capital Planning

- Managed the construction of two new facilities, TAFT Freshman Academy and Englewood STEM School, anticipated to open during the fall of SY19–20
- Opened eight annexes.
- Completed the first stage of the masonry restoration program.
- Designed and bid 28 state-of-the-art science labs.
- Renovated over 100 classrooms in support of the district’s universal pre-K program.
- Implemented new project management tools to improve project reporting and transparency.

Asset Management

- Onboarded a third-party auditor to support accountability of IFM vendors.
- Performed internal audits on IFM work to determine success of engineering and custodial program.
- Brought a significant amount of elevators into compliance with the Department of Buildings standards, which are repairs and inspections housed within the department.
- Launched new water flushing program to ensure high water quality standards.
- Launched Phase II of the water quality testing initiative.
- Surveyed and remediated all identified potential mercury-based instructional instruments within the district.
- Launched IFM Phase III, providing 100 percent of the district with IFM via CPS vendors, Aramark/SodexoMagic.
- Implemented approximate building manager-to-school ratio of 1:5 for 100 percent of the district; the previous ratio was approximately 1:30.
- Initiated Key Performance Indicator tracking across all IFM contracts.

Warehouse and Distribution Services

- Collected furniture donations from corporate partners, including the Chicago Bears, Chicago White Sox, Chicago Bulls, Libman, Office Depot, and Scholastic.
- Implemented metal recycling services.
- Held four well-attended and successful furniture fairs.
- Completed over 100 surplus furniture pickups.

Real Estate

- Generated \$3 million in revenue through property sales.
- Negotiated parking rate reduction, resulting in a four-year savings amount of over \$400,000.
- Processed over 500 special event agreements.

KEY BUDGET INITIATIVES for FY2020

Capital Planning

- Assess and address schools with critical needs for new roofs and mechanical systems.
- Develop program space for 32 new STEM, STEAM, and International Baccalaureate programs.
- Add and improve over 200 additional classrooms for the universal pre-K program.
- Provide state-of-the-art science labs to 30 high schools.

Asset Management

- Perform life-safety elevator upgrades to ensure all schools meet City of Chicago fire code compliance.
- District-wide replacement of expired and/or recalled AED units, and set up annual maintenance program to be proactive in the future.
- Assess, maintain, and increase cleanliness levels by involving principal input and adding additional evaluations, custodians, and custodial managers when necessary. CPS is mandated to uphold cleanliness levels in accordance to the APPA Level 2 guidelines per the IFM contract agreement.
- Reduce the number of schools assigned to each engineer to increase efficiency and the amount of attention given to each building.
- Implement an overarching Computerized Maintenance Management System to gain more insight into IFM work orders and track-to-asset life.
- Upgrade Building Automation System to improve heating and cooling efficiency in buildings.
- Address major fire systems deficiencies, such as replacing nonfunctional fire panels.
- Replace inoperable vehicles to increase warehouse efficiency.
- Implement a table and chair rental program to better assist schools with events, such as graduation ceremonies and dances.

Warehouse and Distribution Services

- Develop the Decluttering Program to offer schools an off-site storage location by transforming the warehouse into a storage facility.
- Revamp the Lending Library initiative by allowing schools and departments to borrow tables and chairs from the warehouse for events, such as graduation ceremonies and college fairs.
- Address Occupational Safety and Health Administration standards and safety deficiencies by receiving the appropriate signage, floor stripping, and loading dock stripping.
- Provide additional storage support to CPS schools and departments.
- Increase productivity by updating equipment.

Real Estate

- Identify opportunities for rental reductions.
- Implement online school rental program to streamline school space rentals.
- Determine best use for surplus property and whether re-purposing is a viable option.

Family and Community Engagement in Education

MISSION

The office of Family and Community Engagement in Education (FACE²) works to empower students, teachers, and parents to ensure families and communities have an active voice in their child's educational experience. FACE² works to empower families through outreach, events, whole-family educational opportunities, and community and faith-based partnerships.

MAJOR PROGRAMS

- **Back-to-School Campaign:** An aggressive grassroots approach to building awareness and preparing families for the first day of school.
- **Parent University, Parent Training, and Parent Engagement Centers:** Centers that provide parents and community members with experiences intended to support a new outlook on education and the learning process that will transfer into positive outcomes for students. Services include GED classes, technology, and health and wellness classes.
- **Parent Engagement:** Creating an authentic academic atmosphere by leveraging digital platforms that support learning and engage parents to give them a greater understanding of their child's 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 at no cost after school, and during winter, spring, and summer breaks.
- **Community Engagement & Community Relations:** Facilitate meetings and workshops through Community Action Councils (CACs) that aid the development of community-specific educational plans.
- **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.
- **CPS Connects:** Provides virtual and in-person opportunities for students to take ownership over their 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

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 3,312,706	\$ 3,994,438	\$ 4,018,180	\$ 3,672,076	\$4,133,664
Title Funds	\$705,382	\$ 1,392,985	\$ 1,392,985	\$ 930,000	\$1,304,242
Other Grant Funds	\$709,381	\$ 805,651	\$ 822,173	\$ 820,973	\$400,000
Total Department	\$ 4,727,469	\$ 6,193,074	\$ 6,233,339	\$ 5,423,049	\$5,837,906

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	21.0	22.0	24.4
Title Funds	12.0	12.0	11.6
Total Department	33.0	34.0	36.0

MAJOR ACCOMPLISHMENTS in FY19

- 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.
- For the first time in at least a decade, hosted five CEO community town halls throughout the district, with 12 CPS departments represented to answer questions. Over 2,200 individuals attended the town halls.

KEY BUDGET INITIATIVES for FY20

- Increase supports and partnerships to aid in the reduction of truancy and improve attendance.
- Increase school and community partnerships to enhance student resources and opportunities.
- Host 13 Network Back-to-School bashes to prepare students and families for the first day of school and provide an opportunity to 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.
- Offer classes at Parent University campuses throughout the district.

Finance

MISSION

The Finance Office oversees Accounting, Budget and Grants Management, 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. Finance exercises overall fiscal responsibility and is responsible for maintaining adequate internal controls. The office actively partners with the CPS executive team to provide strategic and financial guidance to support educational priorities and student achievement.

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:* Includes 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.
 - *Accounts Payable:* Processes 300,000 vendor invoices annually, ensuring payment to all CPS vendors.
 - *Business Services (School Internal Accounts):* Serves as the custodian for all school-based bank accounts with direct oversight regarding policies, procedures, and business management practices.
 - *Employee Expenses:* Administers the employee expenses and reimbursement program, including program audits, policy review and enforcement, and transaction processing.
 - *Procurement Card Program:* Administers the district's procurement card program, including invoice processing, vendor review, and account reconciliation.
- **Office of Budget and Grants Management (OBGM):** 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. OBGM 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. OBGM also supports the strategic utilization of grant funds by aligning them with district priorities to increase student achievement, coordinating with other departments to make any necessary adjustments and/or to initiate budget amendments in the event that projected revenues or expenses change. OBGM 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 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, as well as supporting traditional, charter, and non-public schools in accordance with federal requirements.

- **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.
- **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.
- **Payroll Services:** Manages the payroll processing for all CPS employees in compliance with Board rules, government policies, and laws.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 22,600,226	\$ 26,571,669	\$ 33,182,258	\$ 28,643,924	\$ 29,272,765
Title Funds	\$ 2,999,579	\$ 26,280,141	\$ 4,259,252	\$ 3,259,803	\$ 28,271,230
Lunchroom Funds	\$ -	\$ 81,710	\$ 249,858	\$ 36,725	\$ 79,227
Other Grant Funds	\$ 815,738	\$ 5,285,963	\$ 6,468,933	\$ 166,330	\$ 3,802,263
School Generated Funds	\$ 83,035	\$ 308,010	\$ 426,779	\$ 47,355	\$ 377,458
Total Department	\$ 26,498,578	\$ 58,527,493	\$ 44,587,081	\$ 32,154,137	\$ 61,802,943

Note: The FY2019 projected expenditure does not include funds that were transferred and spent in schools. FY20 budget includes \$2.5M increase in premium insurance fees.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	97.9	95.9	99.9
Title Funds	26.8	27.8	30.3
Lunchroom Funds	2.0	1.0	1.0
Other Grant Funds	3.3	2.3	1.8
Total Department	130.0	127.0	133.0

MAJOR ACCOMPLISHMENTS in FY19

Corporate Accounting, Disbursement, and Business Services

- Completed the FY2018 Annual Financial Audit with no material weaknesses, significant deficiencies, or control deficiencies for the second consecutive year.
- Received the 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.

- Issued the Illinois State Board of Education Annual Financial Report in a timely manner.
- Processed, compiled, and filed over \$2.2 billion in federal and state grant claims.
- Completed district-wide asset and instructional materials inventory and the implementation of the new asset management software, TIPWeb-IT, and TIPWeb-IM with over 90 percent compliance.
- Successfully trained all schools on the State of Illinois ePay program and enhanced ePay reports to improve the reconciliation process for school users and allow for more timely reconciliation of school internal accounts.
- Integrated the State of Illinois ePay program with the ASPEN student information system rollout to provide a comprehensive system for data and payment collection.
- Automated the core invoicing system to streamline payment processing and reporting.
- Implemented a Gift Card Policy and added internal controls, approvals, and industry best practices.
- Conducted departmental reviews for employee expenses, tested internal controls, reviewed transactions, and ensured expense reimbursements align with Board policy.

Office of Budget and Grants Management

- Increased support for schools and departments by providing fiscal oversight and analysis to help ensure sound fiscal practices and spending.
- Partnered with various central office departments to align FY2019 budget monitoring and FY2020 budget development with district-wide continuous improvement planning.
- Developed and published a “Residents’ Guide” to the FY2019 budget.
- Began implementation of school improvement grants under the new IL EMPOWER initiative and supported increased requirements for non-public schools as part of the transition of Title I under Every Student Succeeds Act (ESSA).

Treasury

- Secured rating upgrades from S&P and Moody’s general obligation bonds. Secured outlook upgrades from Fitch for general obligation bonds. All outlooks are now stable or positive.
- Interest earnings increased by over 45 percent from FY2018 due to enhanced investment reporting, higher interest rates, and capital project balances.
- Reduced the maximum amount of short-term borrowing outstanding at one time by \$250 million, from \$1.10 billion in FY2018 to \$844 million in FY2019. Reduced short-term borrowing interest expenses by \$10 million, which is a structural budgetary savings. This was due to the district’s improved liquidity position, active cash flow forecasting, and the timing of draws.
- Added Environmental, Social, and Governance (ESG) ratings to 100 percent of investment decisions for commercial paper to improve financial returns and reduce the overall risk profile of the portfolio while aligning investments with the broader public interest.

Risk Management

- Collaborated across multiple CPS departments to strengthen and improve CPS vendor insurance requirements and the tracking of CPS vendor insurance certification.

- Secured the renewal of all insurance lines of coverage for FY2020 without coverage changes in a difficult national marketplace.
- Continued to partner on the monitoring of a wide variety of litigation faced by CPS and subsequent claims tracking, and added an independent third-party claims administrator to assist with the processing of employment practice issues.
- Advised on a wide variety of issues and policy redevelopment as they related to mitigating risk issue across CPS.

Payroll

- Improved Kronos to reduce timekeeping submission errors.
- Streamlined payroll processing, thereby reducing manual steps when completing bi-weekly payroll.

KEY BUDGET INITIATIVES for FY20

Corporate Accounting, Disbursement, and Business Services

- Implement updates to the Oracle Grants, Gifts and Donations module to provide a more thorough system of record-keeping for acceptance.
- Initiate Accounts Receivables (AR) automation by adding the capability to upload and attach documents to transactions within the module thus creating a more visible audit trail, increasing efficiency, and streamlining processes.
- 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.
- Streamline department to operate on a lean structure to provide more efficient payment processing and customer service to internal and external stakeholders.
- Implement a new payment module to allow departments to directly process their invoices for review and payment, reducing reliance on Accounts Payable staff.
- Continue to align CPS with industry best practices and governmental accounting standards for payment disbursements, financial technology, and school banking.

Office of Budget and Grants Management

- Partner with various central office departments to align FY2020 budget monitoring with continuous improvement planning districtwide.
- Continue to work with various funders and partner organizations to ensure schools and departments have ample options and opportunities to make use of grant funds to support their priorities.

Treasury

- Continue to discuss the district's financial situation with key stakeholders, including rating agencies, and work to lower interest rates due to the district's improved financial situation.
- Work to secure meaningful budgetary relief for FY2021, including further refunding savings from replacing higher costing debts at lower interest rates due to CPS' improved financial situation.

- Sell bonds to continue funding the FY2019 and FY2020 capital plans.
- Continue to improve processes around cash collections across the district.

Risk Management

- Continue to improve the process and accountability of CPS vendors as related to CPS vendor insurance certification tracking.
- Re-examine the current insurance lines of coverage as they relate to the operational risks of CPS in order to rationalize their adequacy or make recommendations of additional solutions to prevent additional liability to CPS.

Payroll

- Continue to improve Kronos to reduce timekeeping submission errors.

Freedom of Information Act Office

MISSION

The Freedom of Information Act (FOIA) Office oversees and coordinates all Chicago Public Schools (CPS) 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.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 406,484	\$ 477,361	\$ 487,443	\$ 413,740	\$ 547,443
Total Department	\$ 406,484	\$ 477,361	\$ 487,443	\$ 413,740	\$ 547,443

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	5.0	5.0	5.0
Total Department	5.0	5.0	5.0

MAJOR ACCOMPLISHMENTS in FY19

- Completed a successful merger with the Law Department which will streamline the process of appropriately responding to requests.

KEY BUDGET INITIATIVES for FY20

- Collaborate with departments district-wide to increase accessibility of public information on the CPS website.
- Continue managing an increasing volume of incoming requests. The volume of requests received in FY19 was 1,809 which represents an approximately 40% increase over the 1,290 requests made in FY18.

Information and Technology Services

MISSION

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

SCOPE

- Support over 400,000 devices, including desktops, laptops, chromebooks, iPads, across the district.
- Run and maintain core district systems that are used by over 30,000 CPS staff members every day, including Student Information, Finance, and HR.
- Provide a robust data and telephone network across 591+ CPS locations for 33,000 desk and 2,350 mobile devices.
- Respond to over 150,000 requests for support annually.
- Manage and support 2,500 servers and 20,000 pieces of network equipment, including network switches and wireless access points.

MAJOR PROGRAMS

- **Student Records and School Performance:** Maintain and run IMPACT, the student records system for daily school operations, and provide maintenance and access to performance analytics and the data warehouse and CPS Dashboard.
- **Operating and Supporting Systems:** Provide technical support for Finance, Human Resources, Payroll, the Learning Hub, CPS.edu, and other supporting ITS functions, such as training and communications.
- **Infrastructure Backbone:** Manage data center, telephones, and the data network, including school wireless networks and internet connections.
- **Enterprise Transformation:** Project Management Office (PMO), organizational change management, and enterprise architecture teams focus on establishing consistent and repeatable practice to facilitate the smooth migration to new systems, tools, and processes.
- **Cyber Security:** Improve information security posture by protecting the confidentiality of sensitive data, preserving the integrity of IT assets and ensure the availability of IT services to fulfill the department's mission.
- **Client Computing Support:** Offer computer engineering and support, including the help desk, field service support vendors, software licensing, and device acquisitions.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 52,675,672	\$ 85,639,242	\$98,049,336	\$91,475,550	\$73,075,721
Title Funds	\$620,356	\$ 340,813	\$860,734	\$351,235	\$ -
Lunchroom Funds	\$ -	\$ -	\$ 219,560	\$166,200	\$ -
Other Grant Funds	\$34,562	\$ -	\$32,313	\$-	\$ -
School Generated Funds	\$ -	\$ -	\$13,757	\$-	\$ -
Total Department	\$ 53,330,590	\$ 85,980,055	\$ 99,175,700	\$91,992,985	\$73,075,721

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	144.0	133.0	145.0
Other Grant Funds	1.0	0.0	0.0
Total Department	145.0	133.0	145.0

MAJOR ACCOMPLISHMENTS in FY19

- Supported the completion of background check information for roughly 80,000 employees, vendors, and volunteers and assisted in the establishment of the Office of Student Protections and Title IX.
- Implemented Aspen, a new student information system in April 2019 that made it easier to get a full picture of a student's academic record by significantly reducing the complexity and number of systems the district required educators to utilize. The project included the introduction of an improved, mobile-friendly Parent and Student Portal.
- Led the effort to adopt new Staff and Student Acceptable Use Policies to improve cyber security policies which had not been updated since 2009.
- CPS migrated to next generation firewall technology and secured cyber liability insurance in the amount of \$20 million.
- Ensured that 15 strategically-aligned, cross-functional CPS projects were completed on time and under budget through a new portfolio process. Through this process, ITS increased the overall rate of project delivery by 25 percent over FY18 and 40 percent over FY17.

KEY BUDGET INITIATIVES for FY20

Academic Progress

- Support technology equity and the move to a digital curriculum by doubling bandwidth and achieving a 1:1 student-to-device ratio at 210 schools as part of a multi-year effort.
- Begin implementation of a federally and state funded wide-area network which will position CPS to seamlessly throttle school bandwidth as needed, allowing for continuity in the classroom when bandwidth needs increase.
- Institute a district-wide employee information security training program that begins with on-boarding and requires periodic recertification.
- Develop an annual update cadence for both staff and student acceptable use policies, inclusive of continued security review of school-based communications platforms to ensure adherence to the new policies in the promotion of student safety.

Financial Stability

- Upgrade core financial systems, including software upgrades and the incorporation of data encryption and disaster recovery. Upgrades will position CPS for more robust financial reporting and general process optimization in the areas of finance and procurement.
- Adopt the unified ServiceNow standard for routing and fulfillment of school requests for central office operating units, which will allow the district to assess operational effectiveness from a central system.

Integrity

- ITS will continue to participate in the city's inter-agency cybersecurity task force to ensure communication and coordination of information security activities.
- Update the underlying platform for the CPS.edu website, allowing for greater agility in applying

content updates and transition the website to be a more intuitive and useful tool to message and receive feedback from parent and student communities.

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 118 charter schools, nine contract schools, eight Alternative Learning Opportunity Programs (ALOP), and one Safe School — educating more than 60,000 students. In addition to ensuring that all schools in its portfolio are held accountable to high expectations, I&I provides direct support to a diverse set of schools, serves as a liaison with other district departments, evaluates new school proposals, and makes recommendations to the BOE. This office also oversees the incubation process for new district neighborhood, charter, and contract schools and identifies and shares innovative models and promising practices across the district.

MAJOR PROGRAMS

- **Authorization and Renewal of Schools:** I&I ensures there is a rigorous process that leads to effective decision making for the opening of new schools, the renewal of existing schools, and the incubation of new programs at 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 provisions of the Illinois State Board of Education (ISBE) and the Illinois School Code regarding charter, contract, and ALOP schools. 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:** I&I provides oversight for charter, contract, and ALOP schools, ensuring all schools in the portfolio meet the district's academic, financial, and operational expectations; abide by the tenets of their contracts; and adhere to compliance-related provisions as defined by the 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:** I&I ensures that charter boards, leadership, families, and communities have access to academic, financial, and operational information as requested. Throughout a school's contract term, members of the I&I team communicate and meet with charter boards, providing data updates when necessary and facilitating trainings on compliance-related issues to ensure that boards have the resources and information needed to make high-quality decisions for schools in their charge. In addition, the I&I team responds to all parent communications and concerns that come to Central Office and supports continuous improvement at all ALOP and contract schools.
- **Innovative Models and Best Practices.** To capitalize on innovation and fuel success across the district, I&I identifies innovative models and best practices across charter and district educational settings and shares best practices between schools. This collaboration supports

district-wide efforts to increase the number of high-quality, equitable learning environments and to support schools as they work to meet and exceed district vision goals.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$1,516,443	\$4,334,532	\$3,466,387	\$2,188,036	\$3,365,908
Other Grant Funds	\$69,823	\$66,132	\$72,632	\$75,555	\$68,088
Total Department	\$1,586,266	\$4,400,664	\$3,539,019	\$2,263,591	\$3,433,996

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	16.4	16.4	17.4
Other Grant Funds	0.6	0.6	0.6
Total Department	17.0	17.0	18.0

Note: Additional FTE is for an options implementation manager funded by the University of Chicago/AbbVie grant.

MAJOR ACCOMPLISHMENTS in FY19

- Launched the district’s inaugural Change in Program Focus RFP, allowing all district-managed schools to apply for a variety of academic program investment opportunities. Every program awarded addressed an equity gap in a region of need.
- Launched an application process for Options schools to receive Career and Technical Education (CTE) programming.
- Facilitated three showcase school events with 57 educators participating from 12 schools. These events allowed educators to observe first-hand a variety of systems-level approaches and classroom practices that are successfully closing the achievement gap.
- Developed and executed a robust financial early warning system (FEWS) to identify schools in danger of financial remediation based on predictive factors.

KEY BUDGET INITIATIVES for FY20

- Increase access to high-quality schools through the incubation of new schools and equity-informed investments in academic programming.
- Increase opportunities for all students to engage in high-quality learning by increasing the number of students enrolled in dual credit and dual enrollment courses so that students are better prepared for post-secondary success.
- Continue to strengthen early warning identification systems and protocols to identify schools that could fall into financial, academic, or operational remediation and provide the appropriate interventions to prevent further decline and improve school-based outcomes for students.
- Expand investment in students at elevated risk for school dropout or violence victimization and ensure they are provided with the supports and programming necessary to meet their needs.

Office of Inspector General

MISSION

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

MAJOR PROGRAMS

- **General Investigations:** This unit investigates waste, fraud, financial mismanagement, and employee misconduct.
- **Performance Analysis:** This unit identifies and addresses policy deficiencies and systemic problems through independent and objective evaluations and reviews.
- **Investigations of Sexual Allegations:** This unit is dedicated to investigating cases of sexual misconduct by employees, vendors, and volunteers in which a CPS student may be the victim, as well as reviewing prior CPS sexual misconduct cases dating back to at least the year 2000.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,767,335	\$ 2,451,433	\$ 3,638,361	\$ 3,452,662	\$5,949,405
Total Department	\$ 1,767,335	\$ 2,451,433	\$ 3,638,361	\$ 3,452,662	\$5,949,405

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	23.0	34.0	49.0
Total Department	23.0	34.0	49.0

Note: 15 additional FTEs are the result of the creation of a new allegation investigations team by OIG.

