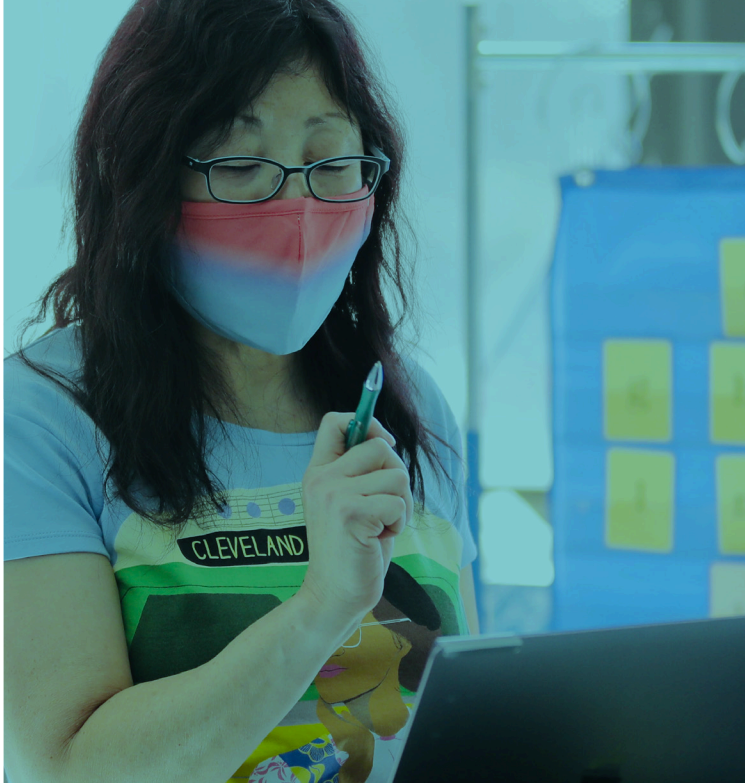


Resident's Guide to the Budget FY2022



Resident's Guide to the Budget FY2022

2022 CPS BUDGET

TOTAL BUDGET: \$9.3 BILLION



CPS AT A GLANCE

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

OUR SCHOOLS

636 Schools

161

High Schools

92

District Run

61

Charter

7

Contract

1

SAFE

OUR STUDENTS

Fall 2020

11,494

Preschool

21,960

Kindergarten

202,007

Elementary *Grades 1-8*

105,197

Secondary *Grades 9-12*

OUR EMPLOYEES

41,756 Employees

34,145

School-Based Employees

6,141

City-Wide Student Support

1,277

Central Office Support

216

Network Office School Support

475

Elementary Schools

421

District Run

52

Charter

2

Contract

Between our students and employees, CPS directly impacts 14 percent of the entire population of Chicago every day. And when you add in the countless numbers of current and former parents and alumni living and working in Chicago, the importance of public education in shaping the lives and future of our great city becomes exceedingly clear. This is why education funding is such an important issue and why we have created this resident's guide to the budget. We want you, as residents, to understand how CPS is funded and how the success of our public schools is central to the success of Chicago.

OPERATING BUDGET: \$7.82 BILLION

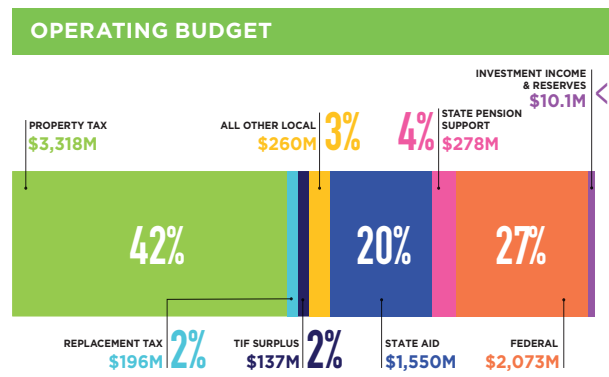
This is the budget figure that most people are familiar with and represents the amount of funds allocated to operate the day-to-day activities of our schools each year.

