



CHICAGO
TEACHERS
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Budget & School Finance

Public Bargaining
August 13, 2024

Speakers

1. **Saqib Bhatti**, ACRE
2. **Dan Montgomery**, Illinois Federation of Teachers
3. **Hilary Wething**, Economic Policy Institute
4. **Marcia Howard**, MFT Local 59
5. **Leah VanDassor**, SPFE Local 28
6. **Yvette Ocampo-Martinez**, CTU member
7. **Pavlyn Jankov**, CTU

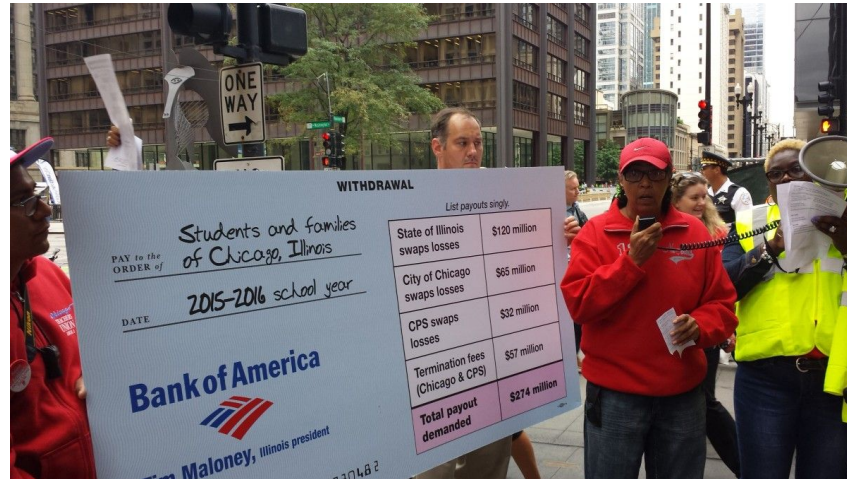
Bad Bank Deals will cost CPS billions

- Saqib Bhatti, ACRE

CHICAGO'S VERY OWN
WGNI 9 News ▾ Weather ▾ Sports ▾ WGN Morning News

Wall Street made over \$110 million from Chicago schools, report says

Posted: Oct 3, 2016 / 08:51 AM CDT
Updated: Oct 3, 2016 / 09:57 AM CDT



Statewide, Illinois schools are hurting

- Dan Montgomery, IFT



CPS should maintain spending on staff

- Hilary Wething, EPI



Economic Policy Institute About Areas of Research Data Library Publications

Working Economics Blog

Posted July 19, 2024 at 2:25 pm by **Dave Kamper** and **Hilary Wething**

Chicago Public Schools should try to maintain spending levels even as federal pandemic relief funds come to an end

Minneapolis Federation of Teachers

- Marcia Howard, MFT Local 59



St Paul Federation of Teachers

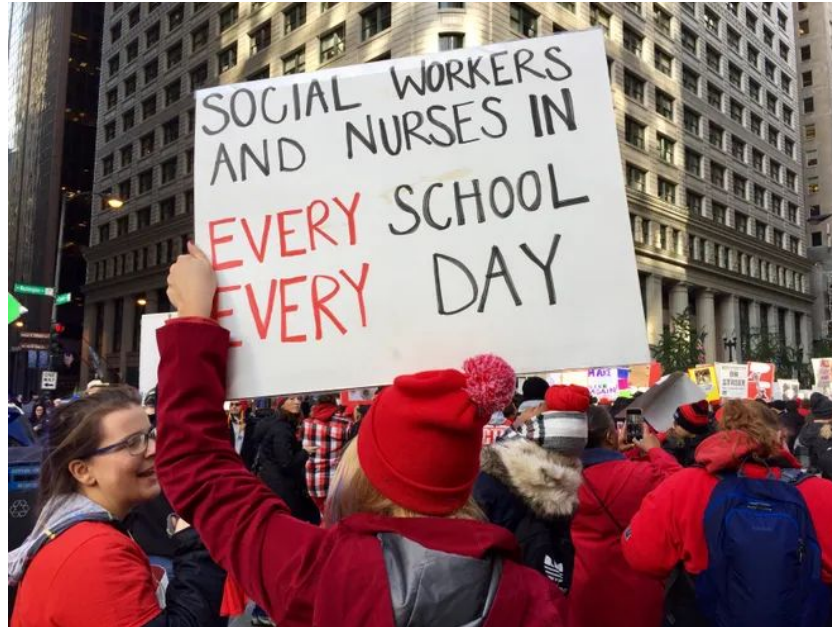
- Leah VanDassor, SPFE Local 28



SAINT PAUL FEDERATION
OF EDUCATORS LOCAL 28

Marquette Elem School

- Yvette Ocampo-Martinez , CTU



Summary

- CPS budget problems are due to lack of revenue and structural racism in education funding.
- Bad bank deals robbed our schools of resources, past leadership allowed it.
- Contract wins in 2019 meant CPS invested ESSER funding in direct staffing supports for students, that was the right call we must maintain progress
- Mental health supports in our schools have made a real difference for students, resources that should be the baseline for every school
- Illinois schools are still underfunded. Without a path to full funding the ESSER cliff will hurt school districts across the state, poor students will be impacted the most.
- Other states offer a model for what Illinois can and must do: raise revenue and invest in education
- CPS budgets puts the important gains at risk: some of the best-in-the-nation pandemic recovery, investments in social workers and nurses, and smaller class sizes



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Federal School Funding

- Federal ESSER funding winding down
- ESSER supported staffing, clinicians, class size
- Pandemic recovery - especially mental health - continues to be a real need.