MAJOR ACCOMPLISHMENTS in FY19

- Created a new unit devoted to investigating adult-on-student sexual abuse. This work is particularly demanding due to the high volume of these cases, their sensitive nature, and the urgency required when handling them. The OIG maintains regular communication with the Board regarding these cases and publicly reports on them on a quarterly basis.
- Began a systematic review of all prior CPS sexual misconduct cases, dating back to the year 2000.
- Found that an alternative school operator used undisclosed lobbyists to gain improper access to a previous CPS CEO and win CPS contracts to operate four schools. Consequently, the alternative school operator obtained tens of millions of dollars in CPS business.

- Completed an investigation finding that an education technology company unethically secured a multimillion-dollar CPS contract, using expensive dinners with a previous CPS CEO and her top aide. The CEO steered a contract to the company that was worth up to \$6 million and led to nearly \$2 million in sales to the district.
- Found that a former Board member violated the CPS prohibition on conflicts of interest by advocating for CPS schools to purchase the products of companies in which she was an investor.
- Uncovered widespread admissions irregularities in the CPS K–8 Options for Knowledge program that undermined the program’s goal of “equal access.” In a single school year, thousands of students were improperly admitted to CPS schools outside their own neighborhoods.
- Called for an end to the free Montessori pre-K perk given to residents of the district’s wealthiest attendance area, after finding that those families were unjustifiably given special priority access to two years of free pre-K that were worth approximately \$30,000 in the private market.
- In addition to these highlighted matters, the OIG also completed numerous other investigations, including matters involving theft, mismanagement of funds, improper hiring, falsification of student attendance records, and admissions fraud at selective enrollment schools.

KEY BUDGET INITIATIVES for FY20

- Ensure that CPS employs honest personnel, receives contracted deliverables from vendors, and manages its programs with limited risk of fraud.
- Investigate instances of waste, fraud, and mismanagement and continue to identify and address systemic problems within the district.
- Develop the Sexual Allegations Unit to meet the increasing investigatory needs of the district.
- Review all prior CPS sexual abuse cases over the last two decades to ensure that the prior investigations were conducted properly, that the victims received proper support, and that the misconduct by staff was properly and comprehensively addressed.

Intergovernmental Affairs

MISSION

The Office of Intergovernmental Affairs (IGA) advocates for Chicago Public Schools (CPS) students at every level of government to shape education policy and secure external resources. IGA advances the CPS agenda in Springfield, before the Chicago City Council, and in Washington, and partners with entities to secure financial opportunities to advance CPS' goals.

MAJOR PROGRAMS

- 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.
 - 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.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,185,115	\$ 1,200,743	\$ 1,214,618	\$ 901,039	\$ 1,212,455
School Generated Funds	\$-	\$-	\$ 7,200	\$ 8,283	\$ 2,588
Total Department	\$ 1,185,115	\$ 1,200,743	\$ 1,221,818	\$ 909,322	\$ 1,215,042

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	8.0	8.0	7.0
Total Department	8.0	8.0	7.0

MAJOR ACCOMPLISHMENTS in FY19

- Cultivated and managed hundreds of partnerships throughout the year, garnering nearly tens of millions of dollars in support for students, schools, and district priority projects.
- Maintained existing lobbying budget in order to protect state and federal funding.
- Continued to work in Springfield on fully funding the new school funding formula.

KEY BUDGET INITIATIVES for FY20

- Collaborate with federal delegation to ensure federal funding will not be cut.
- Protect Title II, Title IV and 21 st Century Learning Centers in the federal budget.
- Continue partnership with Big Green on existing school gardens.
- Continue to work in Springfield on fully funding the school funding formula.

Language and Cultural Education

MISSION

The Office of Language and 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 and federal laws.
- 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 Chicago Public Schools (CPS) students whose primary language is one other than English. Major EL 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. Students also receive instruction in the history and culture of the U.S. and the EL's (or their parents') native land.
 - **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 EL's (or their parents') native land.
- **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.
 - **State Seal of Biliteracy:** 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.
 - **CPS Pathways to the Seal of Biliteracy:** A program recognizing students in fifth or eighth 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 by 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):** 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 and Community Outreach Programs:** Support EL parents through training; theme-based workshops; GED and ESL courses; and ensuring parental involvement in school-based Bilingual Advisory Councils and the city-wide Chicago Multilingual Council.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 381,076	\$ 5,743,794	\$ 3,718,738	\$ 3,112,253	\$ 5,483,703
Title Funds	\$ 210,720	\$ 226,565	\$ 226,565	\$ 229,450	\$ 233,565
Other Grant Funds	\$ 4,277,774	\$ 6,646,320	\$ 4,065,462	\$ 3,125,621	\$ 4,016,993
School Generated Funds	\$ 147,986	\$ 1,194,247	\$ 1,191,022	\$ 193,669	\$ 1,192,042
Total Department	\$ 5,017,556	\$ 13,810,926	\$ 9,201,787	\$ 6,660,993	\$10,926,303
Budgeted at Schools	\$ 24,877,553	\$ 24,507,393	\$ 29,090,979	\$ 27,463,752	\$ 34,207,582
Grand Total	\$ 29,895,109	\$ 38,318,319	\$ 38,292,766	\$ 34,124,745	\$ 45,133,885

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	22.0	22.0	24.0
Title Funds	2.0	2.0	2.0
Other Grant Funds	15.0	15.0	13.0
Total Department	39.0	39.0	39.0
Budgeted at Schools	244.5	245.5	297.0
Grand Total	283.50	284.50	334.0

MAJOR ACCOMPLISHMENTS in FY19

- 1,089 high school seniors received the State Seal of Biliteracy and 866 students received the State Commendation with 69 high schools participating.
- Recognized more than 2,250 fifth graders and more than 1,080 eighth graders from 87 elementary and middle schools for being on the path to earning the State Seal of Biliteracy by senior year of high school through the CPS Pathways to the Seal of Biliteracy program.
- Provided summer support programs to English Learners in grades 2–7, refugee students in grades 2–11, and high school credit attainment courses for ELs in grades 9–11.
- Offered professional development sessions for 2,200 teachers, counselors, and administrators focusing on collaboration among dual language teachers, effective implementation of EL programs, and the application of Common Core State Standards (CCSS) and the English and Spanish Language Development Standards (WIDA).
- Expanded EL supplemental supports, with 185 schools now participating in the EL After-School Tutoring program.
- Four additional schools accepted as Dual Language schools for a total of 41, with 35 schools implementing Dual Language in SY19-20 and six planning to implement in FY21.
- Held multiple Citywide Multilingual Parent Committee meetings that were attended by an average of 300 parents.

- Held multiple Bilingual Advisory Committee meetings that were attended by an average of 150 parents.
- Offered August Summer Institute and “Saturday with OLCE” professional development attended by an average of 300 teachers.
- Added two more elementary schools offering world language for a total of 31 schools.
- Taught 11 world languages to 100,350 students across the district.
- Trained 200 school personnel on cultural sensitivity.

KEY BUDGET INITIATIVES for FY20

- Expand services to ELs by providing school-based allocation of supplemental funds in the form of positions for TBE and TPI programs. CPS, through OLCE, has increased supplemental positions to schools enrolling more than 200 ELs in FY20. Also, all schools enrolling 1-19 ELs will receive a \$450 per pupil allocation for supplemental bilingual program investments.
- Invest in professional development for school administrators, bilingual/ESL and general education teachers.
- Continue providing up to 50 percent funding for current CPS teachers to earn their ESL and/or Bilingual endorsement.
- Provide summer school enrichment programs for ELs and newcomer Refugee students enrolled in grades 2-11.
- Continue to provide ESL After-School Tutoring Program and expand to schools enrolling 20-99 ELs in FY20.
- Provide supplemental instructional support to refugees and newcomers. This will support students by providing endorsed ESL teachers to schools that enroll refugees and newcomers, including ESL credit attainment for high schools.
- Continue the planning and implementation of Dual Language program in existing schools.
- Continue to provide funding for Bilingual Advisory Councils at schools for parents of bilingual students. Also continue to fund bilingual parent engagement activities through Academic Networks and the Chicago Multilingual Parent Council.

Law

MISSION

The Law Department provides legal services to the Chicago Board of Education, schools, and the departments and divisions of the Chicago Public Schools (CPS). 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 and 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 (ISBE); 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, 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 department also provides legal review and counsel in bond issuances, inter-government agreements, and compliance with Board rules, policies, and procurement laws.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 11,317,317	\$ 15,208,918	\$ 14,861,427	\$ 12,676,811	\$ 16,051,398
School Generated Funds	\$ 11,792	\$ 10,472	\$ 97,748	\$ 10,500	\$ 63,112
Grand Total	\$ 11,329,109	\$ 15,219,390	\$ 14,959,174	\$ 12,687,311	\$16,114,511

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	80.0	84.0	90.0
Total Department	80.0	84.0	90.0

Note: Six additional FTEs to assist management of increased caseload.

MAJOR ACCOMPLISHMENTS in FY19

- 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 that included around 60 federal cases and over 200 in state litigation.
- Managed approximately 600 workers' compensation cases filed against the Board and increased workers' compensation team by one attorney through a position funded by Talent.
- Partnered with Talent to implement new strategy to manage workers' compensation, including expediting case closures, now outpacing the number of incoming cases.
- Partnered with Facilities and outside vendors to significantly improve elevator maintenance and inspections and remediate a backlog of administrative hearing matters.
- Implemented new Title IX Notice Procedures within the Law Department to ensure Title IX compliance and student safety.
- 50 matters pending against the Board in 2018 were dismissed with prejudice and without payment to the Plaintiffs.
- Partnered with the Procurement Department and worked with the Office of Inspector General to negotiate \$1,295,000 recovery to the Board through the debarment process, an area which previously did not generate revenue.
- Recouped significant funds via tender of workers compensation matters that resulted in a recovery of \$158,878 in an area in which Law did not previously recover funds in this manner.
- 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.
- Organized and led a seven day conference for over 1,000 administrations related to relevant legal topics.
- Provided guidance and support during the creation of the Office of Student Protections and Title IX. School Law continues to advise and provide training to the Office regarding student discipline, privacy, Title IX, and other legal matters/concerns.

- Provided legal support to the Chief Executive Office surrounding proposed school actions and successfully completed eight school actions hearings.
- Assisted the Equal Opportunity Compliance Office, schools, and various Central Office departments in responding to Office for Civil Rights complaints, including providing training and technical assistance.
- Successfully defended the district in two charter school appeals before the Illinois State Charter School Commission.
- Assisted the Chief Executive Office, the Office of Diverse Learner Supports and Services (ODLSS), and Information and Technology Services (ITS) with responding to the ISBE Inquiry into special education practices in CPS by revising the ODLSS Procedural Manual and supporting guidelines; assisting in the revision of the Student Services Management (SSM) electronic Individualized Education Program (IEP) system to address the issues raised in the ISBE Inquiry findings; meeting with the ISBE monitor, Chicago Teachers Union (CTU) representatives, and advocate groups regarding issues raised in the ISBE Inquiry findings; and providing training to principals, assistant principals, and Central Office administrators.
- Provided legal guidance and assistance to ITS with the creation and development of the new student records information management system, ASPEN.
- Assisted and provided legal guidance to the Office of Student Health and Wellness with revisions to the Guidelines Regarding the Support of Transgender and Gender Non-Conforming Students.
- Provided guidance and training to school administrators surrounding new and developing legal issues including vaping, ride sharing services, and social media.

KEY BUDGET INITIATIVES for FY20

- Partner with the Procurement Department through Continuous Improvement to improve contracting efficiency, reducing cost and providing a better service to schools and Central Office departments.
- Create an integrated and uniform system of case management and document management, including contract software with e-signature.
- Develop a claims reporting and tracking process that is in line with industry standards.

Local School Council Relations

MISSION

The mission of the Office of Local School Council Relations (OLSCR) is to assist each of the 513 Local School Councils (LSCs) to develop, approve, and monitor their school's budget and school improvement plan. OLSCR conducts bi-annual LSC elections, and provides LSC members training, support, and technical assistance in key administrative and process improvement areas of their school. OLSCR also supports LSCs with principal selection, retention, and evaluation, and school improvement planning.

MAJOR PROGRAMS

- **LSC Training:** Offer nine live and online training modules to LSC members, including: LSC roles and responsibilities, running effective LSC meetings, developing a school improvement plan, developing a school budget, evaluating a principal, selecting a principal, managing internal accounts and fundraising, ethics, and LSC officer duties.
- **LSC Support:** Supporting LSC members with filling vacancies, optimizing collaboration among LSC members, and providing information on district policies and procedures.
- **Technical Assistance:** Provide technical assistance to LSC members on the management and use of the LSC Dashboard database, Principal Evaluation Online Tool (PEOT) database, Online LSC Training Portal, OLSCR website, and other technical tools.
- **LSCAB Management:** Manage the Local School Council Advisory Board (LSCAB), a group of nine LSC members from across the district who advise the Chicago Board of Education and the district on city-wide LSC issues. The OLSCR conducts elections for LSCAB members every two years and organizes monthly LSCAB meetings to review Board and district policies, procedures, programs, and activities.
- **Support Materials:** Develop, maintain, publish, and distribute approximately 500,000 pages of written materials annually that are used to guide, train, conduct elections, and communicate to stakeholders.
- **Dashboard Database Management:** Maintain an LSC dashboard database with approximately 100 information entries for LSC members. The information has to be updated on a daily-to-weekly basis and is used to monitor the status of all LSCs and communicate with LSC members.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,415,654	\$ 1,515,257	\$ 1,534,136	\$ 1,300,084	\$ 1,869,770
Total Department	\$ 1,415,654	\$ 1,515,257	\$ 1,534,136	\$ 1,300,084	\$ 1,869,770

Note: Budget increase due to costs related to the LSC election, which occurs in FY2020.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	12.0	12.0	12.0
Total Department	12.0	12.0	12.0

MAJOR ACCOMPLISHMENTS in FY19

- Assisted 181 LSCs with principal selection.
- Assisted 74 LSCs with principal contract renewals.
- Assisted LSCs with annual LSC principal evaluations.
- Provided live and online training to LSC members.
- Provided support and technical assistance to all LSCs.
- Conducted LSCAB election.
- Provided LSC-related information and training to permanent, interim, and resident principals and Chiefs of Staff.
- Assisted in achieving significant LSC member compliance with Illinois School Code requirements for background checks, training, and economic disclosure.

KEY BUDGET INITIATIVES for FY20

- Continue to provide training, support, and technical assistance to 513 LSCs.
- Revise, update, publish, and distribute 5,000 pages of written materials in order to conduct the 2020 LSC elections.
- Train 513 LSC election coordinators to manage the 2020 LSC elections at local schools.
- Recruit, train, and place 2,400 election judges to conduct the 2020 LSC elections.

Network Support

MISSION

The mission of the Office of Network Support is to leverage strong leadership and high-quality teaching in every classroom to ensure every child in every community has access to a world-class learning experience and graduates 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:** Oversee 41 Junior Reserve Officers' Training Corps (JROTC) programs, which include seven military academy high schools. There are approximately 148 instructors on staff who are retired military veterans and are cost-shared with the Department of Defense (DoD). Serve as a network for the military academies and manage 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, and community service and co-curricular events.
- **Academy for Urban School Leadership:** Manage 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 support professional development for teacher residents at AUSL training sites.
- **Department of Principal Quality (DPQ):** Provide professional development to aspiring principal candidates through the Chicago Leadership Collaborative and enhance leadership skills of current principals, deputies, and chiefs of schools through the Chicago Executive Leadership Academy. Conduct assessments to maintain the rigor of the Principal Eligibility Process and create candidate slates for critical district roles.

BUDGET SUMMARY

Office of Network Support

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,716,351	\$ 2,611,529	\$ 2,710,172	\$ 2,661,946	\$ 2,829,223
Title Funds	\$ 668,497	\$ 850,168	\$ 1,190,634	\$ 1,050,168	\$ 1,440,821
Total Department	\$ 2,384,848	\$ 3,461,697	\$ 3,900,806	\$ 3,712,114	\$ 4,270,044

Principal Quality

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$1,554,862	\$ 1,791,551	\$ 1,801,997	\$2,024,532	\$ 1,838,660
Title Funds	\$3,794,540	\$4,950,161	\$ 3,921,269	\$ 3,722,746	\$ 5,043,649
Other Grant Funds	\$491,190	\$ 748,291	\$748,291	\$414,239	\$733,986
School Generated Funds	\$ -	\$ -	\$ 45,694	\$ 22,821	\$ 90,000
Total Department	\$5,840,592	\$ 7,490,003	\$6,518,251	\$6,184,338	\$7,706,295

JROTC

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,053,676	\$ 1,656,965	\$ 1,535,048	\$ 1,442,945	\$ 1,740,960
Other Grant Funds	\$ 161,989	\$ 968,769	\$ 886,547	\$ 833,354	\$ 932,001
School Generated Funds	\$ 152,385	\$ 19,011	\$ 180,287	\$ 169,470	\$ 19,010
Total Department	\$ 1,368,050	\$ 2,644,745	\$ 2,601,882	\$ 2,445,769	\$ 2,691,971
Budgeted at Schools	\$ 11,986,101	\$ 15,448,724	\$ 13,037,077	\$ 12,254,852	\$ 15,684,859
Grand Total	\$ 13,354,151	\$ 18,093,469	\$ 15,638,959	\$ 14,700,621	\$ 18,376,830

AUSL

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,460,550	\$ 470,000	\$ 474,180	\$ 474,180	\$ -
Title Funds	\$ 2,136,770	\$ 4,537,796	\$ 4,537,794	3176456	\$ 4,229,253
School Generated Funds	\$ 1,462,367	\$ 904,093	\$ 1,576,528	\$ 1,103,570	\$ 1,040,538
Total Department	\$ 5,059,687	\$ 5,911,889	\$ 6,588,502	\$ 4,754,206	\$ 5,269,791

POSITION SUMMARY

Office of Network Support

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	15.0	19.0	18.0
Title Funds	7.0	7.0	7.0
Total Department	22.0	26.0	25.0

Principal Quality

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	5.0	5.0	5.0
Title Funds	43.0	43.0	43.0
Total Department	48.0	48.0	48.0

JROTC

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	12.0	12.0	12.0
Other Grant Funds	1.0	1.0	1.0
School Generated Funds	0.0	0.0	0.0
Total Department	13.0	13.0	13.0
Budgeted at Schools	147.0	146.0	149.0
Grand Total	160.0	159.0	162.0

AUSL

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
Title Funds	7.0	5.6	5.6
School Generated Funds	9.0	11.0	11.0
Total Department	16.0	16.6	16.6

MAJOR ACCOMPLISHMENTS in FY19

- Established four additional high school networks allowing 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.
- Launched a reading apprenticeship pilot program in 14 high schools to increase disciplinary literacy and CCSS implementation.
- Created a K-2 Balanced Literacy Professional Learning Series to increase chief, principal and teacher capacity in order to increase primary literacy throughout the district.
- Maintained the focus on initiatives to improve student attendance and reduce suspensions. This focus 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 all Chicago Public Schools (CPS) students with healthy, delicious meals every day. NSS offers meals free of charge to every student, which exceed the United States Department of Agriculture (USDA) nutrition standards for school meals.

MAJOR PROGRAMS

- **School Breakfast Program (SBP):** CPS serves approximately 22 million breakfast meals annually.
- **National School Lunch Program (NSLP):** CPS serves approximately 40 million lunch meals annually. CPS also provides after-school snacks and Pre-K snacks.
- **Child and Adult Food Care Program (CAFCP):** CPS provides students with healthy, well-balanced meals and snacks to support their extended day while attending after-school and Saturday programs, including: after school supper, HeadStart snacks, Saturday meals, and Saturday Snacks.
- **Fresh Fruit and Vegetable Program (FFVP):** U.S. Department of Agriculture provides grants for in-classroom fruit and vegetable tastings during the school day to increase fresh fruit and vegetable consumption and nutrition education exposure in elementary schools
- **Summer Food Service Program (SFSP) includes LunchStop outdoor sites:** CPS provides students breakfast and lunch as part of CPS summer programming, in addition to LunchStop meals for all children 18 years and younger.
- **A La Carte and Vending (Smart Snacks):** CPS provides students with healthy, well-balanced meals and snacks to support student’s extended day while attending after-school and Saturday programs.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ -	\$ 106,440	\$ 197,814	\$ 87,158	\$ -
Lunchroom Funds	\$ 120,613,587	\$128,560,699	\$ 134,281,074	\$ 131,533,471	\$128,586,263
Other Grant Funds	\$ 2,460,181	\$ 2,392,000	\$ 2,392,000	\$ 2,179,421	\$ 2,392,000
School Generated Funds	\$ 8,588	\$	\$ 134,718	\$ 8,250	\$86,666
Total Department	\$ 123,082,356	\$131,059,139	\$ 137,005,606	\$133,808,000	\$ 131,064,929
Budgeted at Schools	\$ 82,819,426	\$85,566,224	\$79,853,550	\$ 78,940,771	\$90,132,397
Grand Total	\$ 205,901,782	\$ 216,625,363	\$ 216,859,156	\$ 212,748,771	\$221,197,326

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	0.5	0.0	0.0
Other Operating Funds	335.5	344.0	343.0
Total Department	336.0	344.0	343.0
Budgeted at Schools	2,361.0	2,395.0	2,377.0
Grand Total	2,697.0	2,739.0	2,720.0

MAJOR ACCOMPLISHMENTS in FY19

- Developed a culinary-to-careers pipeline for CPS high school seniors that includes an internship, which included prioritized job placement in school lunchrooms, and provided an option for their postsecondary plan.
- Added Kosher and Halal meal options to address student preferences.
- Switched plastic utensils with compostable utensils at over 100 schools.

KEY BUDGET INITIATIVES for FY20

- Roll out compostable utensils at all schools, reducing the use of plastics and single use straws in all CPS meal programs.
- Launch a Meatless Monday pilot.
- Purchase a food truck to offer theme-based menu items for high schools.
- Launch an advanced lunchroom employee professional development and recognition program for all employees.
- Increase vegetarian options for students in breakfast and lunch meals.