DEBT BUDGET: \$763 MILLION

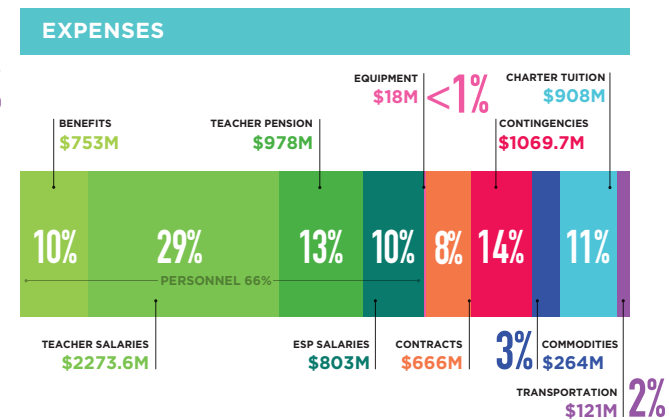
The debt budget represents the amount of funds allocated to make annual payments on our bonds and other debt payments.

CAPITAL BUDGET: \$707 MILLION

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



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



MONEY FOR OUR SCHOOLS



We are firmly committed to ensuring that every dollar we spend goes the furthest for our students and families, so 56 cents (56%) of every dollar spent in our operating budget is tied directly to school-based expenditures and positions, with another 39 cents (39%) directly supporting schools through citywide services.

WHO PROVIDES OUR FUNDING?

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



LOCAL REVENUE: \$3.9 BILLION

Our largest source of income, 50 percent, is generated by local sources. The majority of this comes from local property taxes, replacement tax and TIF surpluses. CPS also generates revenue from other local sources such as philanthropic donations, interest income, lunchroom fees, and school rental fees.



STATE REVENUE: \$1.8 BILLION

State income accounts for 23 percent of our revenue. The bulk of funding we receive from the state is through evidence-based funding (EBF). The amount of EBF that each school district receives is based on a complex formula that considers the number of students, the special needs of the district, household income levels, and many other factors. Though EBF, introduced in FY2018, was a major improvement from the state's old funding model, the state acknowledges that CPS remains close to \$2 billion underfunded. We continue to work closely with our partners in Springfield to advocate for additional education funding for our students.



FEDERAL REVENUE: \$2.1 BILLION

Federal income accounts for 27 percent of our revenue. Most federal income is distributed through Title I of the Elementary and Secondary Education Act to provide extra support for low-income children. We have limited flexibility in how we spend federal revenue and the money can be used only for certain types of expenses, such as reading and math instruction and teacher professional development. The federal government also pays for free or reduced-price meals for all CPS students. This year's budget also includes \$1.06 billion in federal emergency relief funding to address students' needs in three priority areas. More information on federal relief funding and the three priority areas is highlighted below.



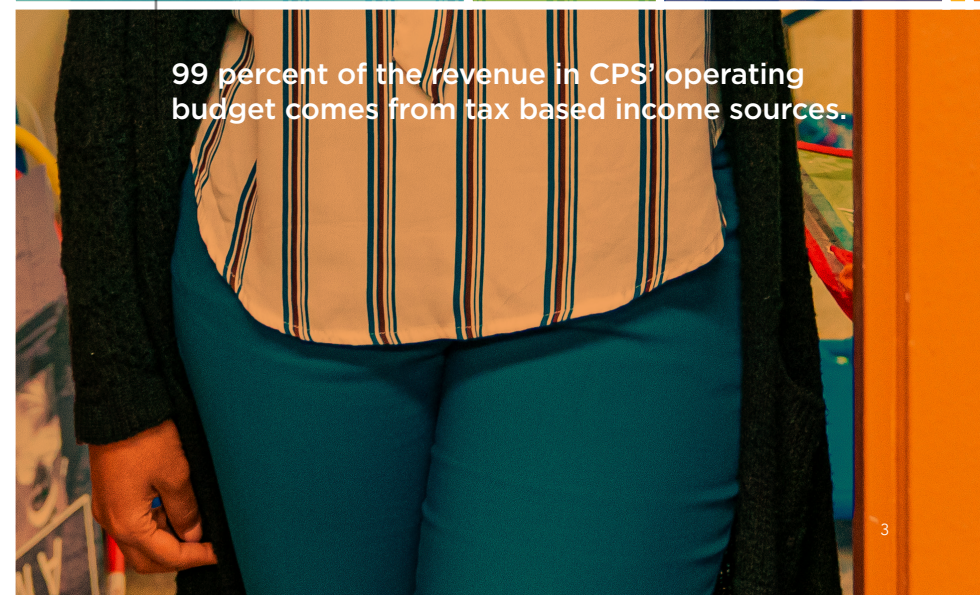
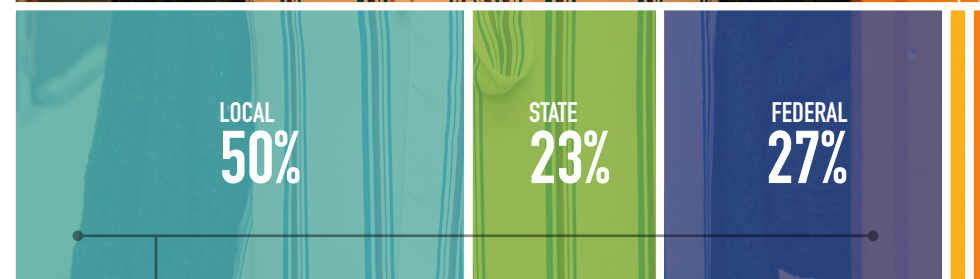
INVESTMENT REVENUE: \$0.1 MILLION