Illinois' Evidence Based Funding

- Almost a decade since EBF: CPS has a **\$1.2 billion** and *growing* adequacy gap
- Continuing to invest the minimum will mean waiting at least until 2034 for adequacy
- Funding hasn't kept pace with needs:
 - Special education needs
 - Homeless students, bilingual education



Despite claims of success, there's a \$4.8B gap in EBF funding. Research has also ranked Illinois 44th out of the 50 states for equitable school funding, with 84% of schools underfunded.

*stats from the Education Law Center



Inadequate education for CPS students

- Prior to 2017, Illinois had one of the most regressive and inequitable funding *formulas*
- Neighboring wealthy districts have had the funds for a better school day
- In the last decade, *CPS leadership* cut special education staff, closed schools, cut arts, music & librarians
- “Do more with less”



Leadership and choices

- Schools faced twin threats of Rahm & Rauner
- Chicago: Privatization and layoffs
- State: State budget hostage
- Impacts?
 - Communities lost schools, schools lost baseline
 - Paid out hundreds of millions to banks
 - Saddled with bad debt deals

LOCAL NEWS
Rauner, GOP Lawmakers Propose State Takeover Of Chicago Public Schools

WBEZ Investigation: CPS Secretly Overhauled Special Education At Students' Expense
By Sarah Karp | Oct 16, 2017, 5:07pm CDT

POLITICS

City Treasurer to Mayor Emanuel: Sue Big Banks

What are the choices today?

Why Illinois still isn't fully funding its schools: Breaking down the 'evidence-based formula'

Chicago Public Schools had to rely partly on budget cuts to close a \$505 million deficit for next school year's budget. A fiscal expert breaks down how the state's school funding formula is supposed to help school districts provide a high-quality education for kids.

By Ralph Martire | Aug 2, 2024, 6:00am CDT

STATE GOVERNMENT

CPS needs \$1.2 billion for adequate funding, according to new state formula calculation

Forty-nine Illinois school districts are still below 70% adequately funded, according to the state.

By Reema Amin

CS★T

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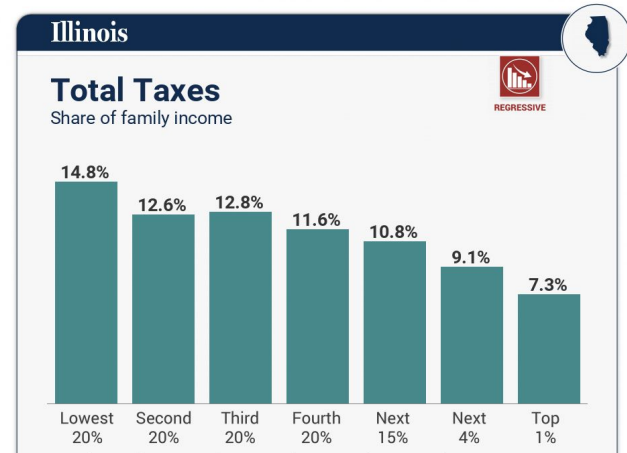
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Gov. Pritzker stands firm: State doesn't owe Chicago schools \$1.1 billion

CPS made a mistake when it put temporary federal pandemic aid into its permanent spending base. Now, the money's running out.

Why is Illinois failing to fund education?

- Illinois has the 8th most regressive tax system in the country, and the system worsens racial income inequalities
- Illinois spends hundreds of millions in corporate tax subsidies



Sources:

<https://itep.org/state-tax-codes-racial-inequities-an-illinois-case-study/> ;

<https://goodjobsfirst.org/revenue-icebergs-ahead-for-illinois-corporate-tax-breaks-versus-sound-budgets/>

What are other states doing *better*?

Minnesota: Progressive income tax, expanded corporate taxes & \$2 Billion invested in schools within one budget cycle

Massachusetts: Surcharge on highest income earners and millionaires

Maryland: Blueprint to improve & *fund* education, digital ad tax

California: Millions for community schools, billions for school construction, and closing corporate loopholes

What CPS, Chicago, and Illinois can do

Many options, but there are clear choices available to current leadership to turn fully away from the budget practices of the past

- Demand money back from big banks and other predatory lenders
- Clawback funds from bad vendor contracts, end wasteful privatization
- Seek federal funds for facility health safety improvements and climate resilience
- End TIF giveaways to wealthy downtown developers
- Tax high-income earners and millionaires
- Make corporations, which had record profits since the pandemic, pay their fair share
- Clawback funds from corporations receiving hundreds of millions in subsidies but breaking their promises to Illinois taxpayers
- Establish “Payments In Lieu of Taxes” on corporate hospitals and wealthy universities currently receiving huge tax breaks to support health and housing of CPS students
- Tax big tech corporations profiting off our students’ and families’ private data