Chief Operating Officer

MISSION

The Office of the Chief Operating Officer (COO) supports schools by ensuring all Chicago Public Schools (CPS) operate smoothly and efficiently so educators can focus on what they do best—driving student achievement.

MAJOR PROGRAMS

COO oversees and coordinates all of the district's operations, including:

- Facilities and Capital Planning
- Information Technology Services (ITS)
- Intergovernmental Affairs and Family and Community Engagement in Education (FACE2)
- Local School Council Relations
- Nutrition Services
- Procurement and Business Diversity (OBD)
- Safety and Security
- School Support Center
- Transportation

Narratives for each of these departments are detailed in their respective sections.

Procurement and Contracts

MISSION

The mission of the Office of Procurement and Contracts is to provide world-class procurement of goods and services in support of the vision, mission, and purpose of the district. The department also drives full compliance to business diversity goals as outlined in the board-approved remedial plans for minority and women-owned business enterprise (MWBE) participation in goods and services as well as construction projects.

MAJOR PROGRAMS

Procurement and Contracts Office

- Manage and review Board Action Plan (BAP) process across the district for the procurement of goods and services.
- Key Supplier Management Leadership to 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.
- Keep Improving District Services (KIDS) program to identify opportunities for improved services and cost reductions.

Office of Business Diversity (OBD)

- MWBE outreach and development to identify MWBE sourcing opportunities in conjunction with Procurement; work with suppliers and assist agencies and the community to find and develop viable MWBE companies to provide goods and services to the district.
- MWBE Sourcing and Contract Compliance is responsible for the administration and monitoring of the MWBE program. The MWBE program helps create and sustain an equitable business environment by promoting MWBE participation in public contracting and procurement.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,938,952	\$ 3,070,954	\$ 3,086,214	\$ 2,949,200	\$ 3,381,009
Total Department	\$ 1,938,952	\$ 3,070,954	\$ 3,086,214	\$ 2,949,200	\$ 3,381,009

Note: Includes \$790K FY20 operating budget for the Office of Business Diversity (OBD). OBD is currently managed by Procurement and Contracts Office.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	26.0	27.0	27.0
Total Department	26.0	27.0	27.0

Note: Includes 7.0 FTE in FY20 operating budget for the Office of Business Diversity (OBD).

MAJOR ACCOMPLISHMENTS in FY19

Procurement and Contracts Office

- Launched a performance rating system for suppliers where all units must rate and offer comments regarding supplier performance for each purchase.
- \$18.1 million in KIDS savings and benefits from the department's continuous improvement program.
- Implemented mapping and process improvements for BAP to execute timely contract agreements.
- Completed 144 new procurement projects.
- Launched KIDS newsletter to the supplier community to highlight supplier savings, continuous service improvements and goodwill.

Office of Business Diversity

- Conducted outreach to identify new MWBEs who could potentially participate in procurement activities, with the goal of attaining 30 percent MBE and 7 percent WBE participation per the remedial program adopted in December 2016. OBD has engaged over 500 participants to date.
- Operationalized B2GNow contract compliance measurement system.
- Completed annual review and conducted action plan per policy requirement to provide a summary of activities for the fiscal year, an update on performance to goal, the highlight of successes, and outline of strategies for the upcoming fiscal year.
- Conducted over 10 supplemental solicitations and added 34 MWBE vendors to existing vendor pools. Also conducted targeted outreach for 21 pre-submittal workshops.

KEY BUDGET INITIATIVES for FY20

Procurement and Contracts Office

- Improve iSupplier, including supplier on-boarding and background check process.
- Launch new Procurement Marketplace to improve school-based procurement activities.
- Fully integrate IAMS vendors into the Oracle Financial System to improve internal controls and spend management.
- Improve supplier management activities, including risk, KPI monitoring, and MWBE participation.

Office of Business Diversity

- Ensure all BAP items for approval are fully vetted and have documented MWBE goals and plans.
- Host supplier outreach event to drive performance equity by identifying MWBE vendors for upcoming procurement opportunities.
- Provide quarterly reports of MWBE to department chiefs and board.
- Initiate supplier field audits to perform onsite assessments to validate the information provided to CPS is accurate and in compliance (i.e business location, who is performing the work) per recommendation/requirement under the Procurement Reform Task Force (PRTF).
- Launch Vendor Curriculum/Workshops to further develop targeted MWBE vendors to expand their scope and scale to be able to service larger contracts with the district.

Safety and Security

MISSION

The mission of the Office of Safety and Security is to provide a safe and secure environment that is conducive to learning. This is accomplished by taking a holistic, 24-hours-a-day, seven-days-a-week approach to student safety. 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 CPS schools and students. This team uses a combination of methods, including prevention, intervention, and enforcement, to proactively address security issues to ensure the safety of CPS students in and out of school.

MAJOR PROGRAMS

The department is divided into six teams that manage the safety resources for the district:

- **Network Safety Team:** Manages the overall field safety support structure for each network and school. Every school has an identified point of contact from this team who is accountable for assisting in areas such as safety strategy development, security staff support, and incident investigation and response. Key responsibilities include:
 - Working with schools to develop customized school safety plans.
 - Training school-based security staff on a trauma-informed approach in supporting students.
 - Optimizing school-based security staff performance.
 - Partnering with CPD and community stakeholders to support school safety plans inside and outside of schools.
 - Conducting positive interventions for at-risk students due to factors including, but not limited to, social media events, environmental concerns, gang concerns, and any other issues that might jeopardize student safety.
 - Partnering with the Office of Sports Administration (OSA) to provide security at sporting events across the district.
- **Student Safety Services Team:** 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.
- **Clinical and Crisis Team:** Consists of licensed clinicians who are responsible for helping schools prevent, prepare, respond, and recover from school crises. This team also builds staff capacity to attend to the emotional and psychological well-being of the school community.
- **Safe Passage Team:** 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.
- **Safety Initiatives and Background Check Team:** Responsible for key strategic areas including implementing the CPS district-wide background check process for employees, vendor employees, volunteers, Local School Council members, and charter school partners.

- **Safety Operations Team:** Responsible for ensuring all schools and staff have met district safety standards for school safety integrity, including conducting safety audits and emergency preparedness. The team oversees school preparedness for emergencies that include fire, tornado, and active shooter, by training and supporting schools to conduct emergency drills. Safety Operations also provides real-time support in the event of a true emergency.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 28,641,824	\$ 34,624,453	\$ 35,180,924	\$ 35,111,284	\$ 37,444,938
Other Grant Funds	\$ 706,033	\$ 721,136	\$ 1,205,125	\$ 445,229	\$ 116,498
School Generated Funds	\$ 189,235	\$ 261,042	\$ 490,469	\$ 246,008	\$ 407,671
Total Department	\$ 29,537,092	\$ 35,606,631	\$ 36,876,518	\$ 35,802,521	\$ 37,969,107
Budgeted at Schools	\$ 51,207,647	\$ 58,619,825	\$ 56,023,937	\$ 55,130,505	\$ 58,940,863
Grand Total	\$ 80,744,739	\$ 94,226,456	\$ 92,900,455	\$ 90,933,026	\$ 96,909,970

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	152.0	153.0	164.0
Other Grant Funds	3.0	2.0	0.0
Total Department	155.0	155.0	163.0
Budgeted at Schools	1,041.0	1,054.0	1,057.0
Grand Total	1,196.0	1,209.0	1,220.0

MAJOR ACCOMPLISHMENTS in FY19

- Added 14 additional schools to the Safe Passage program. The program operates at 159 schools for a total of over 75,000 students.
- Enhanced school safety by partnering with principals to create school safety plans with enhanced security protocols designed specifically for individual schools.
- Partnered with the new Office of Student Protections and Title IX and the Office of Health and Wellness to deliver sex abuse prevention training to all security officers.
- Partnered with the Department of Justice and the University of Chicago Urban Labs to complete the “Connect and Redirect to Respect” final summary report for a grant that supported high-risk youth and provided interventions to mitigate safety risks to the student.
- Continued to implement the Auditorium Transformation Jobs program for up to 250 students from high-risk situations who are employed in renovating CPS auditoriums across the city while building social-emotional learning skills. The program is funded by private philanthropy.
- Implemented Lumity STEM programming for 75 students from high-risk situations by facilitating “app development work” for concepts that improve community well-being.
- Rechecked backgrounds for over 70,000 CPS staff, volunteers, coaches, and charter school and vendor employees before SY2018–19. Partnered with the Law Department, the Talent Office,

the Office of Procurement and Contracts, and the Office of Family and Community Engagement (FACE) to ensure that all work streams were supported through the process and provided high levels of customer service.

- Partnered with FACE and Chicago City Colleges to launch the adult education series in 25 CPS schools for parents and community members seeking GED and ESL courses to promote their continued education.
- Continued to support OSA to administer the Sports Can Open Roads to Excellence (SCORE), a no-cut sports program for fifth to eighth graders that promotes greater student participation in sports. Safety plans were also implemented to ensure a safe environment for all sites.

KEY BUDGET INITIATIVES for FY20

- Launch Safe Schools Certification Initiative that requires 100 percent of all CPS district schools must certify through successfully completing a safety audit.
- Complete recertification of all security officers in Safety Care curriculum to ensure they are effective in de-escalation and intervention practices.
- Deliver enhanced Sex Abuse Prevention training curriculum and training designed specifically for security officers. The curriculum will cover topics such as the definition of healthy and appropriate relationships, how to identify when boundaries are crossed, and reporting requirements.
- Partner with CPD, schools, and community stakeholders to support the implementation of the CPD Consent Decree and ensure consistency and clarity around the role of CPD School Resource Officers (SRO).
- Partner with Information Technology Services, the Talent Office, FACE, Sports Administration, the Law Department, the Office of Procurement and Contracts, and the Office of Network Support to launch “Background Check 2.0,” to automate background checks for the district. The effort will also incorporate a new visitor management system to allow schools to better assess which adults have been cleared to work or volunteer in schools.
- Expand the Safe Passage program to include up to an additional 10 schools that face safety concerns and challenges in their community.
- Assess employment opportunities for students in high-risk situations by analyzing and identifying opportunities to replace the Auditorium Transformation program with the Summer 4 Change (S4C) program - a community-based program that helps young people live safe and successful lives. The S4C program will provide fun, safe, and meaningful activities for six-weeks during the summer and is jointly delivered by Youth Advocate Programs (YAP) and Children’s Home and Aid (CH&A).
- Launch new Lumity Student Apprenticeship Program initiative to support 50 graduating students from high-risk situations to obtain career preparation assistance and permanent employment upon graduation.

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). OSCPA ensures that Pre-K–12 postsecondary teams, which include school counselors and coaches, implement student-centered data-informed practices to positively impact academic, social-emotional, and postsecondary outcomes for all Chicago Public Schools (CPS) students.

MAJOR PROGRAMS

School Counseling:

- **Counseling Specialists:** Implement comprehensive school counseling programs, which track relevant key performance indicators to ensure that school counselors address the academic, social-emotional, and postsecondary needs of all students. As part of this work, counseling specialists also develop and support the REACH evaluation system that identifies a common definition and a set of standards for the school counseling practice.

College and Career Advising:

- **College and Career Specialists:** Provide network-level guidance to schools that support a college-going culture and drive for college access and persistence for students. College and Career Specialists implement district-wide postsecondary success strategies, including monitoring key performance indicators, establishing Postsecondary Leadership Teams (PLTs), serving as trainers for the College and Career Advising Credential, organizing college fairs, and facilitating dual enrollment participation and other college-school partnerships.
- **Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP):** Facilitates GEAR UP, a federal program operated in partnership with Northeastern Illinois University's 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 on 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 data analysis and the Naviance College and Career Planning tool to develop the best supports to prepare students for success in postsecondary endeavors.
- **Learn.Plan.Succeed. (LPS):** Supports the district's mission of providing a high quality education to every child by ensuring every student has equitable access to the support needed to successfully create and fulfill a concrete postsecondary plan.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 1,244,699	\$ 3,006,721	\$ 2,833,875	\$2,874,148	\$3,452,572
Title Funds	\$674,455	\$1,028,127	\$1,029,227	\$1,062,546	\$1,072,059
Other Grant Funds	\$ 2,069,909	\$ 5,292,541	\$ 2,667,104	\$2,493,413	\$ 4,670,872
School Generated Funds	\$ 266,501	\$ 4,673	\$ 265,052	\$254,813	\$ 0
Total Department	\$ 4,252,857	\$9,332,063	\$ 6,795,259	\$6,430,107	\$ 8,673,444
Budgeted at Schools	\$ 0	\$ 0	\$2,398,993	\$ 2,398,993	\$ 0
Grand Total	\$ 4,252,857	\$9,332,063	\$ 9,194,252	\$8,829,100	\$8,673,444

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	33.0	25.0	25.0
Title Funds	8.0	6.0	7.0
Other Grant Funds	32.0	18.0	16.0
Total Department	73.0	48.0	48.0

MAJOR ACCOMPLISHMENTS in FY19

- For the second year in a row, a CPS school counselor (Brian Coleman, at Jones College Prep), was named the 2019 School Counselor of the Year by the American School Counselor Association, which is the most prestigious national honor for school counselors.
- The 2018 graduating class received a record-high \$1.33 billion in scholarship offers which is \$90 million more than 2017 and five times more than 2012, when CPS students earned \$266 million in scholarship dollars. The increase in scholarship offers reflect the district's continued efforts to provide all high school students with the tools and support needed to make the scholarship search and application process accessible and successful.
- Partnered with Global Citizens Year to offer a new fellowship to advance the goals of CPS graduates pursuing a meaningful global gap year. The fellowship is another option for students to meet their LPS requirements.
- Launched the LPS Progress Report for students, parents, and school counselors to provide students and their families with personalized insights about their post-graduation potential, including the specific steps they might take during their sophomore and junior years in preparation for their postsecondary plans.
- Year two Summer Melt investments targeted support for the most at-risk students. An additional 27 schools were provided transition coordinators and youth ambassadors for Summer Melt investments at 82 high-need schools. The number of youth ambassadors from year one increased from 15 to 45. In addition, summer transition coordinators and youth ambassadors were placed at Options Schools, where the summer melt rate is significantly higher than the district overall.

KEY BUDGET INITIATIVES for FY20

- Launch the Freshman Connection program at district high schools during the summer of 2019. 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 \$2.5 million investment from the Healthy Communities Grant awarded to CPS by the Illinois State Board of Education.
- Expand the Naviance College and Career Planning tool to charter schools and students in preparation of LPS implementation.
- Continue the Summer Melt strategy in district-managed high schools with high summer melt rates. This will be supported by a \$180,000 investment from the Healthy Communities Grant.

School Quality Measurement and Research

MISSION

The mission of the Department of School Quality Measurement and Research is to help drive Chicago Public Schools' (CPS) continuous improvement processes by providing clear, accurate reporting of interpretable results. The department provides strategic planning infrastructure and timely and accurate school performance management, data, and analysis to schools, networks, and Central Office and builds a foundation of high-quality, research-based evidence to inform district practice, policy, and vision.

MAJOR PROGRAMS

- Identify valid and reliable measures of performance used to establish goals at the educator, school, network, and district levels.
- Provide leadership in schools, networks, and Central Office departments with access to timely and accurate school and educator performance data and analysis.
- Compile academic performance data and create a repository for relevant district data in collaboration with other CPS departments.
- Calculate accountability metrics, Key Performance Indicators, and other academic performance measures used throughout the district, such as REACH for teachers, principal evaluation, and school quality ratings.
- Calculate end-of-year performance ratings for schools, principals, and educators in alignment with local policies, such as the School Quality Rating Policy (SQRP) and state statute, such as the Performance Evaluation Reform Act.
- Manage the district's research-practice partnerships, external research review processes, and data sharing agreements.
- Manage a roster verification process to allow educators and administrators to review, correct, or input front-end data used in evaluations.
- Increase transparency within CPS and to the public through clear reporting of performance data.
- Support and streamline the district-wide continuous improvement infrastructure to ensure efficiency of process and quality of content. This includes supporting implementation of the Five-Year Vision.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$1,836,863	\$2,219,569	\$2,090,944	\$2,068,971	\$2,484,870
Title Funds	\$36,494	\$64,274	\$64,274	\$62,310	\$175,155
Other Grant Funds	\$-	\$71,518	\$71,618	\$-	\$-
Total Department	\$1,873,357	\$2,355,361	\$2,226,836	\$2,131,281	\$2,660,025

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	15.0	15.0	18.0
Total Department	15.0	15.0	18.0

Note: SQM added a Data Strategy Resource Coordinator to support Continuous Improvement, a Performance Policy Analyst to support SQRP analysis, and a Data Analyst for SQRP metric and data analysis.

MAJOR ACCOMPLISHMENTS in FY19

- Calculated and released school quality ratings for 656 schools and programs.
- Calculated and released principal and assistant principal evaluations for over 500 principals.
- Calculated REACH educator evaluation ratings for over 20,000 educators with unprecedented accuracy, including the first performance task audit since 2015 which delivered earlier than any prior year. There were no major errors in the release of the four projections for REACH evaluations, Preliminary Professional Practice Scores, or Summative Reports for teachers, principals, network chiefs, and district leadership.
- Finalized, socialized, and passed, via a Chicago Board of Education vote, new policy for SQRP 2.0.

KEY BUDGET INITIATIVES for FY20

- Rollout SQRP 2.0 by preparing for official calculations in the fall and supporting schools with simulations and technical support.
- Improve and expand support for school strategic planning as articulated in school Continuous Improvement Work Plans.

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 who perform the following functions:

- **Finance and Internal Accounts Management:** Performs transactional duties in Oracle such as book transfers, monthly internal accounts reconciliation, journal entries, escheats, etc.
- **Employee Expense Reimbursement:** Executes centralized processing of all employee and school reimbursements.
- **Budget Assistance:** Performs 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:** Serves as the first point of contact on HR issues.
- **Procurement:** Expedites processing purchase orders and processing and navigating procurement applications, policies, and procedures.
- **Oracle Financial Applications:** Serves as the first point of contact in navigating and troubleshooting all Oracle financial applications including web inquiry, position control, iLeasing, iExpense, iProcurement, and IAMS.
- **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 managing 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:** Offers an 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. The program provides direct training and support to new school principals, clerks, and schools that have historically struggled to meet expectations on school audits.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 6,048,479	\$ 7,522,060	\$ 8,181,448	\$ 6,819,146	\$ 7,498,367
Total Department	\$ 6,048,479	\$ 7,522,060	\$ 8,181,448	\$ 6,819,146	\$ 7,498,367

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	88.0	88.0	88.0
Total Department	88.0	88.0	88.0

MAJOR ACCOMPLISHMENTS in FY19

- Achieved the highest rating in a district-wide principal/assistant principal satisfaction survey for Central Office departments.
- 100 percent of district schools' internal accounts were reconciled on a monthly basis.
- 94,000 hours of Kronos manual entries were removed from school-based staff workload.
- 92 percent of call center interactions were rated as providing good or excellent service to our school customers.
- 100 percent of all supporting documentation for manual payroll audits are on file to demonstrate stewardship of district expenses.
- Despite a 165 percent increase in call volume, we achieved a reduction of call abandonment by 50 percent and increased first call resolution from 76 to 91 percent.
- Ensured balancing of over \$2 million in school budget negatives through proactive campaigns and school support to follow through on financial action items.

KEY BUDGET INITIATIVES for FY20

- Expand Premium Services to help more administrators manage school business in accordance with district policy, specifically serving schools struggling to meet school audit expectations.
- Build and implement a business intelligence dashboard to provide school-level, real-time data to school principals on the financial health of each school. The SSC will expand campaign efforts to bring school financial action items to the forefront and support school principals in ensuring good stewardship of budgeted funds and school internal accounts.
- Increase on-demand resources for school clerks and principals to navigate and master the district's financial applications and business policies/procedures.
- Continuously improve customer service to schools by leveraging the information gathered through the district's customer service ticketing system to reduce process inefficiencies in completing transactions in our business application suite.

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 and 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 Chicago Public Schools Climate Standards.
- **Social and Emotional Learning (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 behavior incidents, minimizing the use of suspensions and expulsions, and restoring school community 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

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 2,115,164	\$ 2,580,897	\$ 2,866,307	\$ 2,643,713	\$3,358,882
Title Funds	\$5,617,563	\$7,499,848	\$ 8,677,291	\$ 7,518,794	\$8,157,375
Other Grant Funds	\$751,499	\$ 1,540,518	\$ 2,450,089	\$ 1,708,752	\$ 463,741
School Generated Funds	\$ 82,381	\$ 180,270	\$ 186,949	\$ 138,598	\$ -
Total Department	\$ 8,566,607	\$ 11,801,534	\$ 14,180,635	\$12,009,857	\$ 11,979,998

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	10.0	11.0	11.0
Title Funds	16.0	18.0	22.0
Other Grant Funds	2.0	2.0	1.0
School Generated Funds	1.0	0.0	0.0
Total Department	29.0	31.0	34.0

MAJOR ACCOMPLISHMENTS in FY19

- Decreased district-wide out-of-school suspension rates compared to the same time period last school year.
- Increased the number of schools receiving a Supportive Schools Certification from 447 to 524 schools.
- Provided trauma awareness training to 28 schools and more than 1,100 staff members.
- Trained more than 100 school counselors, psychologists and social workers in evidence-based group interventions for SEL skills development. SEL skills development programs provide curriculum to teach all students self-awareness and self-management, social awareness and relationship skills, and responsible decision making.
- Provided on-site restorative practice coaches and support to develop restorative practices in 40 schools and trained 21 schools to establish peer conference teams.
- Expanded the Behavioral Health Team (BHT) model from 166 schools in SY18 to over 200 schools in SY19 to support the coordination and monitoring of behavioral health supports for students with more targeted and/or intensive social and emotional needs.
- Provided intensive trauma supports and launched universal trauma screening in 10 high schools in high-violence communities by the Healing Trauma Together initiative 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 intensive behavior interventions through school-based direct service and the Saturday Morning Alternative Reach Out and Teach (SMART) program to students referred for the most serious Student Code of Conduct violations in Group 5 or 6. Interventions focused on social and emotional skills development, substance use, conflict resolution, and self regulation.
- Provided direct service mentoring behavioral programs through Becoming a Man (BAM) and Working on Womanhood (WOW) to over 2,736 students, including 646 in WOW and 2,090 in BAM, in 41 schools.
- Provided network-based SEL supports across 17 networks, including on-site coaching and technical assistance to school leadership and teams on SEL, discipline, and climate development and provide ongoing professional-learning communities for school-based SEL leads, deans and disciplinarians, and MTSS teams.