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



FUND BALANCE/RESERVES: \$10 MILLION

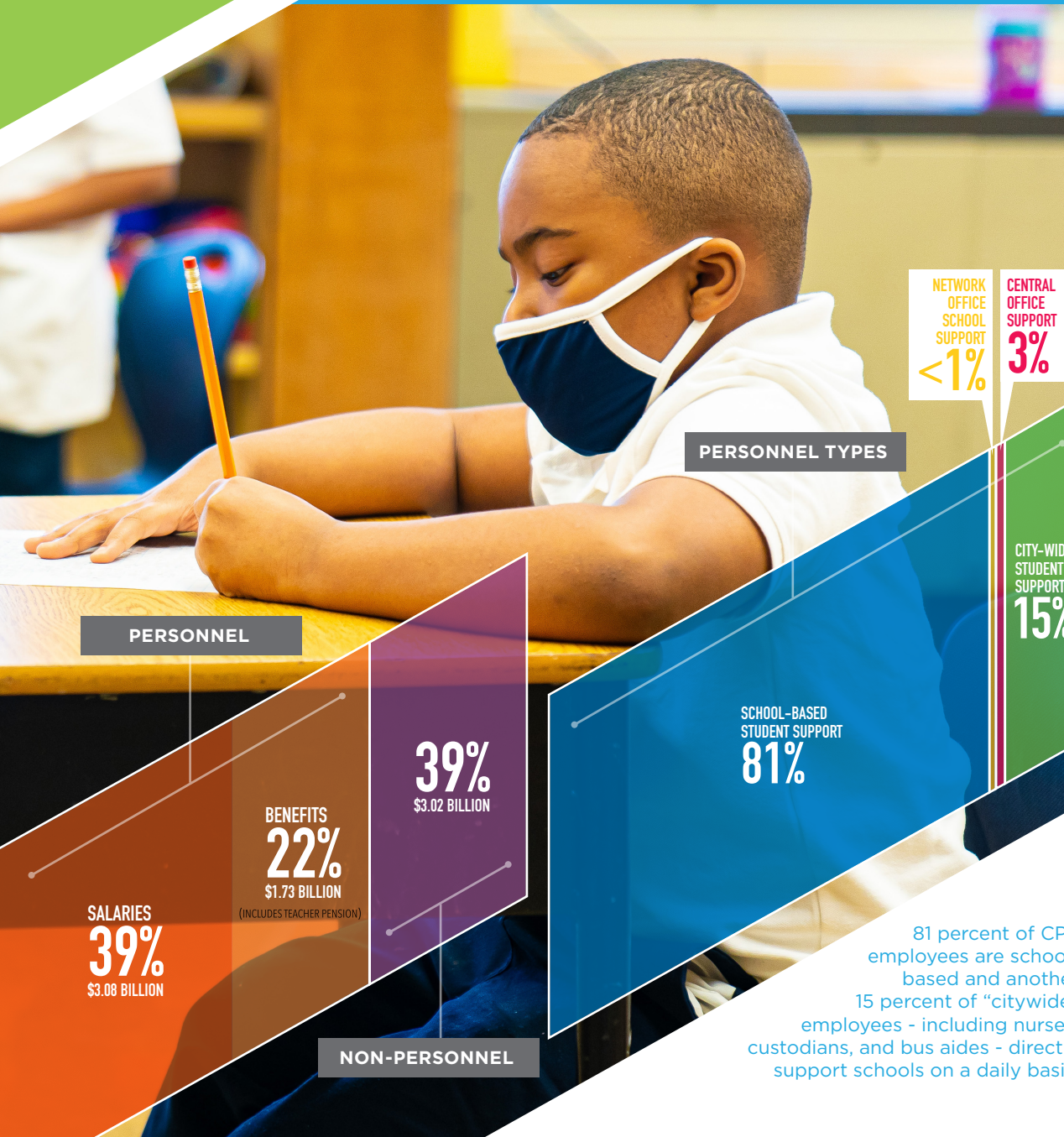
Fund Balances or Reserves account for less than one percent of our operating budget. In certain instances, CPS has restricted funds that can only be spent on specific types of expenditures. If we don't use all of these restricted funds in a given fiscal year, those funds can be rolled over into the next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



WHAT DO WE SPEND MONEY ON?

OPERATING BUDGET: \$7.82 BILLION

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



PERSONNEL TYPES

NETWORK OFFICE SCHOOL SUPPORT <1%
CENTRAL OFFICE SUPPORT 3%

CITY-WIDE STUDENT SUPPORT 15%

SCHOOL-BASED STUDENT SUPPORT 81%

81 percent of CPS employees are school-based and another 15 percent of "citywide" employees - including nurses, custodians, and bus aides - directly support schools on a daily basis.

Personnel Costs: \$4.80 Billion

61 percent of the CPS budget is used to pay for the salaries and benefits of our 41,756 employees. This includes school-based staff such as teachers, principals, teacher aides, security officers, school clerks, cooks and janitors. It also includes central office staff that provide administrative and programmatic support to the schools, and network office staff that support schools as they are grouped into 16 networks across the city. We also have city-wide support staff that include coaches, clinicians, nurses, social workers and speech pathologists.

Non-Personnel Costs: \$3.07 Billion

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

PERSONNEL COSTS

(of \$4.80 Billion)

\$753	16%	BENEFITS
\$803	17%	ESP SALARIES
\$978	20%	TEACHER PENSION
\$2,268	47%	TEACHER SALARIES

NON-PERSONNEL COSTS

(of \$3.02 Billion)

\$18	1%	EQUIPMENT
\$121	4%	TRANSPORTATION
\$270	9%	COMMODITIES
\$634	21%	CONTRACTS
\$908	30%	CHARTER TUITION
\$1,070	35%	CONTINGENCY (includes federal dollars that will be used on salaries, benefits, and other expenses)

PERSONNEL

SALARIES 39%
\$3.08 BILLION

BENEFITS 22%
\$1.73 BILLION
(INCLUDES TEACHER PENSION)

39%
\$3.02 BILLION

NON-PERSONNEL

WHAT DO WE SPEND MONEY ON?

CAPITAL BUDGET: \$707 MILLION

Long-Term Asset Investments: The FY2022 budget includes a capital budget totaling \$706.6 million of investments that will focus on priority facilities needs at neighborhood schools; mechanical systems which control the indoor environment and air-quality of our schools; full-day Pre-K expansions; ADA accessibility; restroom modernizations; student recreation and athletic improvements; site improvements and continued expansion of technology upgrades and other academic priorities

\$328.6 MILLION IN PRIORITY NEEDS AT NEIGHBORHOOD SCHOOLS

As part of our commitment to equity, the district is prioritizing renovations at neighborhood schools throughout the city to ensure all students can learn and grow in school buildings that support high-quality learning environments. CPS is allocating \$328.6 million in funding for critical maintenance projects and interior improvements.

- \$206.6 million for priority roof, envelope, and mechanical projects;
- \$50 million for unanticipated emergency repairs;
- \$20 million for district maintenance priorities;
- \$20 million for modular refurbishment;
- \$10 million for masonry remediation;
- \$10 million for interior improvements;
- \$5 million for fire alarm system replacement;
- \$5 million for chimney stabilization; and
- \$2 million for critical temperature control system replacement.