KEY BUDGET INITIATIVES for FY20

- Fund coaching, professional development, direct services, curriculum, and resource creation to support schools in developing MTSS that meet students' social and emotional needs, including supportive school climates, universal SEL skills instruction, and targeted social and emotional interventions.
 - Expand menu of Tier 1 curricula to include bullying prevention addendum.
 - Develop high school model for SEL integration and Advisory/Seminar planning.
 - Pilot student skill assessment in conjunction with Tier 1 curriculum implementation.
- Fund SEL student voice committee and student media campaign regarding suicide prevention, bullying prevention, and mental health awareness.

- Fund school-based trauma supports and district-wide training that supports staff in creating trauma-sensitive learning environments that minimize barriers to student learning.
 - Expand menu of interventions, number of trainings and provide implementation support.
- Fund effective alternatives to suspension and expulsion, including restorative approaches to discipline, mentoring, behavior interventions, and substance use interventions. Implement additional sessions of SMART to provide substance abuse intervention and mentoring supports.

Sports Administration

MISSION

The mission of the Office of Sports Administration is to utilize athletics as a platform to better prepare students for success in college, career, and civic life through the engagement of opportunities that foster character, citizenship, and academic achievement.

MAJOR PROGRAMS

- **Chicago Public League High School Interscholastic Sports:** Provide 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. Facilitate 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 mission.
- **Elementary Sports Program:** Increase the participation of elementary-age students and help build healthy habits through the CPS SCORE! program, a district-wide “no-cut” sports initiative.
- **Driver Education:** Oversee classroom instruction and behind-the-wheel activities for students at 20 citywide locations.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 13,055,389	\$ 16,995,293	\$ 17,222,325	\$ 15,534,635	\$ 17,011,016
School Generated Funds	\$ 1,926,418	\$ 357,430	\$ 2,755,302	\$ 2,361,582	\$ 1,747,406
Total Department	\$ 14,981,808	\$ 17,352,723	\$ 19,977,627	\$ 17,896,217	\$ 18,758,422

Note: Increase in FY20 Proposed School Generated Funds due to carryover amount from FY19 revenue streams.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	22.0	23.0	22.0
Total Department	22.0	23.0	22.0

MAJOR ACCOMPLISHMENTS in FY19

- Implemented new background check protocol for coaches, ensuring all coaches pass criminal background checks prior to interacting with student athletes.
- Expanded the elementary sports program, SCORE!, and provided a 30 percent increase in overall student participation in athletics.
- Ensured Title IX compliance in 25 additional high schools.

KEY BUDGET INITIATIVES for FY20

- Expand elementary and high school sports offerings to create equity among males and females within interscholastic sports programs. Specific offerings include adding an additional sport at the elementary level (16-inch softball).
- Provide financial support through new earmarking funds to schools that reach the State Series but may lack necessary funding.
- Perform data analysis focused on whether participating in athletics impacts post-secondary success.
- Continue efforts to maintain a more cost-effective process of monitoring the usage and life cycle of vehicles in the Driver Education program's fleet with the goal of having no vehicles older than 10 model years.
- Implement the Arbitrator pay system for high school official fee payment, a cost-effective measure that will ensure the proper allocation for all interscholastic high school competitions.

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:** Oversees district-wide Chicago Public Schools (CPS) student enrollment in Medicaid, Children’s Health Insurance Program (CHIP), and Supplemental Nutrition Assistance Program (SNAP) to assure access to health insurance and strengthen food security.
- **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.
- **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.
- **Student Health Services (i.e., Dental, Hearing, Infection Control, Primary Healthcare, and Vision):** Provides CPS students with age-appropriate screening, preventive services, and treatment services that are medically necessary to correct or ameliorate any identified conditions, ensuring that we are giving the right care to the right child at the right time in the right setting. We also oversee school-based health centers and mobile care providers.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 3,696,974	\$ 5,499,830	\$ 5,658,499	\$ 5,360,934	\$ 6,268,944
Other Grant Funds	\$ 1,407,655	\$ 432,691	\$ 1,167,730	\$ 522,129	\$ 1,266,377
Lunchroom Funds	\$ 451,382	\$ 625,066	\$ 605,329	\$ 524,224	\$ 646,866
School Generated Funds	\$ 211,386	\$ 562,633	\$ 1,178,901	\$ 362,071	\$ 276,077
Total Department	\$ 5,767,397	\$ 7,120,220	\$ 8,610,459	\$ 6,769,358	\$ 8,457,964

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	64.5	68.5	66.5
Other Grant Funds	2.0	2.0	2.0
Lunchroom Funds	7.5	7.5	7.5
School Generated Funds	7.0	7.0	7.0
Total Department	81.0	85.0	83.0

MAJOR ACCOMPLISHMENTS in FY19

Children and Family Benefits Unit

- Increased Medicaid and CHIP enrollment from 67 percent to 81 percent of eligible students.
- Decreased percentage of students failing to renew their Medicaid and CHIP benefits from 19 percent to 17 percent.
- Provided outreach and education related to SNAP/Medicaid/CHIP enrollment and re-enrollment to over 15,000 CPS parents and community members.
- Renewed a No Cost Service Agreement with the Greater Chicago Food Depository to staff nine FTEs at no cost to the district and to expand school-based Medicaid and SNAP enrollment sites from 13 to 21. This contributes to approximately \$550,000 in district savings.
- Achieved a 95 percent Medicaid Designee participation rate at schools that have a staff member to assist with outreach for the Medicaid and SNAP programs.
- Identified approximately \$400,000 in additional Medicaid reimbursement revenue by enhancing the district's Medicaid Recipient Identification Number matching and identification process.

Health Promotion

- Launched StartWELL: Healthy CPS for Pre-K, which provides Pre-K teachers across the district with resources and best practices for integrating health and wellness policies into the classroom.
- Launched Eat What You Grow mini-grants aimed to enhance garden programming and nutrition education at 130 schools.
- Provided training to over 1,200 staff related to creating safe and supportive environments for LGBTQ and all youth as well as the district's comprehensive sexual health education curriculum.
- Distributed district-issued epinephrine pens (EpiPens) to all schools at no cost to the district and despite a global manufacturing shortage of the devices.

Health Information

- Matched 185 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.
- Created a new Healthy CPS Survey informed by school health experts and stakeholders.
- Convened an event for Northwestern researchers to partner with OSHW to research and contribute health goals to the CPS research agenda.
- Distributed new quarterly Healthy CPS data reports for principals that resulted in an increase of compliance with Chronic Conditions training, with 70 percent of all staff trained (up from just six percent two years ago).
- Expanded the Centers for Disease Control and Prevention's Youth Risk Behavior Survey to collect health data capturing middle school students for the first time since 2013.

Student Health Services

- Dental/Oral Health Exam Program: Piloted an expansion of the existing school-based/school-linked program serving 80,000 students by partnering with Citywide Smiles

to offer dental examination at the Princeton Vision Exam Clinic location during the summer and Mobile Care Chicago to increase access to restorative dental care services.

- Hearing Screening, Referral, and Audiology/Ear/Nose/Throat Examination: Almost 87 percent of all students in a Head Start program received at least one hearing screening within the past 12 months.
- Infection Control and Disease Management: Developed an incident reporting module with written health education documents for schools, parents, and community members. Added the BlueCross/BlueShield/CDPH Care-a-Van Vaccination services to our Princeton Vision Exam Clinic location and added Christian Community Health Center to Wacker Elementary and Julian High School.
- Medical Home: Primary Healthcare, Physical Examination, and Immunization: Increased access to licensed primary care providers through oversight of 36 school-based health centers, including new centers this year at Drake Elementary School and Chicago Vocational Career Academy. Secured funding, legal agreements, and providers for a clinic at the new Englewood STEM High School, expected to open Fall 2019.
- Vision Screening, Referral, and Eye Examination: In addition to our daily school-based/school-linked program serving 60,000 students, OSHW partnered with OneSight and Truman College to increase access to eye exams and glasses at no cost for Chicago children, families, and educators by an additional 1,565 people.

KEY BUDGET INITIATIVES for FY20

Children and Family Benefits Unit: 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. Health equity is the principle that drives us to eliminate health disparities, which are 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.

- Strengthen school-based enrollment strategies and opportunities to make sure all eligible students are enrolled in Medicaid, CHIP, and SNAP.
- Increase Medicaid and CHIP enrollment of eligible students from 84 to 86 percent of eligible students.
- Decrease the percentage of students that fail to recertify their Medicaid and CHIP benefits from 16 to 14 percent.
- Focus enrollment and retention efforts on approximately 40,000 students with health-related Individualized Education Plans.
- Onboard 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 by conducting outreach to approximately 16,000 parents and community members.

Health Promotion

- Release updated skills-based comprehensive sexual health education curriculum enhanced by alignment with National Health Education Standards and Social/Emotional Learning Standards.
- Release the district’s first comprehensive Student Bill of Rights.
- Develop resources for parents and families to understand policies and services available to students related to chronic conditions management in schools.

Health Information

- Achieve weighted data for 2019 Youth Risk Behavior Survey for both high school and middle school.
- Increase overall compliance with Healthy CPS, an initiative to support schools in aligning with 40+ federal, state and local policies.
- Launch Healthy CPS validated survey tool to measure school’s alignment with Healthy CPS criteria.

Student Health Services: We provide health care to approximately 200,000 CPS students every year 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 or guardian. The department offers a variety of “safety-net” services as a resource for those students, parents, or guardians who do not have a medical, dental, or optical provider. Departmental service goals will fluctuate across the academic year based upon the year-to-date student enrollment and their health-related needs.

- Dental/Oral Health Exam Program: Examine 80,000 students.
- Hearing Screening, Referral and Audiology/Ear/Nose/Throat Examination: Screen approximately 170,000 students and examine approximately 500 students.
- Infection Control and Disease Management: Develop, implement, and evaluate an incident reporting module with written health education documents for schools, parents, and the community.
- Primary Health Care: Develop, implement, and evaluate a process for identifying Medical Homes for students with existing data sources and increase access to primary care services through school-based/school-linked health providers.
- Vision Screening, Referral, and Eye Examination: Screen approximately 165,000 students and examine approximately 50,000 students.

Office of Student Protections and Title IX

MISSION

The Office of Student Protections and Title IX (OSP) coordinates Chicago Public Schools' (CPS) response to all incidents of sexual misconduct, including bullying, harassment, and violence, and ensures compliance with Title IX.

MAJOR PROGRAMS

- **Investigations:** Investigates allegations of student-on-student sexual harassment, bullying, or abuse.
- **Advocacy:** Coordinates 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:** Ensures the district is in compliance with Title IX, which protects students from discrimination related to any educational program on the basis of sex, gender, or sexual orientation.
- **Training and Awareness:** Ensures every member of the CPS community understands their role in recognizing, preventing, reporting, and responding to sex/gender discrimination, sexual harassment, misconduct, and abuse.
- **Policy and Prevention:** Verifies 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 necessary parties.
- **Data and Reporting:** Collects and shares information with the public and ensures appropriate notifications are made in all cases.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ -	\$ -	\$ 1,714,756	\$ 1,403,000	\$ 2,476,318
Total Department	\$ -	\$ -	\$ 1,714,756	\$ 1,403,000	\$ 2,476,318

Note: OSP was established halfway through FY19. The FY20 cost represents the annualization of the position costs.

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	0.0	21.0	24.0
Total Department	0.0	21.0	24.0

MAJOR ACCOMPLISHMENTS in FY19

- OSP launched at the beginning of SY18–19 school year and has since answered over 4,200 hotline calls, directly investigated over 500 cases, guided over 1,600 school-based investigations, and provided over 60 live trainings throughout the district.
- Trained more than 500 school-based Title IX representatives at district-run schools.
- Worked to ensure that students involved in over 3,000 sexual misconduct incidents received support referrals.
- Closed 94 percent of OSP Investigations opened in SY 18-19.
- Implemented new Title IX Notice Procedures to ensure Title IX compliance and student safety.
- Compiled and reported data on Title IX and the related work of OSP.

KEY BUDGET INITIATIVES for FY20

- Offer management training and consultation services with the Association of Title IX Administrators (ATIXA) for pre-K–12 Title IX.
- Create an IT case management solution to streamline the process of responding to and reporting cases.
- Continue partnerships with the Chicago Children’s Advocacy Center and other Citywide Coalition members, which respond to reports of child sexual abuse, physical abuse, witness to violence, and other serious cases of maltreatment of children.
- Create a Comprehensive Sexual Abuse Prevention Program for students.
- Continue to ensure that all students affected by sexual misconduct receive the support and resources they need and deserve.

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 Chicago Public Schools (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 and Truancy:** Lead and coordinate 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 and Every Student Succeeds Act 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 re-engage, re-enroll, and persist 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 (NBJ).
- **Out-of-School Time (OST) Activities:** Manage and oversee the 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 implementation of 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, and provides data analysis and technical assistance.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$730,432	\$ 7,296,676	\$ 8,326,684	\$10,387,891	\$8,588,625
Title Funds	\$6,865,711	\$7,480,049	\$7,635,799	\$7,069,536	\$7,647,957
Other Grant Funds	\$6,572,407	\$13,754,785	\$13,437,311	\$13,499,746	\$15,934,434
School Generated Funds	\$65,448	\$439,574	\$ 904,652	\$735,991	\$95,680
Total Department	\$ 14,233,998	\$28,971,084	\$30,304,446	\$31,693,164	\$32,266,697
Budgeted at Schools	\$5,245,659	\$193,450	\$5,306,383	\$4,500,450	\$1,131,638
Grand Total	\$19,479,657	\$29,164,534	\$35,610,829	\$36,193,614	\$33,327,798

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	8.0	8.0	10.0
Title Funds	5.0	5.0	5.0
Other Grant Funds	43.0	47.0	46.0
School Generated Funds	2.0	1.0	1.0
Total Department	58.0	61.0	62.0
Budgeted at Schools	1.0	1.0	1.0
Grand Total	59.0	62.0	63.0

MAJOR ACCOMPLISHMENTS in FY19

- **Attendance and Truancy Services:** Attendance grants were awarded to 17 networks in support of 157 schools. 30 of the 45, or 67 percent, of Tier 2 audit schools and 13 out of 20, or 65 percent, of Tier 3 audit schools improved attendance after the audit compared to previous years. The process focused on procedures, culture, and climate. Further, the mandated Attendance Essentials Learning Hub training for all district-managed schools reached 100 percent compliance in its fourth year. Attendance and Truancy Services is led in partnership with the Office of Network Support.
- **Community Schools Initiative (CSI):** Served over 21,000 students and enrolled 5,000 parents in programming. Over 130,000 hours of programming have been offered for students and their families at 80 schools across the district. Funds for the services and supports provided to these students and their families come partly from thirteen 21st Century Community Learning Centers (21st CCLC) grants. The sustainability of Community Schools is ensured by receiving an additional five years of funding, \$3.375 million annually, to continue programming at 24 schools that were scheduled to end services at the end of 2019. The department also partners with the Chicago Teachers Union to transform 20 schools into sustainable Community Schools.
- **Students in Temporary Living Situations (STLS):** Led district-wide training and support to all CPS schools to ensure over 18,000 students in temporary living situations have 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. This year STLS issued district-wide guidelines for supporting homeless students through the GoCPS application process. The number of STLS eighth graders applying to Selective Enrollment schools more than doubled last year's number. There was also a 25 percent increase in the number of STLS eighth graders taking the Selective Enrollment exam. The percentage of STLS eighth grade students applying for high school through GoCPS equals the district's average of 95 percent for all eighth graders.

- **Out-of-School Time (OST):** Centralized OST programs serve approximately 34,000 unique students across programs. The OST Award Program serves over 27,000 students, providing approximately 70,000 hours of programming across a wide spectrum of topics, including academic intervention, STEM, dance, and yearbook. Staff members at 185 schools were trained in developing this programming, maximizing participation outcomes, and effectively spending their budget. The OST Data Capture Project was also initiated which requires all district-run schools to enter their OST programming into Cityspan, if applicable.
- **Juvenile Justice Re-entry Team:** Supported over 680 unique students exiting NBJ in school planning, individualized support, and resource coordination, utilizing partners in the juvenile justice system, schools, and community-based organizations. Over 71 percent of re-entry eligible students enrolled in school following their release, representing an increase of more than seven percentage points year-over-year. The retention rate of students enrolling in CPS after leaving NBJ was 79 percent, with a post-detention cumulative attendance rate of 68 percent which is a four percentage point increase from SY17–18.
- **Student Outreach and Re-Engagement (SOAR):** As of the beginning of the fourth quarter, the four SOAR Centers re-engaged 1,424 chronically truant and out-of-school youth. 80 percent successfully re-enrolled into school with an average of 80.24 percent attendance, exceeding the program attendance metric. SOAR Student Engagement Specialists cultivate relationships with students centered around individualized planning and bi-weekly (at minimum) school check-in meetings. This approach afforded a rate of 81 percent of SOAR students achieving stable enrollment, putting them on track for graduation. Additionally, the SOAR team supported 363 students across three schools during the Englewood school closure transition, and facilitated the successful school enrollment of 302 transition students or 83 percent.

KEY BUDGET INITIATIVES for FY20

- **Attendance and Truancy Services:** Continue to implement the 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 consultation and financial investments to support high-need schools through school climate training, social and emotional skill development, and supplemental student programming. All district-managed schools will have two people certified on Attendance Essentials. The department will continue the Attendance Audit and Attendance Grant programs.
- **Community Schools Initiative (CSI):** CSI will support thirteen 21st CCLC grants. The program will support an estimated 18,000 students and 4,000 parents at 65 schools. Services include programs in academics, enrichment, health and wellness, social and emotional learning, and

family and community engagement.

- **Students in Temporary Living Situations (STLS):** STLS 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.
- **Juvenile Justice Re-entry Team:** The Juvenile Justice Re-Entry Team will provide transition supports for 700 students and support NBJ with implementing credit recovery and differentiated instruction for its students. For the first time, students will begin receiving dedicated transition curriculum and create authentic portfolios to support their graduation and post-release plans. A pilot of training, coaching, and school resources will support the development of restorative re-entry practices at south side neighborhood high schools.
- **Student Outreach and Re-Engagement (SOAR):** 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 ninth grade students most at risk for dropping out of school.
- **Out-of-School Time (OST):** The centralized OST program will provide over 28,000 students with approximately 73,000 hours of programming with the support of additional funds provided by the Chicago Department of Family and Support Services for the 2019 calendar year. In addition, OST will continue its partnerships with City Year and After School Matters to provide high-quality programs and opportunities to students.

Talent

MISSION

The Talent Office supports and empowers employees through all stages of their Chicago Public Schools (CPS) careers, with the understanding that the department's success enables employees to better serve the students of Chicago. In this work, the department prioritizes building new teacher talent pipelines to ensure a diverse and quality educator corps, empowering principals and managers with effective talent management tools, and promoting excellence among all employees with clear expectations, accountability, and recognition.

MAJOR PROGRAMS

- **Teach Chicago and Educator Equity:** Developing and implementing strategies to diversify teaching talent, recruit more teachers in high-need subject areas, strengthen supports to ensure Day 1 Readiness for new teachers, and expand access to high-quality instruction for students across Chicago. Through *Teach Chicago*, the district's initiative to recruit, retain, and empower educators, CPS will build new teacher residency programs, provide intensive talent management support for Opportunity Schools, some of the district's hardest-to-staff schools, and improve teacher retention tools available to principals.
- **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.
- **Human Resources (HR) Operations:** Improving efficiency and communication during employee onboarding for new employees as well as managers. Other key objectives include increasing the number of active substitute teachers and implementing new employee onboarding and orientation processes.
- **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:** Providing enhanced customer service in the administration of CPS' leave of absence program, and 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. Other efforts include improving health education and disease management services for employees and managing deferred compensation plans.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$15,676,522	\$20,843,061	\$20,743,934	\$ 21,588,144	\$ 25,386,974
Title Funds	\$4,528,757	\$4,788,956	\$4,790,190	\$ 4,573,407	\$ 4,909,152
Other Grant Funds	\$1,552,213	\$2,521,392	\$2,904,629	\$ 1,343,679	\$3,657,187
School Generated Funds	\$136,431	\$ 124,754	\$260,433	\$ 239,164	\$ 116,847
Total Department	\$21,893,923	\$ 28,278,163	\$ 28,699,186	\$ 27,743,222	\$ 34,070,160

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	104.2	138.6	201.4
Title Funds	10.5	12.5	11.5
Other Grant Funds	6.0	11.0	10.0
School Generated Funds	2.3	2.0	1.2
Total Department	123.0	164.1	224.1

MAJOR ACCOMPLISHMENTS in FY19

- Reduced the vacancy rate in Opportunity Schools by nine percent and increased the retention rate of early career teachers in Opportunity Schools by 19 percent.
- Launched *Lead with CPS*, a leadership development framework for the district to help employees navigate their career path and find opportunities for further development and growth.
- Implemented new teacher leadership roles in seven Empowered Schools (with support from a \$12 million competitive federal grant), with an additional nine schools slated for FY20.
- Increased hiring of new teachers in high-need subject areas by 33 percent over the past two years.
- Recruited and staffed CPS' new Office of Student Protections and Title IX to protect and support students' safety in school and in their communities.
- Implemented a new standard reference check system for managers to utilize for new hires.
- Recruited 90 new teacher residents, most of whom are Special Education and Bilingual educators, and planned for the launch of a new Early Childhood Education teacher residency program.

KEY BUDGET INITIATIVES for FY20

- Train 90 new teacher residents in Cohort 2 of Special Education and Bilingual teacher residency programs.
- Train approximately 20 additional teacher residents in the first year of the early childhood education teacher residency experience.
- Develop and launch a new Teach Chicago recruitment website for teachers.

- Expand Empowered Schools teacher leadership program from 7 to 16 schools as part of a \$12 million competitive federal grant.
- Introduce sexual harassment training to all district staff alongside a new online compliance training platform for similar training in the future.
- Develop district-wide employee engagement tools to identify how district and school leaders can improve employees' experience at CPS.

Teaching and Learning

MISSION

The mission of the Chicago Public Schools (CPS) Office of Teaching and Learning is to provide all stakeholders with educational resources that will result in high-quality curriculum and instruction to engage and empower students.

MAJOR PROGRAMS

- **Core Instruction:** Teaching and Learning contains the following core instructional departments: Arts; Health and Physical Education; Literacy; Science, Technology, Engineering, and Mathematics (STEM); and Social Science/Civic Engagement. These departments focus on implementing high-quality instruction in schools and ensure that educators have the training, tools, and resources to support meaningful and effective learning that prepares students for a successful future.
- **Instructional Supports:** Offers students targeted resources and extended learning opportunities that foster and enhance the skills students need for success, including Summer Bridge, Credit Recovery, and Virtual Learning programs.
- **Teacher Leader Development and Innovation:** Supports multiple district-wide teacher leadership, mentorship and professional development initiatives, including new teacher induction and school-based leadership opportunities.
- **Learning Technologies:** Maintains the district's Learning Hub, which houses and tracks district professional learning, and the Knowledge Center, an Intranet site that houses information, tools, and resources for CPS staff. Learning Technologies also manages the Learning Object Repository (LOR), which is comprised of various webinar systems that support digital media management.
- **Academic Competitions:** Encompasses 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 creates a competitive environment to teach students to apply content knowledge in ways that develop college and career skills such as problem solving, research, and critical thinking.
- **Assessments:** Provides high-quality and developmentally-appropriate assessment options for all CPS students. CPS provides both required and optional assessments to gauge progress and achievement in district schools.
- **Magnet, Gifted, and IB Programs:** Provides students and families with high-quality school models aimed at increasing college readiness through rigorous, theme-based instruction.
- **Personalized Learning:** Provides schools and students with the data, tools, and professional development opportunities needed to adopt Personalized Learning, a student-driven instructional model where the learning path, pace, and environment is tailored to each student's needs, strengths, and interests.
- **Curriculum, Instruction, and Digital Learning:** Leads the Curriculum Equity Initiative implementation to provide customized, culturally responsive digital curriculum for grades Pre-K–12 through a multi-year collaboration with publishers, teachers, and other experts.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 17,407,345	\$ 33,325,695	\$ 95,660,345	\$ 95,316,898	\$ 27,054,209
Title Funds	\$ 15,039,788	\$ 18,523,144	\$ 20,905,301	\$ 17,908,550	\$ 21,646,549
Other Grant Funds	\$ 1,275,393	\$ 2,093,348	\$ 5,453,199	\$ 4,223,827	\$ 3,997,545
School Generated Funds	\$ 713,095	\$ 947,848	\$ 2,248,256	\$ 1,064,359	\$ 1,035,828
Total Department	\$ 34,435,621	\$ 54,890,035	\$ 124,267,101	\$ 118,513,633	\$ 53,734,131
Budgeted at Schools	\$ 2,762,795	\$ -	\$ 4,186,724	\$ 3,801,454	\$ -
Grand Total	\$ 37,198,416	\$ 54,890,035	\$ 128,453,824	\$ 122,315,087	\$ 53,734,131

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	48.0	63.65	94.65
Title Funds	30.0	29.85	32.85
Other Grant Funds	1.0	5.0	5.0
School Generated Funds	7.0	7.5	7.5
Total Department	86.0	106.0	140.0
Budgeted at Schools	575.0	575.0	609.5
Grand Total	661.0	681.0	749.5

MAJOR ACCOMPLISHMENTS

Arts

- Increased student participation in all three All-City Visual Arts Exhibitions, with 779 students (47.2 percent increase from SY17-18) participating in the Elementary School Exhibition, 672 students (273 percent increase from SY17-18) in the High School Exhibition, and 211 students (35.6 percent increase from SY17-18) participating in the Senior Portfolio Exhibition.
- Received a \$2.1 million grant from the U.S. Department of Education to support arts teachers over the next four years through professional learning, instructional resources, and a digital networking platform for arts teachers.
- Created the Illinois Arts Learning Standards Toolkit, a robust set of instructional resources aligned to new learning standards and designed to support teachers in providing curriculum, instruction, and assessment.
- Developed and launched new district-wide professional learning initiatives around the Illinois Arts Learning Standards with 400 CPS arts teachers participating in the inaugural year of learning.
- Distributed \$1.5 million in grants to 152 CPS schools through the Creative Schools Fund, with CPS, the City of Chicago, and Ingenuity Inc. contributing to the Fund.
- Assisted with the creation and facilitation of the academic program Request for Proposal (RFP), a comprehensive new initiative that allows schools to apply for a specific programmatic focus,

which resulted in 11 new schools adopting an arts focus—six Fine Arts schools and five STEAM schools.

- Strengthened partnership with DCASE across multiple initiatives, including the Year of Public Art, the Year of Creative Youth, and the Year of Chicago Theatre.

Literacy

- Provided professional development through P-2 Balanced Literacy Initiative to 965 Pre-K through second grade teachers and 94 elementary administrators and network specialists. Provided additional school-based coaching support to 230 teachers in 26 priority schools.
- Launched an intermediate reading initiative involving 51 schools, 319 teachers, and approximately 7,600 students to begin expanding the P-2 Balanced Literacy Initiative into the intermediate grades.
- Piloted an intermediate writing initiative in 29 3rd-5th grade classrooms with the Center for the Collaborative Classroom, resulting in a 130 percent increase in the amount of time students spent engaged in writing.
- Provided professional development to teacher leaders and department chairs from 92 high schools aimed at increasing SAT attainment by strengthening independent reading, literary analysis, student discourse, and writing. Led follow-through professional learning community PD series with 143 teachers, and provided job-embedded, school-based supports at 14 high schools.
- Provided an Elementary Battle of the Books program to approximately 2,500 students on 179 student teams from 111 schools across the city, a 25 percent increase in school participation and 30 percent increase in team participation over the previous year.
- Provided additional opportunities for teacher professional development and student enrichment through numerous external partnerships, including the WHAT POETRY CAN DO program with the Poetry Foundation, THE CHI READS Initiative with First Book and Showtime, and Project LIT.
- Secured \$540,000 in gifts and grants to supply schools with culturally relevant classroom library infusion sets and additional books for students to support independent reading.
- Expanded access to digital eBook library portals to every CPS school through SOAR (Students Online Access to Resources), an integrated virtual library system that allows schools to manage the circulation of print and digital library resources and added more than 600 new books to the CPS Virtual Library collection aligned with specific curricular needs.

STEM

- Increased the number of students getting access to middle grades Algebra from 1,114 to 6,443 since 2007. More students than ever before (3,823) passed the algebra exit exam earning them placement into the next math course and putting them on a pathway for college-level mathematics while in high school.
- Developed and piloted biology, chemistry, and physics curriculum aligned to the Next Generation Science Standards in over 50 high schools, which will be incorporated into the district's new curriculum initiative. Adopted and supported the implementation of new science instructional materials in use in over 75 percent of elementary schools.

- Provided monthly professional learning for coaches in 16 Elementary STEM Schools and 8 Early College STEM High Schools to support instructional practices, and completed the STEM Certification process for 17 schools.
- Provided district-wide professional learning for teachers from all schools and provided additional targeted learning for over 350 teachers in specific grade band and subject area professional learning communities.

Social Science/Civic Engagement

- Hosted a district-wide professional learning summit with more than 1,350 educators and administrators.
- Supported implementation of Student Voice Committees in 80 high schools and 45 middle schools
- Trained more than 100 teachers in Proven Practices for middle school civics and more than 100 teachers in Financial Literacy for high school.
- More than 850 high school students participated in the Calumet is My Back Yard program.
- Developed a new unit of study on Media Literacy and provided guidance regarding instruction and discussion topics on elections.
- Analyzed 5Essentials student survey items and existing programming data in order to provide individualized Civic Learning reports to all CPS high schools and Elementary Schools, as well as network and district level reports on civic learning opportunities and outcomes.
- Developed and launched instructional video series on high quality classroom discussion (3 videos with supplemental tools).
- Partnered with Chicago City Clerk's office to design meaningful learning experiences for approximately 650 students with City Hall, partner agencies, and elected officials.

Instructional Supports

- Increased the use of data-informed practices to tailor instruction based on individual student needs and increased the percentage of students meeting academic goals.
- Identified and recruited 64 teachers to teach Summer Bridge and increased the percentage of recruited teacher applicants hired for Bridge from 35 percent last year to 45 percent this year.
- Developed the role of Instructional Coach for each Bridge school with responsibility to progress monitor, lead teacher discussions of student progress, and provide suggestions for interventions and classroom support.
- Placed 80 Golden Apple pre-service teachers in Bridge schools to provide classroom assistance.

Teacher Leader Development and Innovation

- Facilitated monthly teacher-led professional learning opportunities attended by more than 1,000 CPS teachers and logged over 2,000 hours of one-on-one mentoring for over 200 new CPS teachers.
- Hosted a two-day New Teacher Orientation conference for more than 350 new-to-CPS teachers.
- Facilitated quarterly professional development for 58 mentors at Opportunity Schools.
- Co-managed Distributed Leadership in Opportunity Schools Grant with the Talent Office by helping schools implement and design distributed leadership roles and models.

- Planned the annual Summer Leadership Institute, a two day conference with 200+ professional development breakout sessions for all CPS school leaders.
- Led twice-monthly professional development sessions for CPS content specialists who support teacher leaders in all CPS Network High Schools.
- Led the CEO Teacher Advisory Council, converging monthly to inform district policy and decision-making.

Academic Competitions

- Oversaw efforts to provide nearly 55,000 CPS students with access to academic competitions.
- Planned, implemented and executed city-wide tournaments; many led to high achievement in state, national and international competitions.
- Exceeded academic chess program with 75 elementary and high schools offering programming.
- Expanded the Cops and Kids chess program to 20 schools.
- Funded 200 students from ten schools to represent Chicago Public Schools at the K-12 National Chess Tournament in Schaumburg.
- Over 38,000 students from 140 CPS schools participated in Spelling Bee during the 2018-2019 School year, with 50 students advancing to the final and the winner representing CPS at the Scripps National Spelling Bee in Washington, DC.
- Whitney Young placed 3rd in the U.S. Academic Decathlon Competition in Minneapolis, Minnesota.

Assessments

- CPS achieved a participation rate of 91.3 percent for the Fall 2018 administration of the KIDS assessment, which represents a significant increase from a 68 percent participation rate in Fall 2017.
- The preliminary participation rate for the DLM-AA assessment for students with the most severe and profound cognitive disabilities is 95.8 percent, which is an increase from 87.6 percent last year.
- In the first year of implementation of the Illinois Assessment of Readiness, CPS achieved a preliminary participation rate of 97.5 percent, exceeding the 95 percent requirement.
- Through a partnership with Khan Academy, more than 37 percent of grade 11 students in district-managed schools practiced more than 6 hours for the SAT on Khan Academy, up from 21 percent in SY18.
- Partnered with the Department of Literacy and Amplify to provide 154 site visits at 60 schools to support teachers' implementation of best practices in the use of early literacy data to inform instruction.
- Partnered with Magnet, Gifted, and IB and School Quality Measurement to produce AP Equity reports to help high schools provide equitable access to advanced coursework.
- Worked with the Office of Network Support (ONS) and NWEA to provide monthly site visits from NWEA professional learning specialists at 29 schools, with a focus on using assessment data to inform instruction.

Magnet Gifted and IB

- Participated in the district-wide academic program RFP, a comprehensive application and multi-step process for new schools interested in offering academic programs. Through this process, 15 schools were selected to receive new MGIB programs for the 2019-20 school year.
- Partnered with the National Center for Montessori in the Public Sector to provide our five public Montessori schools and more than 110 teachers with Montessori-specific professional development, classroom observations, and lesson study coaching.

Health and Physical Education

- Developed and launched instructional resources for schools, including a fitness education toolkit, grading guidance document, curriculum units, assessments, rubrics, and tiered support resources.
- Implemented the I Can Do It National Program from the U.S. Department of Health and Human Services at four schools.
- Provided three professional development events and online learning for health and physical education teachers, as well as on-site coaching for all new educators.
- Provided aquatic programming resources, including SECA Basic Water Rescue Training for 54 schools that have aquatics as part of their physical education programming. This programming included curriculum resources, school practice of response to an aquatic emergency through FIMS, and instructional coaching.
- Developed policy and provided curriculum resources focused on traffic injury prevention.

Personalized Learning

- Launched four new cohorts of schools for professional development, improving equitable access to Personalized Learning and increasing the number of schools implementing a PL model to 118.
- 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 instructional resources.
- Partnered with UChicago EdLabs and AIR to launch a rigorous study of the Elevate program.
- Developed CPS Framework for Personalized Learning in order to bring common understanding and language to schools who attend programming with various vendors.
- Provided monthly professional learning for teacher leaders in Elevate Cohort I to develop their capacity to sustain the PL work beyond programming.

Curriculum, Instruction, and Digital Learning

- The district successfully completed a large, complex solicitation process to identify partners for the Curriculum Equity Initiative to customize curriculum in alignment with CPS expectations.

- Libraries secured district-wide contracts to provide subscription databases free of charge to all CPS schools, serving all grade levels Pre-K-12, that provide equitable access to resources for research, primary source materials, newspaper, journal and encyclopedia articles, and teacher-facing instructional tools.

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 10,000 students with special needs and over 500 students with specific medical needs via approximately 1,000 routes provided by 13 vendors. Additional services based on individual needs of students may include a bus aide, nurse, lift-equipped vehicle for wheelchairs, an 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 250 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 federal school choice policies, and students attending two alternative safe schools.
- **Bus Aides:** CPS centrally staffs and manages bus aides for nearly 7,000 students with IEPs who require a transportation aide.

BUDGET SUMMARY

	2018 Actual Expenses	2019 Approved Budget	2019 Ending Budget	2019 Projected Expenditures	2020 Proposed Budget
General Funds	\$ 96,800,444	\$ 121,722,858	\$ 121,444,524	\$ 119,148,450	\$ 121,934,864
Title Funds	\$ -	\$ 206,087	\$ 192,517	\$ 206,087	\$ 206,087
Total Department	\$ 96,800,444	\$ 121,928,945	\$ 121,637,041	\$ 119,354,537	\$ 122,140,951

POSITION SUMMARY

	2019 Budgeted Positions	2019 Ending Positions	2020 Proposed Positions
General Funds	839.0	839.0	839.0
Total Department	839.0	839.0	839.0

MAJOR ACCOMPLISHMENTS in FY19

- Worked to fully optimize CPS bus routes while keeping travel time low. By optimizing routes and getting the corresponding reduction in employee count, CPS saved approximately \$2 million in FY19.

- Renewed agreement with paratransit vendors to increase paratransit capacity for FY20 as more students become eligible.
- Improved overall pairing percentage, which strategically utilizes vehicles multiple times on routes, from 64 percent to 66 percent, saving the district approximately \$150,000.
- 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 183 and is saving approximately \$1.8 million per year.

KEY BUDGET INITIATIVES for FY20

- Further implement safe, reliable, comfortable, and cost-effective paratransit vehicles to save the district \$1.25 million per year in transportation costs.
- Increase percentage of shared routes between schools by over 10 percent, from 225 to 250, to save approximately \$1 million.
- Continue our route optimization success from FY19 while keeping student ride times low and the number of bus vendors per school at 2018–19 levels (2.3 per school in FY19).

Capital

The FY2020 budget for Chicago Public Schools (CPS) includes a capital budget totaling \$821 million of investments that will focus on priority facilities needs at neighborhood schools; the district's largest-ever Pre-K capital investment; ADA accessibility; and continued expansion of technology upgrades, modern science labs, and other academic priorities. To support schools throughout the city, the FY2020 capital plan provides funding in five main areas: critical facility needs, interior improvements, educational programs, site improvements, and IT and security upgrades.

CPS is committed to promoting equitable access to high-quality school environments, and equity served as the foundation for the FY2020 capital plan. The district's new Equity Office played an important role in developing the FY2020 capital proposal by helping to ensure that resources are distributed fairly and equitably across CPS schools so that all students can share in the district's record-setting progress. As a result of the district's focus on equity, 93 percent of the guaranteed \$619 million capital plan will support schools that serve majority low-income student populations.

As of August 2019, there are roughly 325 active projects across the district. These projects include major renovations to ensure our schools stay warm and dry, facility construction to relieve overcrowding, security cameras to provide a safer environment for our children, and renovations to aid programmatic enhancements, among others.

The FY2020 capital budget is funded by future bond proceeds backed by the Capital Improvement Tax (CIT) and Evidence Based Funding (EBF), potential state capital funding, federal E-Rate revenue, and potential outside resources as they become identified.

Full details on the FY2020 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 aligns 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 \$821 million FY2020 capital budget by funding and project type:

Table 1: Sources and Uses (Thousands)

Estimated Sources	
Anticipated Bond Offerings and Other Capital Funds	\$ 552,750
Potential State Capital Funding	\$ 191,000
Federal E-Rate Funding	\$ 50,365
Local External Funding	\$ 15,490
Other Potential External Funding	\$ 11,000
Total FY2020 Capital Budget Sources	\$ 820,605

¹ The Board currently expects that the proceeds of 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.

Estimated Uses	
Facility Needs	\$ 263,150
Educational Programming	\$ 180,000
IT, Security, & Building System Investments	\$ 87,365
Site Improvements	\$ 44,750
Interior Improvements	\$ 17,340
Capital Project Support Services	\$ 26,000
Potential State Capital Funded Projects	\$ 191,000
Potential Externally Funded Projects	\$ 11,000
Total FY2020 Capital Budget Uses	\$ 820,605

Funding from the State

Thanks to the support and advocacy of the dedicated elected officials in Springfield, the \$821 million capital budget includes \$191 million in state funding that was approved this spring as part of a \$45 billion state capital bill. This plan, named the Rebuild Illinois Capital Investment Plan, is directed at enhancing the state's roads, bridges, and public transit systems as well as significant improvements to K-12 school facilities. Because these funds have not yet been appropriated by the state and are part of a six-year state plan, the district is targeting to capture the full \$191 million in this year's budget so we are able to utilize any appropriations that may be made by the state this year. These funds will not be allocated to specific projects until funding is provided by the state.

Priority Facility Needs at Neighborhood Schools

Every student deserves to access a neighborhood school that is warm, safe and dry, and CPS is allocating \$263 million in funding for critical maintenance projects and interior improvements. As part of our commitment to equity, the district is prioritizing renovations at neighborhood schools throughout the city to ensure all students can learn and grow in school buildings that support high-quality learning environments.

The FY2020 capital budget addresses the district's priority renovation projects and most urgent facility needs. This funding will address over 19 roof and envelope projects and over six renovations to mechanical systems. Along with these projects, the funding will provide:

- \$50 million for unanticipated emergency repairs,
- \$15 million for district maintenance priorities,
- \$10.5 million for ADA accessibility,
- \$10 million for masonry remediation,
- \$7.5 million for fire alarm system replacement,
- \$5 million for chimney stabilization, and
- \$2 million for critical temperature control system replacement.

Expansion of Free, Full Day Pre-K

CPS is making its largest ever Pre-Kindergarten capital investment as part of its plan to provide free full-day Pre-K to all 4-year-olds in Chicago by 2021. As part of a \$120 million combined investment in Pre-K facilities, \$20 million is being allocated for classroom conversions to be completed in time for the 2019-20 school year, and \$100 million is being allocated for classroom expansion at schools throughout the city to support additional Pre-K seats that will open in fall 2020.

Support for Students With Physical Limitations

We will invest \$10.5 million to increase ADA accessibility as part of a multi-year program to ensure all CPS buildings have first-floor accessibility. While any major capital project contains relevant ADA upgrades, for the first time in more than a decade, CPS will set aside funds separate from existing capital upgrades or new construction to begin addressing this critically important need.

Programmatic and Technology Investments to Build Upon School Success

The FY2020 budget prioritizes high-quality educational programming in neighborhoods throughout the city. CPS is investing \$145 million in building modernization to ensure all schools are able to support 21st Century learning environments, including:

- \$30 million to launch the second phase of our high school science lab modernization project to add, upgrade, or renovate science labs in 29 high schools.
- \$30 million in capital upgrades to align with academic program needs.
- \$85 million to provide devices and infrastructure modernization at over 200 schools.

Site Improvements that Foster Learning

The proposed capital budget includes an additional \$45 million in site improvements to design and build new playgrounds, play lots, and turf fields at over 20 schools across the city so that students can benefit from a well-rounded education that promotes healthy development.

IT and Security Infrastructure

In FY2020, CPS is also allocating \$60 million to improve internet connectivity by building and repairing network infrastructure across the district. \$50 million of this investment is supported by federal E-Rate revenue, and the district will cover the remaining \$10 million.

Finally, to support student safety at every school, \$2 million will fund new security equipment including cameras, intercom phones, alarms, and screening equipment.

IMPACT OF FY2020 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 facility needs not only helps the district reduce costs associated with temporary fixes, which have been increasing significantly over time, but it also helps reduce debt service payments associated with borrowing for the temporary fix 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 our energy consumption utility costs.

Educational Programming, Interior Renovations, and Site Improvements

Investments in educational programming that convert or improve existing space (e.g., new science labs, converted classrooms, upgrades for 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 will add operating expenses related to support and maintenance of the 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 or a new turf field, will add operating expenses for utilities, custodial services, engineering, and security.

IT and Security Infrastructure

Infrastructure, hardware, or software implementation projects will not trigger any additional operating costs in the short term. Ongoing support for software-based projects will be absorbed by current available staff. WAN infrastructure projects and 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 allocations.

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 FUND ACTIVITY

The Summary of Capital Projects Funds table (Table 2) shows capital revenues and capital outlays (expenses) to be incurred in FY2020 regardless of the year the project was appropriated. The Fund Balance (unspent revenues received in prior years) accounts for the difference in expected FY2019 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: FY2018 - FY2020 Summary of Capital Projects Funds (Millions)

	FY2018 Actual	FY2019 Estimate	FY2020 Estimate
Beginning-Year Fund Balance	\$ 822.2	\$ 964.7	\$ 952.9
Revenues			
Local	\$ 46.0	\$ 34.5	\$ 34.6
State	\$ 14.0	\$ 13.3	\$ 32.4
Federal	\$ 19.5	\$ 6.6	\$ 10.1
Total Revenue	\$ 79.5	\$ 54.4	\$ 77.1
Expenditures			
Capital Outlay	\$ 291.9	\$ 419.3	\$ 522.8
Bond Proceeds	\$ 355.4	\$ 352.5	\$ 553.0
Sales of Capital Assets	\$ (0.5)	\$ 0.5	\$ 1.0
End-of-Year Fund Balance	\$ 964.7	\$ 952.9	\$ 1,061.2

FY2020 local revenue of \$34.6 million includes \$13 million in Tax Increment Financing (TIF)-related project reimbursements and \$21.6 million from other local funding sources such as aldermanic funds and the water reclamation district.