\$80 MILLION TO EXPAND FREE, FULL DAY PRE-K

CPS is continuing to build on our commitment to provide free full-day Pre-K to all four-year-olds in Chicago. In FY2021, the district invested \$100 million to complete classroom conversions and to renovate existing Pre-K classrooms. Building on this investment, the FY2022 capital plan includes \$80 million to complete the remaining expansions and classroom conversions for the 2021–22 and 2022–23 school years.

\$20.5 MILLION TO SUPPORT STUDENTS WITH PHYSICAL LIMITATIONS

We will invest \$20.5 million to increase Americans with Disabilities Act accessibility in 33 schools as part of a multi-year program to ensure all CPS buildings have first-floor accessibility. Starting with the FY2021 Capital budget, CPS committed to spending \$100 million over five years to improve accessibility of parking lots, main entrances, main offices, and public restrooms.

\$78.9 MILLION FOR PROGRAMMATIC AND TECHNOLOGY INVESTMENTS TO BUILD UPON SCHOOL SUCCESS

CPS is investing \$78.9 million to prioritize high-quality educational programming and modernize buildings to support 21st century learning environments.

These investments include:

- \$20 million to renovate existing student recreation and athletic resources such as stadiums, athletic fields and natatoriums;
- \$10.5 million in building upgrades to support STEM, STEAM, IB, and world language programs at 7 schools;
- \$46.4 million to increase access to technology by providing new computing devices and improving network infrastructure;
- \$2 million will fund new security equipment including cameras, intercom phones, alarms, and screening equipment.

\$37.6 MILLION FOR SITE IMPROVEMENTS THAT FOSTER LEARNING

The proposed capital budget includes an additional \$37.6 million in site improvements to design and build new playgrounds, playlots, and school yards at over 30 schools across the city so that students can benefit from a well-rounded education that promotes healthy and active development.

DEBT BUDGET: \$763 MILLION

Principal & Interest Payments on District Debt: The FY2021 budget includes total appropriations of approximately \$763 million for principal and interest payments on the district's outstanding bonds, which were issued to fund the district's capital plans and related investments. As of June 30, 2021, the Board has approximately \$8.4 billion of outstanding long-term debt and \$244 million of outstanding short-term debt.

HOW IS THE MONEY DISTRIBUTED?

SCHOOL-BY-SCHOOL FUNDING
 In order to distribute the funds in our operating budget to our 636 schools, two basic factors are used to determine how much money each school receives:



THE NUMBER OF STUDENTS AT THE SCHOOL



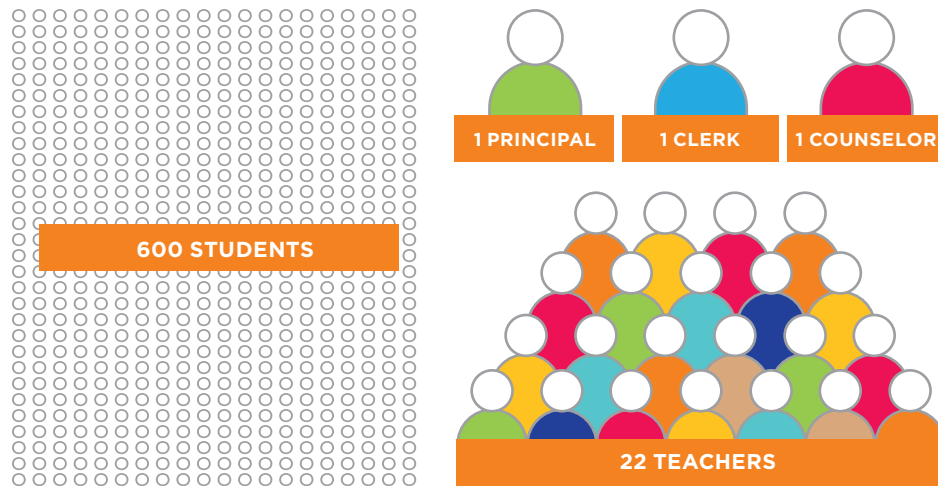
THE SPECIFIC NEEDS OF THE STUDENTS,
 such as status under low income guidelines, requirements for students within special education plans, or limited English proficiency.