The state revenue total of \$32.4 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 \$18 million in other potential state grants.

The federal revenue total is an expected \$10.1 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 FY19 spending, CPS will publish a report by September 30, 2019, that offers a breakdown of funds by project, source, and other categories.

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

	Total							Remaining
	Appropriations	FY2015A	FY2016A	FY2017A	FY2018A	FY2019E	FY2020E	Appropriation
Prior Year/Other Expenditures		\$ 231.9	\$ 84.9	\$ 32.8	\$ 6.3			
FY2015 Capital Budget	\$ 509.9	\$ 152.6	\$ 119.4	\$ 42.0	\$ 4.6	\$ 2.6	\$ 5.0	\$ 183.7
FY2016 Capital Budget	\$ 160.3		\$ 66.8	\$ 56.5	\$ 18.8	\$ 9.8	\$ 8.4	\$ -
FY2017 Capital Budget	\$ 937.8			\$ 73.5	\$ 211.5	\$ 251.3	\$ 295.0	\$ 106.5
FY2018 Capital Budget	\$ 136.2				\$ 50.7	\$ 60.1	\$ 25.4	\$ -
FY2019 Capital Budget	\$ 989.0					\$ 157.1	\$ 210.0	\$ 621.9
FY2020 Capital Budget	\$ 820.6						\$ 150.0	\$ 670.6
Total Spend by Year		\$ 384.5	\$ 271.1	\$ 204.8	\$ 291.9	\$ 480.9	\$ 693.8	\$ 1,582.7

A=Actual E = Estimated

Debt Management

CPS' Capital Improvement Program, described in the Capital chapter, funds long-term investments that provide our students with a world class education in high-quality learning environments. CPS relies on the issuance of bonds to fund the investments laid out in our Capital Improvement Program, which include roofs, envelopes, and windows; state-of-the-art high school science labs; high-speed internet and digital devices; playgrounds and athletic fields; and expansion of full-day Pre-K and other high-quality programmatic investments. Bonds are debt instruments that are similar to a loan, requiring annual principal and interest payments.

Debt Overview

As of June 30, 2019, the Board of Education has approximately \$8.4 billion of outstanding long-term debt and \$450 million of outstanding short-term debt. FY2020 includes appropriations of \$700 million for alternate bonds, capital improvement tax bonds, and Public Building Commission 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). As of June 30, 2019, a total of three series of CIT Bonds have been issued. The CIT Bonds are further described below.

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 FY2020, approximately \$382 million in EBF revenues will be required for debt service, compared to \$283 million in FY2019 and \$323 million in FY2018. In addition to debt service funded by EBF, \$64 million of debt service will be paid from PPRT in FY2020. Debt service paid from PPRT revenues also reduces PPRT revenues available for operating purposes. Additionally, \$142 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 GO 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 CPS will make its' last PBC bond payment in FY2020 from property tax revenues received in FY2019. The FY2020 budget includes \$31 million in payment appropriations 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 FY2020 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, with additional issues sold in subsequent years. As of June 30, 2019, CPS has sold three series of CIT bonds, and the total amount of CIT Bonds outstanding is \$881 million.

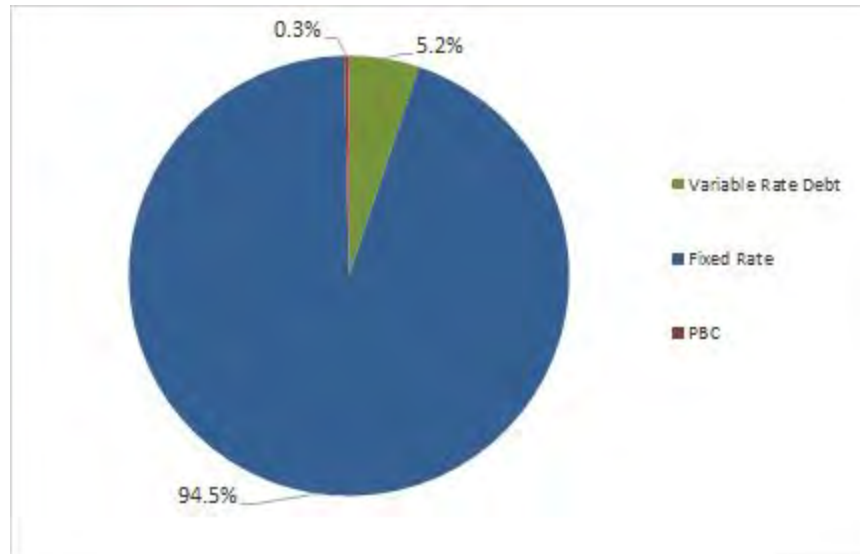
The FY2020 budget includes a CIT levy of \$60 million and appropriations of approximately \$47 million to pay debt service on these CIT bonds. The CIT bonds are not Alternate Revenue GO bonds. The bonds are limited obligations of the Board payable solely from the CIT levy. As a result of the structure, the CIT bonds received a single "A" bond rating at the initial issuance and have maintained 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 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, generate cost savings, address interim cash flow needs, and assist capital asset planning.

Typically, CPS issues long-term fixed-rate bonds, which pay a set interest rate according to a schedule established at the time of debt issuance. However, CPS has also periodically 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. As of June 30, 2019, 5.2% 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, 2019)**



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 that occurred in FY2018, 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. In FY2019, CPS received ratings upgrades from Moody’s and Standard and Poor’s.

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+ Stable, BB- Positive and B2 Stable, respectively. Kroll Bond Rating Agency currently rates the CPS Series 2016AB, Series 2017BCDEFG&H and Series 2018AB 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 at inception in FY2017. Currently, Fitch Ratings rates the CIT credit "A" Stable and Kroll Bond Rating Agency rated the CIT credit "BBB" Positive.

FY2020 Liquidity and Short-Term Borrowing

As a result of education funding reform, the district has 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 FY2019 by \$250 million, declining from \$1.09 billion in FY2018 to \$844 million in FY2019. By relying less on short-term borrowing, the district saved approximately \$33 million in short-term interest costs in FY2019 and created structural budgetary relief for future fiscal years. Additionally, CPS spent approximately six months of the year in a net positive cash position, which continues to be an improvement from recent years.

CPS will continue to issue Tax Anticipation Notes (TANs) in FY2020 to cover operating cash flow needs, which are repaid from property taxes.

FY2020 Debt Service Costs

As shown in the table below, FY2020 includes total appropriations of approximately \$700 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. The FY2020 revenues shown for the debt service funds will be set aside for these future debt payments, which are required by bond indentures to be held in trust with an independent trustee. 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. Because of this set-aside requirement, the majority of the appropriations for FY2020 will be paid from revenues set aside in FY2019. 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.

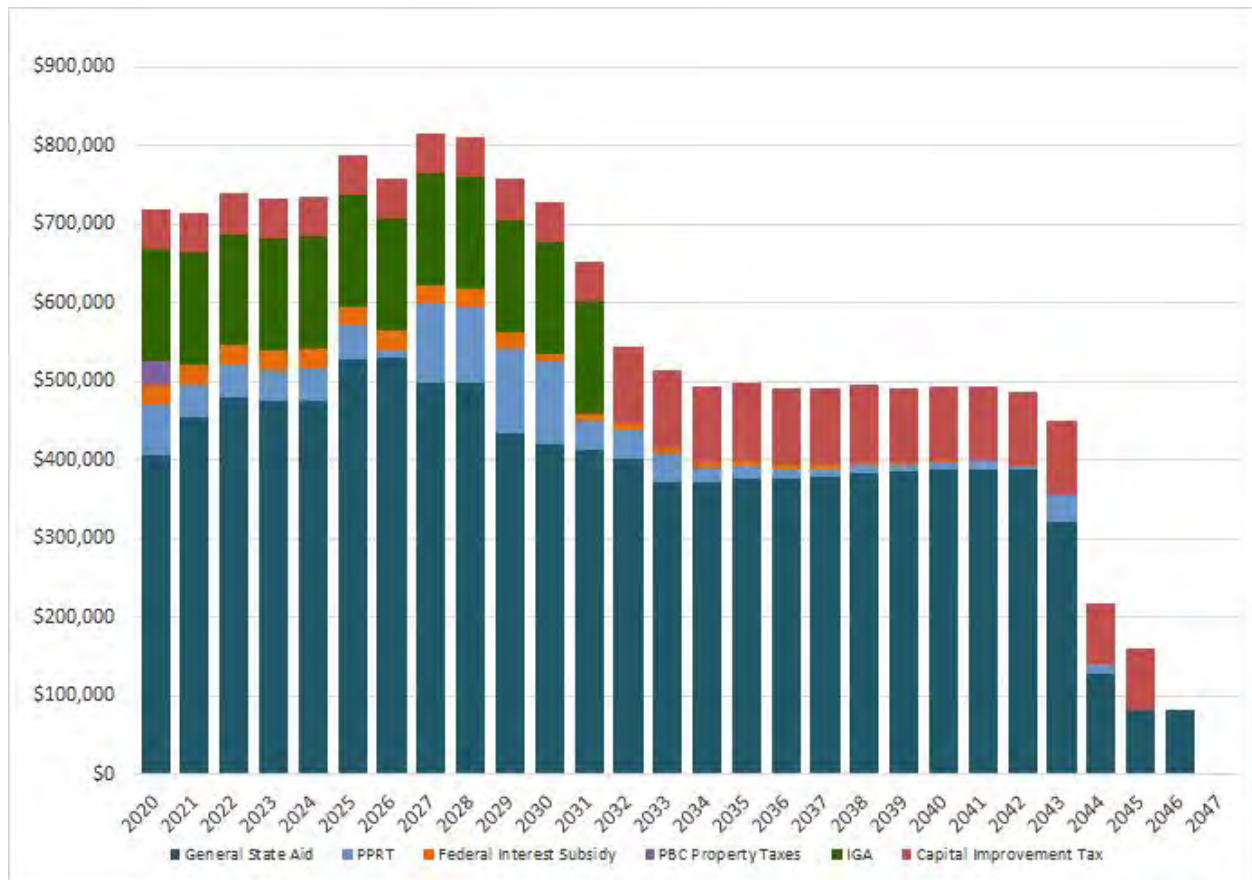
**Table 1: FY2018-2020 Summary of Debt Service Funds
(\$ In Millions)**

	FY2018	FY2019	FY2020
	Actual	Estimated	Budget
Beginning Fund Balance	577.2	785.5	749.9
Revenues:			
Property Taxes	51.4	30.6	0.0
PPRT	58.3	34.9	64.3
EBF	323.4	282.7	382.0
Federal Interest Subsidy	25.0	24.9	24.7
Other Local (City IGA and Net of Interest Earnings)	106.5	112.5	142.3
CIT	43.7	50.5	51.1
Total Revenue	608.3	536.1	664.4
Expenses:			
Existing Bond Principal payment	137.4	158.6	194.5
Existing Bond Interest payment	467.2	457.3	491.2
Fees	15.8	7.6	1.8
Total Existing Bond Debt Service	620.4	623.5	700.3
Other Financing Sources			
Net Amounts from Debt Issuances	506.7	52.6	44.8
Transfers in /(out)	(286.3)	(0.8)	(0.5)
Total other Financing Sources /(Uses)	220.4	51.8	44.3
Ending Fund Balance	785.5	749.9	758.3

Future Debt Service Profile

The following graph illustrates CPS’ debt obligations on outstanding bonds as of June 30, 2019. 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, 2019)
(\$ in Thousands)**



Note: 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, external stakeholders also look at the “debt burden” 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 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 one 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 FY2018 Comprehensive Annual Financial Report, General Obligation debt per capita is \$2,680. This is still considered moderate to slightly above average relative to other comparable school districts. The [Debt Management Policy](#) is available at the Board's website at policy.cps.edu.

**Table 2: Outstanding Long-Term Debt
(in \$ as of June 30, 2019)**

Description	Closing Date	Maturity Date	Principal Outstanding	Pledged Funding Source for Debt Service
PBC Series A of 1992	01/01/92	01/01/20	27,675,000	Property Tax
ULT GO Series 1998B-1*	10/28/98	12/01/31	225,035,858	IGA / PPRT
ULT GO Series 1999A*	02/25/99	12/01/31	330,304,009	IGA / PPRT
ULT GO Refunding Series 2004A	04/06/04	12/01/20	25,410,000	PPRT / EBF
ULT GO Series 2005A	06/27/05	12/01/32	151,965,000	PPRT / EBF
QZAB Series 2006A	06/07/06	06/01/21	6,852,800	EBF
ULT GO Series 2006B	09/27/06	12/01/36	22,005,000	EBF
ULT GO Series 2008A	05/13/08	12/01/30	262,785,000	IGA / PPRT
ULT GO Series 2008B	05/13/08	03/01/34	169,425,000	EBF
ULT GO Series 2009D	07/29/09	12/01/22	9,650,000	EBF
ULT GO BAB Series 2009E	09/24/09	12/01/39	497,545,000	EBF / Federal Subsidy
ULT GO QSCB Series 2009G	12/17/09	12/15/25	254,240,000	EBF
ULT GO QSCB Series 2010C	11/02/10	11/01/29	257,125,000	EBF
ULT GO BAB Series 2010D	11/02/10	12/01/40	125,000,000	EBF
ULT GO Refunding Series 2010F	11/02/10	12/01/31	131,515,000	EBF

ULT GO Series 2011A	11/01/11	12/01/41	402,410,000	EBF
ULT GO Series 2012A	08/21/12	12/01/42	468,915,000	EBF
ULT GO Series 2012B	12/21/12	12/01/35	109,825,000	EBF
ULT GO Series 2015CE	04/29/15	12/01/39	300,000,000	EBF
ULT GO Series 2016A	02/08/16	12/01/44	725,000,000	EBF
ULT GO Series 2016B	07/29/16	12/01/46	150,000,000	EBF
CIT Series 2016	01/04/17	04/01/46	729,580,000	CIT
ULT GO Series 2017A	06/13/17	12/01/46	285,000,000	EBF
ULT GO Series 2017B	06/13/17	12/01/42	215,000,000	EBF
CIT Series 2017	11/30/17	04/01/46	64,900,000	CIT
ULT GO Series 2017C	11/30/17	12/01/34	351,485,000	EBF
ULT GO Series 2017D	11/30/17	12/01/31	79,325,000	EBF
ULT GO Series 2017E	11/30/17	12/01/21	22,180,000	PPRT
ULT GO Series 2017F	11/30/17	12/01/24	164,925,000	IGA
ULT GO Series 2017G	11/30/17	12/01/44	126,500,000	PPRT / EBF
ULT GO Series 2017H	11/30/17	12/01/46	280,000,000	PPRT / EBF / IGA
ULT GO Series 2018A	06/01/18	12/01/35	552,030,000	EBF
ULT GO Series 2018B	06/01/18	12/01/22	10,220,000	EBF
ULT GO Series 2018C	12/13/18	12/01/32	450,115,000	EBF
ULT GO Series 2018D	12/13/18	12/01/46	313,280,000	PPRT / EBF
CIT Series 2018	12/13/18	12/01/46	86,000,000	CIT
Total Principal Outstanding			\$8,383,222,667	

**Table 3: Outstanding Short-Term Debt
(in \$ as of June 30, 2019)**

Description	Maturity Date	Principal Outstanding	Pledged Funding Source for Debt Service
Tax Anticipation Notes, Series 2018C	12/15/19*	200,000,000	Ed Fund Property Tax
Tax Anticipation Notes, Series 2018G	10/01/19	250,000,000	Ed Fund Property Tax
Total Principal Outstanding		\$450,000,000	

Note: The maturity date of the 2018C TANS is the earlier of (A) December 15, 2019 or (B) (1) September 30, 2019, if the Tax Penalty Date is on or prior to August 1, 2019 or (2) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2019.

**Table 4: Schedule of General Obligation Debt Service
Budgeted Requirements to Maturity*
(as of June 30, 2019)
(\$ 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
2020	215,801	422,510	638,311	30,635	668,946
2021	231,106	439,655	670,761		670,761
2022	254,578	433,567	688,145		688,145
2023	260,102	422,113	682,215		682,215
2024	269,363	414,560	683,923		683,923
2025	333,754	403,980	737,734		737,734
2026	318,576	388,504	707,080		707,080
2027	322,053	443,894	765,947		765,947
2028	289,494	408,187	697,681		697,681
2029	300,578	405,823	706,401		706,401
2030	287,966	389,510	677,476		677,476
2031	264,226	337,435	601,661		601,661

2032	196,040	221,548	417,588		417,588
2033	205,870	210,950	416,820		416,820
2034	195,005	202,309	497,314		397,314
2035	211,140	189,140	400,280		400,280
2036	223,290	171,429	394,719		394,719
2037	232,370	164,695	397,065		397,065
2038	246,265	152,070	398,335		398,335
2039	260,930	137,705	398,635		398,635
2040	276,830	122,631	399,461		399,461
2041	293,675	105,794	399,469		399,469
2042	314,039	79,793	393,832		393,832
2043	280,628	75,763	356,391		356,391
2044	285,752	49,579	335,331		335,331
2045	302,876	35,295	338,171		338,171
2046	301,880	17,941	319,821		319,821
TOTAL	\$7,147,187	\$6,846,380	\$14,020,567	\$30,635	\$14,051,202

Note: Table is based on budgeted debt service requirements to be deposited within each fiscal year. Excludes issues completed after June 30, 2019 and any future anticipated transactions which were included in the FY2020 budget.

**Table 5: Schedule of Capital Improvement Tax Debt Service
Budgeted Requirements to Maturity*
(as of June 30, 2019)
(\$ in Thousands)**

Fiscal Year ending June 30	Total Existing CIT Bond Principal	Total Existing CIT Bond Interest	TOTAL
2020		51,084	51,084
2021		51,084	51,084
2022		51,084	51,084
2023		51,084	51,084
2024		51,084	51,084
2025		51,084	51,084
2026		51,084	51,084
2027		51,084	51,084
2028		51,084	51,084
2029		51,084	51,084
2030		51,084	51,084
2031		51,084	51,084
2032		54,201	54,201
2033	42,615	51,964	94,579
2034	45,000	49,602	94,602
2035	47,535	47,106	94,641
2036	50,205	44,322	94,527
2037	53,170	41,414	94,584
2038	56,260	38,339	94,599
2039	59,540	30,417	89,957
2040	63,010	26,731	89,741
2041	66,685	22,829	89,514

2042	70,565	18,700	89,265
2043	74,680	14,328	89,008
2044	79,040	9,702	88,742
2045	83,645	4,804	88,449
2046	88,530	51,084	88,530
TOTAL	\$880,480	\$1,067,467	\$1,947,947

Note: Excludes issues completed after June 30, 2019 and any future anticipated transactions which were included in the FY2020 budget.

Cash Management

In FY2019, Chicago Public Schools (CPS) continued to improve its cash flow, which allowed the district to reduce its overall short-term borrowing and support liquidity and operations. CPS reduced its short-term borrowing in FY2019 by \$250 million, declining from \$1.09 billion in FY2018 to \$844 million in FY2019. By relying less on short-term borrowing, the district saved approximately \$33 million in short-term interest costs in FY2019 and created structural budgetary relief for future fiscal years. CPS spent approximately five months of the year without short-term borrowing, an improvement from zero months in FY2018, which was possible due to statewide education funding reform, improved cash flow forecasting, and active cash management.

CPS does not receive revenues when it pays expenses. 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 (debt service and pensions) occurs just before major revenue receipts. These trends in revenues and expenditures put cash flow pressure on the district.

In FY2019, \$3.8 billion, or 70 percent of CPS' revenues excluding non-cash items, 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 \$1.2 billion of the second installment of property taxes (which are due August 1).

Historically, approximately 43 percent of the Chicago Board of Education'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 educational materials, charter school payments, health care, transportation, facilities, and commodities total approximately 46 percent 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. Board 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 from its reserves, but as of June 30, 2019, the district projected that fund balance totaled \$365.4 million and that CPS has approximately \$335 million of cash with \$450 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 \$3.1 billion of property taxes every year, of which \$2.6 billion is issued to the Board’s operating fund, \$477 million is distributed to the Chicago Teachers’ Pension Fund through the pension levy and \$61 million is allocated to capital projects through the Capital Improvement Tax levy. The Board’s operating property taxes are received in two installments, 96 percent of which are received from February onwards, over halfway through the fiscal year. The first installment of approximately \$1.4 billion is due March 1st and is received in late February or March. The second installment of approximately \$1.2 billion is typically received in July or August, depending on the deadline. Property tax receipts have grown from \$2,352.1 million in FY2012 to \$3,132 million in FY2020, a compounded growth rate of 3.6 percent.
- **State Revenues:** State revenues are largely comprised of Evidence-Based Funding and state grants. Evidence-Based Funding is received regularly from August through June in bi-monthly installments. In FY2019, Evidence-Based Funding totaled approximately 74 percent of the state revenues received by CPS, up from 57 percent in FY2017 before Evidence-Based Funding was created. This increase improves cash flow due to the consistency of the payments. Block grant payments are distributed sporadically, and in FY2019, approximately \$37 million of block grants were vouchered but not disbursed to CPS as of June 30, 2019.
- **Federal Revenues:** Federal revenues can be received only once the grants are approved by the state, which administers categorical grants on behalf of the federal government. In three of the last four fiscal years, this approval has not occurred until about halfway into the fiscal year. In FY2019, more than approximately 90 percent of the \$732 million of federal revenues will be received on or after December 2018.
- **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 (TAN). In FY2019, CPS issued a maximum of \$844 million in TANs to support liquidity, a decrease of \$250 million from FY2018 which saved \$33 million in interest expenses. 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 district’s operating property tax levy. In FY2020, CPS plans to issue similarly-sized TANs to support liquidity. Short-term borrowing requires that CPS pays interest on these bonds. In FY2020, the Board has budgeted approximately \$12 million in interest costs for the TANs, compared to \$21 million in FY2019 and \$68 million in FY2018.

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.

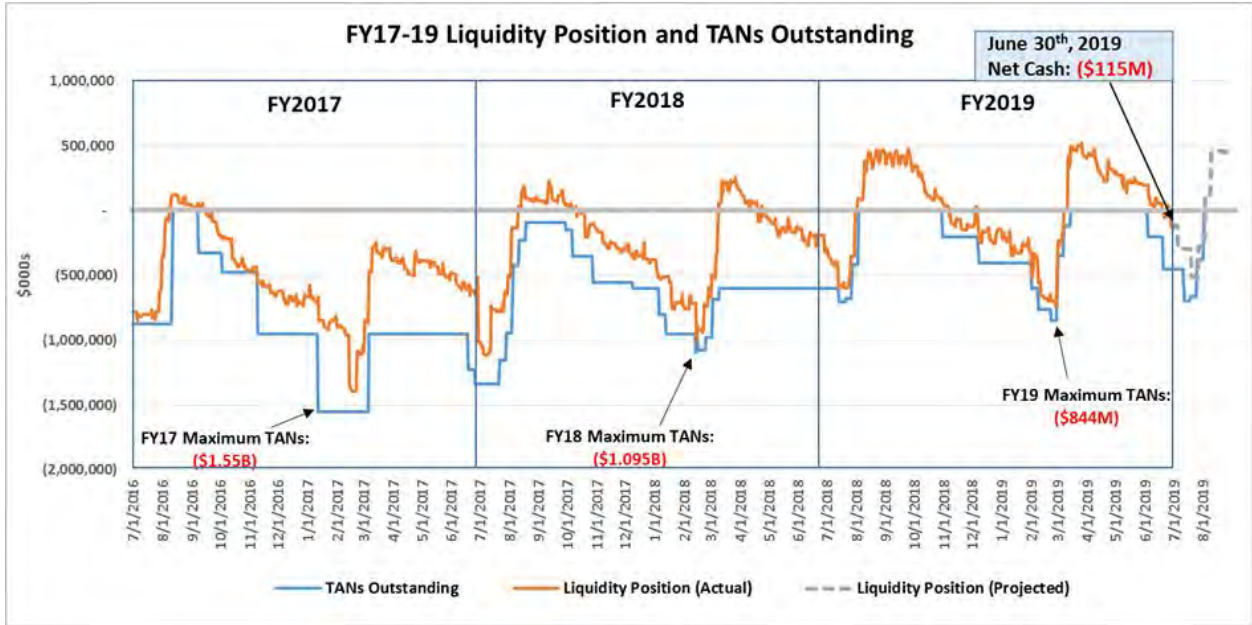
- **Payroll and Vendor:** Approximately \$3.2 billion of CPS’ expenditures are payroll and associated taxes, withholding, and employee contributions. These payments occur every other week, and most of the expenditures are paid from September through July. Approximately \$1.8 billion of CPS vendor expenses 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 FY2019, the debt service deposit from Evidence-Based Funding was approximately \$283 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:** In FY2019, approximately \$110.3 million of the pension payment was made on June 28, 2019, the last business day of the fiscal year, while approximately \$16.6 million of the pension payment was made throughout the rest of the year. The timing of the bulk of the pension payment comes just before CPS receives approximately \$1.2 billion in property tax revenues. In FY2019, a dedicated pension levy directly intercepted \$440.7 million in 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 84 percent of CPS' pension obligation is currently funded by structural funding sources.

Forecasted Liquidity

The chart below provides CPS' liquidity profile from FY2017–19. As shown in the chart below, the district spent approximately five months in a net positive cash flow position in FY2019. As noted earlier, the total short-term borrowing was lowered by \$250 million in FY2019— from \$1.095 billion of maximum borrowing in FY2018 to \$844 million in FY2019. The maximum short-term borrowing in FY2019 from June–August is currently projected as \$694 million, which is a \$6 million improvement from FY2018.

Chart 1: FY2017 - 2019 Operating Liquidity Position



Fund Balance Statement

Maintaining a baseline level of fund balance, otherwise known as a financial reserve, enhances financial stability for any individual or organization. Just as people keep emergency funds in their checking accounts, 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 FY2019, CPS projects an additional \$42 million in the district fund balance due to \$59 million in higher than anticipated levels of local and state revenue with expenditures \$18 million above budget. The latter is due to additional spending on the district's curriculum equity initiative offset by savings on healthcare and debt service, general underspend, and an increased vacancy rate.

CPS adopted its Fund Balance and Budget Management policy¹ in August 2008. The goals of this policy are to maintain adequate fund balances in various funds to provide sufficient cash flow for daily financial needs, offset significant economic downturns or revenue shortfalls, provide funds for unforeseen emergency expenditures, and 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 FY2019 estimated year-end fund balance builds on the FY2018 year-end total, which shows a significant turnaround from past years, when the district was forced to deplete its cash reserves in order to protect classroom resources. Moving forward, the revenue structure reflected in the district's FY2019 budget better aligns revenue and expense growth, and will allow the district to continue to stabilize its finances.

Use of Fund Balance

The Chicago Board of Education's appropriated fund balance is comprised entirely of unspent restricted prior year revenues. Due to the nature of these funds — which include federal nutrition funding, state funding for early childhood, and school-generated revenue — they can only be spent on the intended use and not for general expenses. As a result, even with a balanced budget, the district will still appropriate a general operating fund balance. In FY2020, \$56 million of the \$6.14 billion operating budget is funded by restricted fund balance.

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)

	FY2019 Budget	FY2019 Estimated Year-End	FY2020 Proposed Budget
Fund Balance, beginning of period	\$323.8	\$323.8	\$365.4
Total Revenue	5,921.6	5,900.8	6,119.6
Total Expenditures	(5,984.2)	(5,860.2)	(6,175.6)
Operating Surplus/(Deficit)	(62.6)	40.6	(56.0)
Transfers In	-	1.0	-
Net Change in Fund Balance	(62.6)	41.6	(56.0)
Fund Balance, end of period	261.2	365.4	309.4

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’ Compensation/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

CPS projects that it will meet its fund balance target for the first time since FY2015. The Workers’ Compensation/Tort Fund will meet fund balance targets at the end of FY2019, and 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, there is a minimal need for the Debt Service Stabilization Fund.

Fund Descriptions

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

To control the budget and to comply with generally accepted accounting principles, 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, which is where management can compare the budget to actual performance in order to demonstrate budgetary compliance, is established for each individual fund, 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
Capital Projects Funds	Capital Projects Funds	401 - 499
Debt Service Funds	Debt Service Funds	514 - 699

General Fund

The General Fund is the Board’s primary operating fund. 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)** 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).

- **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.
- **Regular Education Fund (115)** represents all instructional and service activities not accounted for in any other funds.
- **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 three- and four-year-old children, or families who are not income-eligible for state- or federally-subsidized programs.
- **School Special Income Fund (124)** accounts for private foundation grants and donations that schools and departments secure independently, as well as revenues that schools generate for school-specific functions.
- **Building Operations and Maintenance Fund (Fund 230)** supports the repair and maintenance of CPS buildings. The fund is used to account for minor building and property expenses, including the cost of improving, repairing, replacing, and maintaining property and building fixtures. The fund also pays for ongoing maintenance costs, such as utility costs, custodial supplies and equipment, and the salaries and benefits of engineers and custodial employees.

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 specified expenditures 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)** 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 dollars 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)** 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 who participate in after-school programs.

- **Federal and State Grant Funds (Funds 220, 324–369)** account for dollars that have usage restrictions imposed by grantors such as federal and state governments. Each specific project is accounted for separately using a complete group of self-balancing accounts in order to meet the grantors' accounting and reporting requirements.

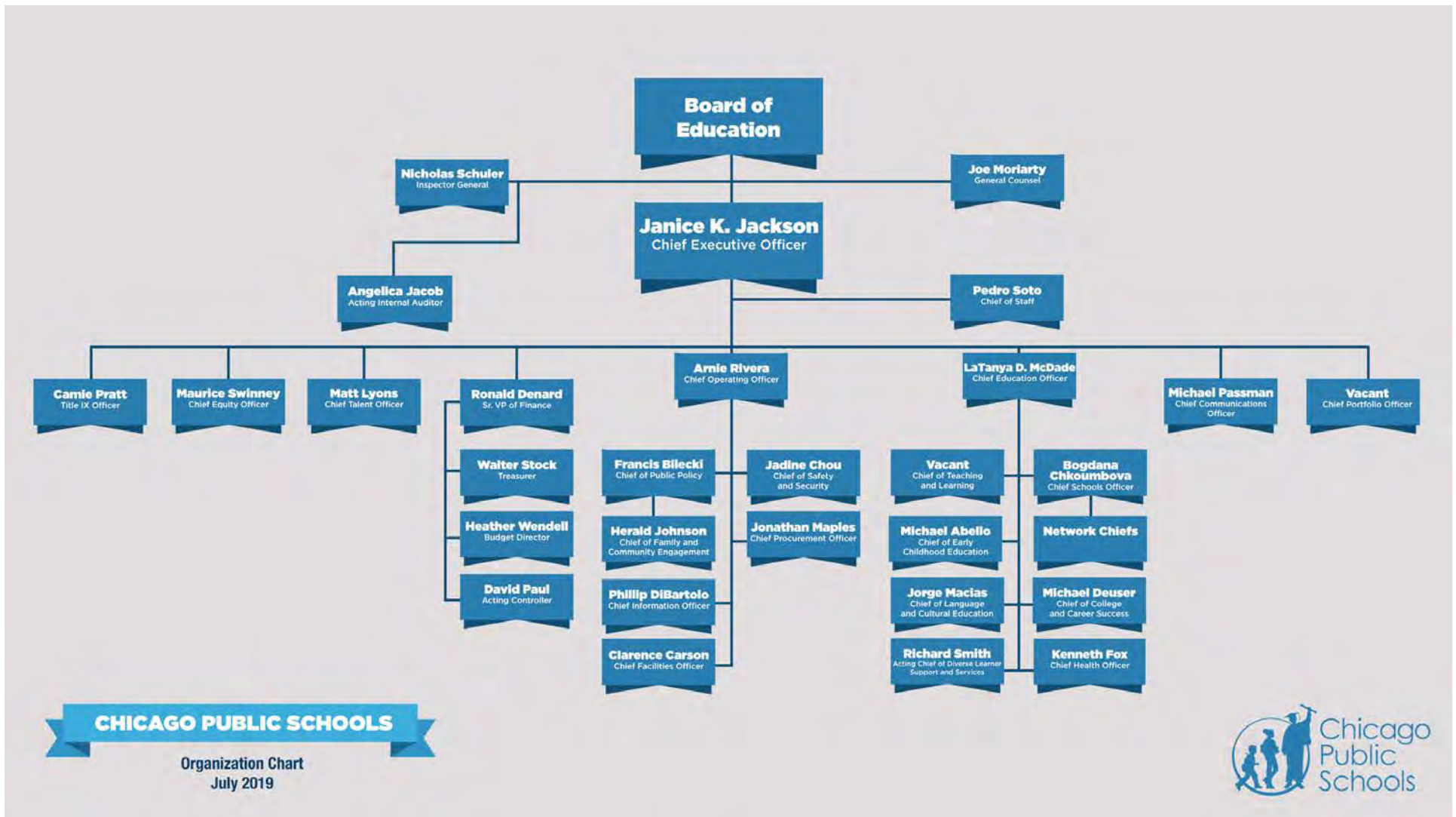
Capital Projects Fund (Funds 401–499)

The Capital Projects Funds account for financial resources 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)** 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)** was established by the Board to provide for debt expenditures (e.g. debt service, variable rate payments, and fees) and other uses approved by the Board.
- **Alternate Revenue Bond Funds (Funds 606–699)** account for pledged revenues and payments of principal, interest, and related fees on any alternate bonds. The Local Government Debt Reform Act of the State of Illinois allows the Board to issue alternate revenue bonds based on dedicated revenue sources. The Board has been issuing alternate revenue bonds since 1996 to support construction and renovation of school buildings.



CHICAGO PUBLIC SCHOOLS

Organization Chart
July 2019



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 as it developed a strong base of esteemed manufacturing firms, 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 national and global corporation headquarters and thriving finance, insurance, law, information technology, marketing/public relations, and logistics business communities.

The economy of Chicago and the region remains large and diverse, boasting a strong foundation of physical, human, technological, and institutional business assets. New federal employment data indicates the Chicago metropolitan area is now growing faster than the nation's average, creating more jobs in the first six months of 2019 than any other metropolitan area in the country except New York City. If the Chicago 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 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 United States.¹ An estimated 23.0 percent of the city's population is under 18 years old.

CHICAGO PUBLIC SCHOOLS ENROLLMENT

Overview: Chicago Public Schools (CPS) is the nation's third largest school district. In the 2018–19 school year, CPS enrollment was 361,314, a decline of 10,000 students from the prior school year. CPS has a higher proportion of students of color, low-income students, and English learners as compared to the city's population as a whole and to school districts in the rest of the state.

Race and Ethnicity: 46.7 percent of CPS students are Hispanic, 36.6 percent are African American, 10.5 percent are White, 4.1 percent are Asian, and 2.0 percent are multi-racial or other.

English Learners: English learners are students eligible for transitional bilingual education, and for whom English is not their native language. 67,664 CPS students were English learners during the 2018–19 school year, which is 18.7 percent of total district student enrollment.

Income and Poverty: CPS students are disproportionately low-income as compared to the rest of the state. Students defined as low-income are 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.

Table 1: CPS Enrollment 2009 - 2019

	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)	Fall 2018 (FY19)
School- based PK*	24,247	23,705	24,232	24,507	23,671	22,873	22,555	20,673	19,441	17,668
Elementary Schools (K-8)	269,010	265,336	266,046	266,555	264,845	261,803	258,563	251,623	244,589	237,779
High schools (9-12)	115,314	113,640	113,873	112,399	112,029	112,007	111,167	109,053	107,352	105,867
Total Enrollment	408,571	402,681	404,151	403,461	400,545	396,683	392,285	381,349	371,382	361,314

Cluster Programs

Schools with cluster programs receive additional centrally-funded positions for each cluster program, as shown in the following table:

Table 5: 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.

ALLOCATIONS OF SUPPLEMENTAL BILINGUAL TEACHERS FOR ENGLISH LEARNERS

Supplemental bilingual funding is determined by the Office of Language and Cultural Education (OLCE). In FY2020, OLCE continued the allocation of supplemental bilingual teachers based on the allocation model introduced in FY2016.

All schools are legally required to provide Transitional Bilingual Education (TBE) and/or Transitional Programs of Instruction (TPI) for their English learner (EL) students. Supplemental bilingual resources are allocated to district-run schools to support student needs based on EL enrollment in the following tiered system:

Table 6: Supplemental Bilingual Position Allocations for District-Run Schools

EL Enrollment	250 +	200-249	100-199	50-99	20-49	Less than 20
Supplemental Position (EL Resource Teacher)	1.0 SUP TBE/TPI teaching	1.0 SUP TBE/TPI teaching	0.5 SUP TBE/TPI teaching	0.5 SUP TBE/TPI teaching	0.5 SUP TBE/TPI teaching	
Per-Pupil Allocation						\$450/pupil
Supplemental EL Coach Position	0.5 SUP EL Coaching					

Appendix B School Funding Formulas

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

- District Schools
 - Student-Based Budgeting (SBB)
 - Allocations of Special Education Teachers and Paraprofessionals
 - Allocations of Supplemental Bilingual Teachers for English Learners (ELs)
 - General Education Allocations to Specialty and Options Schools
- Charter Schools, Contract Schools, and Alternative Learning Opportunity Programs (ALOPs)
 - Student-Based Budgeting (SBB)
 - Non-SBB
 - Supplemental Funding for Schools in Independent Facilities
 - Special Education
 - Allocations of Supplemental Bilingual Teachers for English Learners (ELs)
- Allocations of Other Discretionary Funds to All Schools

DISTRICT SCHOOLS

STUDENT-BASED BUDGETING (SBB)

Student-Based Budgeting (SBB) is used to determine the resources a school receives for core instruction. SBB is a per-pupil funding allocation weighted based on grade level and diverse learner category.

For FY2020, the per-pupil allocation, or base rate, was increased to \$4,506.93 from the FY2019 rate of \$4,397.00. The base rate is allocated for students in grades 4–8. Students in grades K–3 receive a weight of 1.07, meaning their allocation is 7 percent higher than the base rate. This allocation reflects the district’s goal of lower class sizes in early grades. High school students receive a weight of 1.24 to provide high school teachers with two preparation periods and to ensure that high school students are able to meet all requirements for graduation.

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 how much time per school day the student is learning 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 receive a significant portion of their core instruction 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 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 may be in the general education classroom for every period. LRE 2 students receive 70 percent of the high school per-pupil rate because they will likely 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 they likely 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: FY2020 SBB Rates

Enrollment Category	SBB Weighting	SBB Rates
K–3 Gen Ed / LRE 1 / LRE 2	1.07	\$4,822.42
4–8 Gen Ed / LRE 1 / LRE 2	1.00	\$4,506.93
9–12 Gen Ed / LRE 1	1.24	\$5,588.59
K–3 LRE 3	40% of 1.07	\$1,928.97
4–8 LRE 3	40% of 1.00	\$1,802.77
9–12 LRE 2	70% of 1.24	\$3,912.01
9–12 LRE 3	40% of 1.24	\$2,235.44

Total Amount of SBB Allocation

For FY2020, the SBB allocation is \$1.62 billion which is a \$5 million decrease from the FY2019 budget.

Table 3: Distribution of SBB Allocation for FY2019 and FY2020

(All amounts in \$000s)	FY2019	FY2020
Base SBB Rate Allocation	\$1,388,815	\$1,361,714
Teacher Salary Adjustment for District Schools	\$23,203	\$32,510
Multiple Building Adjustment for District Schools	\$1,350	\$1,325
Misc Adjustments	\$6,103	\$932
Small School Supplement	\$9,873	-
Equity Grant	-	\$30,694

Program Support	\$2,505	\$450
Contingency for 10th Day Adjustments	\$5,981	\$4,290
Total SBB Dollar Distribution for FY2020	\$1,436,281	\$1,431,915
Cost of Foundation Positions for District Schools	\$189,596	\$188,522
Total SBB Allocation	\$1,625,877	\$1,620,437

Enrollment Counts for SBB Adjustments

Funding for SY2019–20 is based on the 20th-day enrollment count in SY2018–19. This approach ensures 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 in SY2018–19, they will receive additional, supplemental funding. This model allows schools to plan confidently for the year ahead and provides school-based staff greater certainty about their positions.

The following rules apply to the counting of enrollment for funding purposes:

- Official enrollment counts are based on enrollment data collected by the district system on a specified enrollment count date.
- Students are not included in the enrollment count if they are not scheduled at the school or if they have not been in attendance for at least one full school day as of the enrollment count date. Schools are responsible for ensuring that enrollment, scheduling, and attendance information is up-to-date in CPS’ student information systems by the enrollment count date.
- If a student is included in the 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, the student shall be retroactively excluded from the enrollment count, and the school’s funding shall be adjusted accordingly.

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.

Foundation Positions

Every district school is required under state law or the Chicago Teachers Union contract to employ three foundation positions — one principal, one counselor, and one clerk — in addition to the school’s per-pupil allocation. The total cost of foundation positions in district-run schools in FY2020 is \$189 million.

Teacher Salary Adjustment

Both the district-wide and school-specific teacher salary averages are calculated, and the district schools that have a higher average staff salary than the overall district receive a teacher salary adjustment to help pay their staff costs. The averages are adjusted based on estimated resignations and retirements that will take effect before SY2019–20. The exact adjustment amount is calculated by multiplying the difference between the school’s average and the district’s average by the number of staffed teachers at the school, then subtracting the estimated resignations and retirements. The teacher salary adjustment is recalculated every year to account for school and district staffing changes. Therefore, it is possible for

a school to receive a teacher salary adjustment this year and not receive one next year. In FY2020, the total cost for teacher salary adjustments in district-run schools is \$32,509,699.

Equity Grants

To ensure that students who attend schools with low or declining enrollment rates receive the benefits that their peers attending larger schools receive, CPS provided \$31 million in equity grant funding to 219 elementary (ES) and high schools (HS) that need additional support. Schools below a specific enrollment threshold (450 for ES and 600 for HS) will receive an equity grant that equals \$750 for ES and \$1,200 for HS per student below the threshold. Schools experiencing drastic year-over-year enrollment loss receive additional funds, capped at \$400,000 per school.

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 to help cover the staffing costs 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 SBB that support their ability to provide administrative support for the branch building.

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

Table 4: 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 FY2020 multiple building adjustment in district-run schools is \$1,325,000.

ALLOCATIONS OF SPECIAL EDUCATION TEACHERS AND PARAPROFESSIONALS

Diverse Learner Allocation

In FY2020, schools received an allocation of centrally-funded special education teachers and paraprofessionals to serve diverse learners outside of cluster programs.

FY2020 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, FY2020 allocations were determined from each school’s special education student population in March 2019.

Cluster Programs

Schools with cluster programs receive additional centrally-funded positions for each cluster program, as shown in the following table:

Table 5: 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.

ALLOCATIONS OF SUPPLEMENTAL BILINGUAL TEACHERS FOR ENGLISH LEARNERS

Supplemental bilingual funding is determined by the Office of Language and Cultural Education (OLCE). In FY2020, OLCE continued the allocation of supplemental bilingual teachers based on the allocation model introduced in FY2016.

All schools are legally required to provide Transitional Bilingual Education (TBE) and/or Transitional Programs of Instruction (TPI) for their English learner (EL) students. Supplemental bilingual resources are allocated to district-run schools to support student needs based on EL enrollment in the following tiered system:

Table 6: Supplemental Bilingual Position Allocations for District-Run Schools

EL Enrollment	250 +	200-249	100-199	50-99	20-49	Less than 20
Supplemental Position (EL Resource Teacher)	1.0 SUP TBE/TPI teaching	1.0 SUP TBE/TPI teaching	0.5 SUP TBE/TPI teaching	0.5 SUP TBE/TPI teaching	0.5 SUP TBE/TPI teaching	
Per-Pupil Allocation						\$450/pupil
Supplemental EL Coach Position	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	\$5500	\$5500	
ELPT Annual Stipend	\$3000	\$2500	\$2000	\$1500	\$1000	\$500

35 schools received 0.5 FTE position allocations to support dual language programs in FY2020.