TRADITIONAL SCHOOLS

498 Traditional District Schools

Funding for the 2021-22 school year is based on the 20th day enrollment count from the 2020-21 school year and Student Based Budgeting is used to determine the base amount of resources that a school receives for core instruction. SBB is a per-pupil funding allocation, weighted based on grade level and diverse learner category. The FY2022 base per-pupil rate was increased to \$4,805 from the FY2021 rate of \$ 4,665. Students in grades 4-8 receive the base per-pupil rate. Students in kindergarten through third grade receive a weight of 1.07, which means that their per-pupil rate is seven percent higher than the base rate. High school students receive a weight of 1.24.

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



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

NON-TRADITIONAL SCHOOLS

138 Charters, Contract, Specialty, Options

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

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

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

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

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



OUR VISION

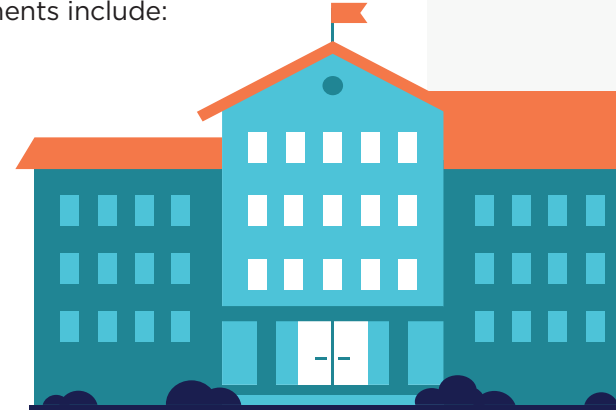


\$30 MILLION

in additional special education funding to advance equity and meet student needs

To support high-quality instruction, the FY22 budget includes over \$225 million in additional classroom investments. Key investments include:

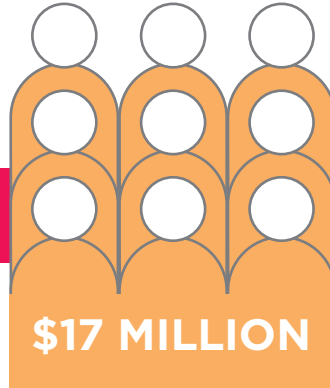
The district will invest \$554.2 million for building improvements at more than 250 schools. Priority projects include:



\$110.5 MILLION

IN BUILDING IMPROVEMENTS

to support athletics and recreation centers, Pre-K classrooms and spaces for new high-quality academic programs



\$17 MILLION

IN ADDITIONAL FUNDING

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

\$66 MILLION

IN EQUITY GRANTS

to support high-needs schools and ensure all students are able to access a high-quality education, a \$22 million increase from FY2021

\$328.6 MILLION +

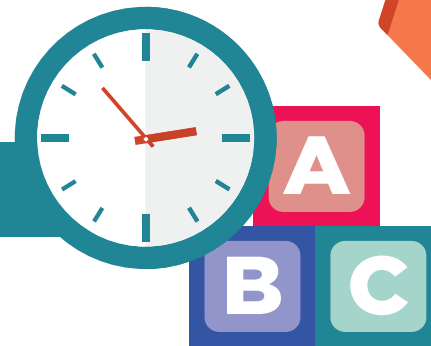
TO ADDRESS FACILITY NEEDS

and strengthen high-quality neighborhood schools throughout the city



\$85 MILLION

in flexible funding to begin to address needs caused by the pandemic



\$16 MILLION

TO EXPAND ACCESS TO FREE FULL-DAY PRE-K

\$20.5 MILLION

TO CONTINUE OUR FIVE-YEAR, \$100M COMMITMENT TO IMPROVING ADA ACCESSIBILITY

The district is allocating \$32 million in resources to mitigate the impact of COVID-19 on enrollment.

PUBLIC ENGAGEMENT ON SCHOOL FUNDING



Following a series of public forums and the continued work of the School Funding Working Group launched in 2019, feedback from students, parents, teachers, principals, and other CPS stakeholders directly impacted the district's FY2022 budget.

CONCERNS ABOUT COVID'S IMPACT ON ENROLLMENT AND FY2022 SCHOOL FUNDING

The district revised its funding methodology and invested an additional \$32 million to ensure that schools are not harmed as a result of enrollment declines that were associated with the pandemic. By calculating what enrollment decline levels are likely pandemic-related based on prior years' trends, 262 schools received additional funding to offset the impact.