Additionally, OLCE will provide Title III funding to support after-school tutoring programs to provide Bilingual and English as a Second Language (ESL) academic support for EL students. 299 schools are eligible to apply for the \$5,500 tutoring funds.

- 299 schools with 20 or more EL students will receive \$1.6 million in Title III funding to launch EL after-school tutoring programs, altogether serving more than 52,000 EL students.
- 472 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.
- 301 schools are eligible to receive \$500 in Bilingual Advisory Committee (BAC) funds, once they submit proof that they have established a BAC.

GENERAL EDUCATION ALLOCATIONS TO SPECIALTY AND OPTIONS SCHOOLS

Specialty Schools

Seven specialty schools primarily serve students with significant diverse learning needs; three early childhood centers 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 additional staff positions, as well as funding for non-personnel resources. Most of the classroom teachers are special education teachers or early childhood teachers, both of which are funded by the Office of Diverse Learner Supports and Services and the Office of Early Childhood Education.

Specialty schools also receive the following general education resources:

- One principal, one counselor, and one clerk, which is the same administrative base that all district schools receive through SBB.
- A staff allocation of general education teachers to ensure that teachers in self-contained classrooms receive coverage for their preparation periods. General education teachers typically teach art, music, or physical education.
- An allocation for non-personnel items, equal to \$35,000 per school, plus \$150 for each Pre-K student, \$300 for each elementary school student, and \$400 for each high school student.

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 options schools include one school located at the Cook County Jail (Consuella B. York Alternative High School), one at the Cook County Juvenile Temporary Detention Center (Nancy B. Jefferson Alternative High School), one school serving pregnant students (Simpson Academy High School for Young Women), and one school serving students at risk of dropping out or returning dropouts (Peace and Education Coalition High School).

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 student body population. Rather, the core allocation given to options schools is based on the programs run at the school and the needs of the students served.

CHARTER SCHOOLS, CONTRACT SCHOOLS, ALTERNATIVE LEARNING OPPORTUNITY PROGRAMS (ALOPs), AND SAFE SCHOOLS

STUDENT-BASED BUDGETING (SBB)

Like most district schools, charter schools, contract schools, and Alternative Learning Opportunity Programs (ALOPs) receive funding for their core instruction through SBB. The SBB rates for these schools, however, are modified to include additional components of SBB distributed to district schools outside of the per-pupil formula. These allocations, including foundation positions, teacher salary adjustment, multiple building adjustment, and equity grants, are translated to per-pupil amounts and added to the base rate to determine a modified base rate for charters, contracts, and ALOPs.

Table 7: Calculation of Modified SBB Base Rate for Charter Schools, Contract Schools and ALOPs

	FY2020 District School Allocation	Weighted District School Enrollment	Per-Pupil Equivalent
Foundation Positions	\$189,596,459	300,895	\$630.11
Teacher Salary Adjustment	\$32,509,699	300,895	\$108.04
Multiple Building Adjustment	\$1,325,000	300,895	\$4.40
Equity Grant	\$30,693,750	300,895	\$100.68
Per-Pupil Equivalent for Contract/ALOP	\$253,724,908	300,895	\$843.23
District School Base Rate			\$4,506.93
Modified Charter/Contract/ALOP Base Rate			\$5,350.16

Note: Foundation positions total cost reflect FY2019 foundation position costs, used at the time of budget development.

The modified SBB base rate for charter schools, contract schools, and ALOPs is applied using the same weights as used for district schools, as outlined in Table 8.

Table 8: FY2020 SBB Rates for Charter Schools, Contract Schools, and ALOPs

Enrollment Category	SBB Weighting	SBB Rates with Equivalents
K–3 General Education / LRE 1 / LRE 2	1.07	\$5,724.68
4–8 General Education / LRE 1 / LRE 2	1.00	\$5,350.16
9–12 General Education / LRE 1	1.24	\$6,634.20
K–3 LRE 3	40% of 1.07	\$2,289.87
4–8 LRE 3	40% of 1.00	\$2,140.07
9–12 LRE 2	70% of 1.24	\$4,643.94
9–12 LRE 3	40% of 1.24	\$2,653.68

NON-SBB

Charter schools, contract schools, ALOPs, and Safe School programs receive a per-pupil equivalent for services that are provided in-kind to district schools, including operations and maintenance, security, Chicago Board of Education-funded programs (e.g., magnet, selective enrollment), and Central Office management. The non-SBB allocation is the entire amount of general funds in the operating budget, excluding special education, SBB allocation, and a limited set of items that are classified as district-wide shared obligations.

Table 9: FY2020 Non-SBB Allocation

	FY2020 Budget (in \$ thousands)
General Funds Excluding Special Education (Funds 115, 129, 210, 230)	\$4,156,633
Less SBB (Includes foundation positions, teacher salary adjustment, multiple buildings adjustment, equity grants)	\$2,000,010
Less Supplemental Aid	\$267,825
Less State Bilingual Funding	\$34,613
Less District-Wide Shared Obligations	\$1,090,139
Amount of Non-SBB to be Distributed on Per-Pupil Basis	\$764,046

Table 10 lists the district-wide shared obligations that are not included in the non-SBB allocation:

Table 10: District-Wide Shared Obligations

	FY2020 Budget (in \$ thousands)
Unfunded Pension Liability	\$609,013
Facilities Supplement for Charter/Contract/ALOP	\$61,635
Interest on Short-Term Debt	\$13,275
Core Instruction for Options, Specialty, Safe Schools	\$9,526
Real Estate Leases	\$16,482
Risk Management/Insurance	\$10,102
Transportation/Drivers Ed	\$2,669
Early Childhood (funded with General Funds)	\$58,161
New and Expansion Schools/School Transition	\$2,096
Offsetting revenue from Charters, JROTC, and E-Rate	\$66,299
Contingency	\$126,882
Vacancy Savings	\$114,000
Total District-Wide Shared Obligations	\$1,090,139

After removing the district-wide shared obligations, the non-SBB rate was based on an estimated non-SBB allocation of \$764 million. The non-SBB allocation includes the following categories of funding:

Table 11: FY2020 Non-SBB Allocation By Category

Category	Description	FY2020 Budget (in \$ thousands)
Operations	Operations and maintenance of school buildings, including cost of engineers, custodians, utilities, repairs, and Central Office operations management	\$340,710
Security	Security guards in school buildings and Central Office management of security operations	\$84,166
IT Phone/Data Network	Telephone and high-speed data wiring and network infrastructure in school buildings	\$27,939

Central Office Services	Central Office services funded from local sources, other than operations, security, and IT phone/data	\$177,198
School-Based Programs	Funding for magnet, selective enrollment, IB, STEM, JROTC, and other programs that provide supplemental funding to schools from local funds	\$110,319
Vacancy Savings	Estimated amount that district-run schools will underspend in SBB or other local funds due to vacancies — in FY2020, district-run schools are not allowed to reallocate vacancy savings for other purposes.	\$(114,000)
Subtotal of Above Items		\$626,333
Non-SBB Tuition	Charter per-pupil share of the above spending categories	\$137,713
Total Non-SBB		\$764,046

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 for the following reasons:

- 1) Diverse learner students are counted the same as general education students in the non-SBB rate. Some diverse learners receive a different SBB rate because 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 is included — not just SBB schools.

The following table shows the calculation of the FY2020 non-SBB base rate:

Table 12: Calculation of FY2020 Base Non-SBB Rate

Category	FY2020 Budget	Weighted Enrollment	Per-Pupil Amount
Facilities and Maintenance	\$340,710	325,920	\$1,045.38
Security	\$84,166	325,920	\$258.24
IT Phone/Data Network	\$27,939	325,920	\$85.72
Central Office	\$177,198	307,578	\$576.09

Programs at Schools	\$110,319	307,578	\$358.67
Vacancy Savings	(\$114,000)	307,578	(\$370.64)
Total	\$626,333		\$1,953.47

The following table shows the FY2020 non-SBB rates for all grade levels:

Table 13: FY2020 Non-SBB Rates

Non-SBB Rates	ES K-3	ES 4-8	HS 9-12
Weighting	1.07	1.00	1.24
Per-Pupil Amount for All Schools	\$2,090.21	\$1,953.47	\$2,422.29

SUPPLEMENTAL FUNDING FOR SCHOOLS IN INDEPENDENT FACILITIES

In FY2020, charter school, contract school, and ALOP facilities not owned by CPS will receive a facility supplement of \$1,457.75 per pupil to cover the costs of renting or owning the school facility. The FY2020 rate reflects an update from prior years when schools in independent facilities received \$750 per student.

Charter and contract schools that are housed in a CPS-owned building do not receive the facilities supplement, but are allowed to occupy the CPS-owned facility at the nominal rental rate of \$1 per year.

Enrollment Counts for SBB, Non-SBB and Facilities Supplement Adjustments

SBB, non-SBB, and facilities supplement funding for charter and contract schools is based on two enrollment counts per the CPS calendar: a first semester count date on the 20th school day determines first semester funding and a second semester count date on the 10th day of the second semester determines second semester funding.

Beginning in FY2020, charter and contract schools will be funded on the greater of the prior and current year enrollment counts for each semester, to reflect the same enrollment policy CPS applies to district schools.

SBB, non-SBB, and facilities supplement funding for ALOP schools will remain based on quarterly enrollment counts as verified by attendance.

The following rules apply to the counting of enrollment for funding purposes:

- Enrollment counts are based on enrollment data in the district’s system after the close of business on the enrollment count date.
- Students are not included in the enrollment count if they are not enrolled at the school on the enrollment count date, or if they were not enrolled 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’ student information system on enrollment count dates.

- If a student is included in the 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, the student will be retroactively excluded from the enrollment count, and the school’s funding will be decreased accordingly.

Safe School Program

CPS funds one Safe School program for students who have been expelled from traditional schools due to violence. It is funded like an ALOP, with 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.

SPECIAL EDUCATION

Charter and Contract School Special Education Funding

In SY2019–20, charter and contract schools will receive a per-pupil allocation based on the number of students with Individualized Education Programs (IEPs) at each school. Similar to district school allocations, we used a March 2019 enrollment snapshot to determine each school’s allocation for SY2019–20, based on the following rates:

Table 14: Special Education Per-Pupil Funding Rates

	LRE 1	LRE 2	LRE 3
Elementary School	\$11,500	\$13,800	\$17,250
High School	\$9,315	\$11,178	\$13,973

Instead of reimbursements for services rendered, these per-pupil amounts will be paid on a quarterly basis along with regular charter and contract tuition payments. These per-pupil allocations will not be automatically adjusted but schools with extraordinary resource needs may request a review of their funding.

ALOP Special Education Funding

ALOP schools are assigned special education teacher and paraprofessional positions using the same allocation methodology as district-run schools.

Table 15: Special Education Reimbursements

Position	Maximum for average position	Maximum for any individual position
Allocated teacher positions (license required)	\$90,000	\$110,000
Allocated paraprofessional (license required)	\$40,000	\$53,000

Allocation clinician (license required)	\$90,000	\$110,000
Case manager stipend (one per school)	To be determined	

1. Special Education Teacher Reimbursement

- a. The school will hire its own special education teacher(s) based on the school's population of students with disabilities. CPS will reimburse the school on a quarterly basis. This reimbursement will be based on CPS' determination that each special education teacher possesses the proper license(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 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 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 school for the percentage of the quarter's instructional days for which the teacher was employed.

2. Special Education Paraprofessional Reimbursement

- a. The school will hire its own paraprofessionals to provide the necessary supports required by its students' IEPs.
- b. CPS will reimburse the 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 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 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 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 school will hire its own clinicians to provide the necessary supports.

- b. The school may have the Board furnish clinicians to serve the school’s students with disabilities, only if a waiver is given by CPS.
- c. If the school hires its own clinicians, then CPS will reimburse the school on a quarterly basis. This reimbursement will be based on CPS’ determination that each clinician possesses the proper license(s) as required by the State of Illinois and that the number of FTE clinicians does not exceed the CPS-approved allocation for the 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 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 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 school for the percentage of the quarter's instructional days for which the clinician was employed.

4. Special Education Case Manager Reimbursement

- a. The school shall appoint and pay a salary and benefits to its own qualified case manager.
- b. CPS will provide the school with a stipend for 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 appropriate licenses and/or certifications as determined by the district. 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. Schools are expected to hire their own related service providers and are reimbursed for their expenses at the following rates:

Table 16: Special Education Reimbursements

Position	Maximum for average position	Maximum for any individual position
Related service providers (license required)	\$90,000	\$110,000
Case manager stipend (one per school)	To be determined	

ALLOCATIONS OF SUPPLEMENTAL BILINGUAL FUNDING FOR ENGLISH LEARNERS

Charter/contract schools, ALOPs, and Safe School programs (collectively, “charter schools”) receive supplemental bilingual grant funding based on EL enrollment in the following tiered system:

Table 17: State Funding for Charter Schools

Tier	EL Enrollment	No. of Schools	FY2020 Supplemental Funding Allocation
1	100+ EL students enrolled	36	\$46,000
2	1 to 99 EL students enrolled	83	\$450 per EL student

Table 18: Federal Title III Funding for Charter Schools

Tier	EL Enrollment	No. of Schools	FY2020 Supplemental Funding Allocation
1	250+ EL students enrolled	7	\$46,000
2	1 to 249 EL students enrolled	112	\$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 can allocate equitable funding based on EL enrollment at charter schools.

ALLOCATIONS OF OTHER DISCRETIONARY FUNDS TO ALL SCHOOLS

Supplemental Aid (SA)

As part of the FY2020 budget, charter schools, contract schools, and ALOPs will receive Supplemental Aid (SA) funding for Pre-K-12 students, which will follow the same spending rules as local funds. 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 a single point in time from the previous school year.

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 Temporary Assistance to Needy Families (TANF) 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, 2020, as the collection point for FY2020.

In FY2020, 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 percent weight) and the number of students ages 5-17 who qualify for TANF (30 percent 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, 2020. 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 one, the per-pupil allocation increases by \$15 per pupil. A school with a poverty index of 41 receives \$632.50 per pupil. A school with a poverty index of 50 receives \$772.50 per pupil.

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.

CHARGES AND FEES

Facilities Charges for Schools in CPS-Owned Facilities

Charter schools, contract schools, and ALOPs 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 19. The FY2020 rate for each charge is the same as the corresponding component in the calculation of the base non-SBB rate (see Table 12, above).

Table 19: Per-Pupil Rates for Facilities Charges

Deduction Type	FY2019 Rates	FY2020 Rates
Facilities and Maintenance	\$965.14	\$1,045.38
Security	\$256.04	\$258.24
IT	\$84.13	\$85.72
Total Facilities Charge	\$1,305.31	\$1,389.34

Schools can opt out of the district’s security and IT services. Charter and contract schools that are the sole occupant of a CPS facility can also opt out of facilities and maintenance services. 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, charter 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 FY2020. Pension payments are deducted from quarterly tuition payments. Pension charges will not apply to special education teachers, aides, or clinicians.

Administrative Fee

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 20: Administrative Fees

Funding Source	Fee	How Admin Fee Will be Charged
SBB	3%	Total fee for SBB, non-SBB, SA, and Special Education will be deducted from quarterly tuition payments.
Non-SBB	3%	
Supplemental Aid (SA)	3%	
Special Education	3%	
Facilities Supplement	–	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	3%	Fee 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 proposed budget is available at cps.edu/budget. Copies of the budget are available at the Board Office for review.

Budget Planning

Budget planning consists of two main components: school budget planning and department budget planning. School budgets are in the seventh year of implementing the Student-Based Budgeting (“SBB”) model. In FY2020, CPS increased the SBB base rate by 2.5 percent, as was done in FY2019. For the second consecutive year, school budget allocations were based on prior year enrollment figures (FY2019 20th day), rather than projected fall enrollments (see Appendix B for more information on school funding).

Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. FY2020 department budget proposals prioritize critical initiatives, as identified by senior leadership and the Board, in an effort to direct as many resources as possible to schools and classrooms. Additionally, department budgets were developed with the goal of aligning with the district's three main commitments as outlined in the CPS Vision: academic progress, financial stability, and integrity.

FY2020 marks the fifth year of using the Hyperion budgeting tool, which brings consistency and ease of use to the budget process for schools and Central Office.

Budget Calendar

In the fall of 2018, the Office of Budget and Grants Management (OBGM) began the FY2020 budget planning process by developing revenue and expenditure assumptions for the upcoming fiscal year. Over several months, starting in early 2019, OBGM engaged with Central Office departments and senior leadership to develop school and department budgets. OBGM released school budgets and guidance to principals in March 2019. The early release of budgets provided school administrators with significantly more time to plan for the 2019-2020 school year. In May 2019, OBGM received and reviewed all school and department budgets and integrated them into the FY2020 proposed budget.

Public Involvement

Each year, 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.

As stated above, 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 vote on the FY2020 proposed budget at their meeting in August 2019.

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, 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 Budget and Grants Management 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 Property Tax Extension Limitation Law (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 Budget and Grants Management, 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, the account is 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: An expense incurred and recorded on the books but not payable until a later date.

Adopted Budget: The budget ultimately approved and authorized by the Board that authorizes spending for the fiscal year based on 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, 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 during a specific time period granted by a legislative body, in this case the Board.

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 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 to calculate General State Aid for the current year.

Balance Sheet: A statement of an organization’s financial position at a specific point in time. It includes assets, liabilities, and fund balances.

Bill (HB or SB): Legislation drafted in the form of an Act to be introduced to the Illinois General Assembly and identified with a bill number. HB refers to a bill introduced to the House and SB refers to a bill introduced to the Senate. Bills are available on the General Assembly website at 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 than separate grants for the use of the resources.

Bond: A written promise to pay a specified sum of money, called the “face value” or “principal amount,” at a specified future date with a specified periodic interest rate.

Bonded Debt: The portion of indebtedness represented by outstanding bonds.

Bond Rating: An assessment of a specific bond issue’s credit risk.

Bond Redemption and Interest Fund: A debt service fund for the receipt and disbursement of annual tax levies proceeds 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 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 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 (Board): 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 Board.

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): A set of standards outlining what students are expected to learn at every grade level in order to be prepared for success in college and career. 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 SY2011–12 and fully implemented CCSS during SY2014–15.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures.

Continuous Improvement Work Plan (CIWP): The two-year school improvement plan required in all Chicago Public 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. PPRT 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 make principal and interest payments on long-term debt.

Deficit: An excess of expenditures over revenues in a given period.

Depreciation: The portion of a capital asset cost that is charged as an expense during a particular period. This is the process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset.

Education Support Professional (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: The number of students is within 20 percent of **Ideal Program Enrollment** (see definition).

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 George W. 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 Barack Obama signed into law the Every Student Succeeds Act (ESSA), which updates and replaces NCLB and was in full effect for the 2017–18 school year.

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 EBF 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, such as a homestead exemption, or complete, such as a church building used exclusively for religious purposes.

Expenditure: The outflow of funds paid for an asset or service. 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 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 (FY): The time period designated by a 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. The ISBE categorizes schools as a “focus school” if the school has a three-year average state assessment composite between 26 and 45 percent.

Full-Time Equivalent (FTE): A unit that indicates the workload of an employee 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: A fund’s assets minus its 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. Additionally, 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 the amounts constrained to be used for a specific purpose by a governing board, body, or official that has been delegated the 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 an entity's basic financial statements, 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: A department's specific plans for the future. 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 United States.

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 revenue and expenditures.

Ideal Program Enrollment (Ideal Capacity): For elementary schools, this equals the number of Allotted Homeroom Classrooms multiplied by 30. For high schools, this equals the total number of instructional classrooms multiplied by 30 and then multiplied by 80 percent.

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 requiring 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 CPS to pay for the construction of new schools, school building additions, and the 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 TIF districts, which will be used by CPS to pay for the construction of new schools.

Interest Earnings: Earnings from available funds invested during the year in United States 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. Investments do 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): LSCs are comprised of six parents, two community members, two teachers, one non-teacher staff member, the school's principal, and a student representative (for 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 the sale of Board-owned real estate.

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 do not need to 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 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 SY2015–16 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 and Maintenance (O&M): Represents the portion of taxes assessed for the maintenance and operations of the system's facilities.

Public Act (P.A.): Public Acts are available on the General Assembly website at 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 previous year's EAV provision limits extensions in rate-limited funds to the maximum tax rate multiplied by the previous year's EAV for all current district property.

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 Teachers' 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 Board; 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 the previous year's 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 to 55 percent of the previous 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 Teachers' Pension Fund; changed the required funding schedule for the Chicago Teachers' 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 K–12 students. The assessments are administered electronically, closely aligned with the Common Core State Standards, and replace the former state ISAT exam. CPS first began administering PARCC during SY2014–15, when the district focused on administering the assessment to elementary school students in grades 3–8 and high school students in English I, Algebra I, or 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 ISBE 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 ISBE describing a Title I or Title I-eligible school that is a) among the persistently lowest performing 5 percent of all Title I schools within the state based on a 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 percent or less.

Program: Instructional or functional activity.

Program Description: The description includes department/bureau mission, goals, accomplishments, performance measures, and total expenditures and staff counts.

Project: An activity that usually must be accomplished within a specified time period 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 Board.

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.

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 PBC-leased schools.

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 PBC-leased buildings.

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 accounting 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: This 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 Enrollment Efficiency Range, and Overcrowded is defined as school enrollment more than the upper end of Enrollment 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 known as Utilization Rate, which is equal to Space Utilization Index plus 100 percent.

Special Revenue Funds: A fund used to account for specific revenue source proceeds (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, SBB provides dollars based on the number of students at each school, allowing principals to structure the school in a way that best serves its students. CPS moved to the SBB approach 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 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.

Teacher Pension Levy: A rate-capped property tax levy dedicated exclusively to paying the CPS employer cost to the Chicago Teachers' Pension Fund (CTPF). It is 0.567 percent of base Equalized Assessed Value (EAV) in Chicago from the prior year, and of new property from the current year. It was permitted by Public Act 99-0521, and further altered by Public Act 100-0586.

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 and vacant positions.

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 CPS to be treated exactly the same as other Illinois school districts in terms of receiving state funding to cover annual teacher pension costs.