FURTHERING EQUITY IN SCHOOL FUNDING

CPS increased Equity Grant funding by 50% in FY2022 to support nearly 80 percent of schools (401 in total) through a \$66 million investment. This year's allocations utilized a new Opportunity Index that identifies high-needs schools based on a variety of factors including income, diverse learner populations, community life expectancy, teacher retention, and additional factors.

ADDRESSING STUDENT AND SCHOOL NEEDS RESULTING FROM THE PANDEMIC

Understanding the need to address learning loss, social, and emotional supports, student re-engagement, and building operational needs, the district allocated over \$120 million in flexible funding to schools on top of regular school budgets.

MULTI-YEAR PLAN FOR ESSER III FUNDING

In March 2021, Congress passed the American Rescue Plan, which directed \$1.8 billion of federal relief funding to CPS. Within the context of the requirements and priority areas under the guidance, CPS incorporated feedback from school leaders, teachers, students, parents, and community partners to outline an initial multi-year iterative plan for use of the funds. This funding will be available to cover expenses through September 30, 2024.

ESSER III — ONE PART OF LARGER ARP

\$1.9 TRILLION

American Rescue Plan (ARP)

\$122 BILLION

ARP – Elementary and Secondary School Emergency Relief (ESSER III) allocation to U.S. Department of Education

\$5,054,988,054

U.S. Department of Education ESSER III allocation to Illinois State Board of Education (ISBE)

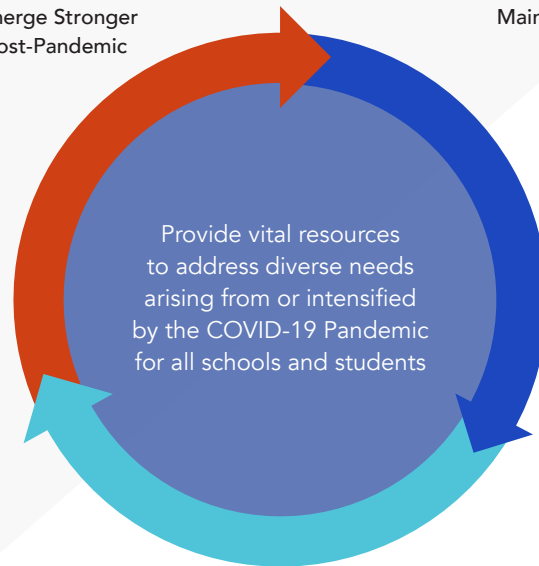
\$1,788,541,226

ISBE ESSER III allocation to Chicago Public Schools

ESSER III PROVIDES ESSENTIAL SUPPORT FOR SCHOOLS

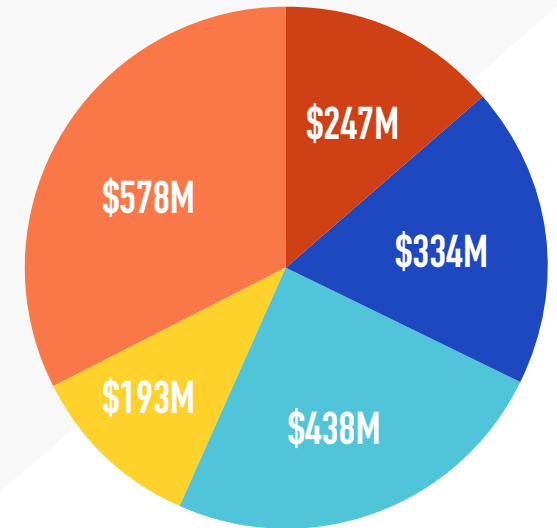
Emerge Stronger Post-Pandemic

Maintain Continuity of Service



Address Many Dimensions of Resource Equity

OVERVIEW OF ESSER III FUNDS IN TOTAL \$1.789B



\$247M

School Based Instructional Positions

\$334M

Operational Investments in Schools

\$438M

Districtwide Initiatives to Address Unfinished Learning

\$193M

Flexible Funding for Schools

\$578M

Programmatic Investments in Schools

Resident's Guide to the Budget FY2022



CHICAGO PUBLIC SCHOOLS

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Chicago, IL 60602

cps.edu

773-553-1000

FOR MORE INFORMATION

cps.edu/budget

GET INVOLVED

Family And Community
Engagement in Education (FACE)

cpsparentu.org

773-553-FACE

Local School Council (LSC)
Relations

cps.edu/lscrelations

773-553-1400

