



Chicago Public Schools

Finance Public Session

August 13, 2024



Overview



**Improvements in school
resourcing tied to
student experience**



**Challenges
we face
moving forward**



**Sustaining and
accelerating our
progress**

The Daily Student Experience

**Daily Learning
Experiences**



Rigorous



Joyful



Equitable



IMPROVEMENTS IN SCHOOL RESOURCING TIED TO STUDENT EXPERIENCE

Setting an equitable standard: Resourcing based on student need



Equitable

Every school receives equitable resourcing based on the needs of their student population.

Move away from Student Based Budgeting to allocate resources by need using CPS Opportunity Index which measures need based on:



Community Factors



Student Demographics



Historical Funding

Setting an equitable standard: Resourcing based on student need



Equitable

FY2025 resourcing follows a targeted universalist approach that provides universal foundation resources to every school with targeted additional resources for schools with greater need.

Foundational Resources for Every School

- Principal
- Assistant Principal
- Core classroom and holistic teachers
- Counselor(s)
- Clerk
- Professional development funding
- Baseline funding for discretionary needs
- Centrally-managed operational positions (custodians, engineers, security, lunchroom)
- Before- and after-school programming to support athletics, enrichment, and other activities

Additional Resources Based on Need

- Additional teachers to support smaller class size
- Additional discretionary funding for high-needs schools
- Additional counselors for high-needs schools
- Instructional coaches
- Tiered intervention supports
- Tutoring
- Advocates for Students in Temporary Living Situations
- Special education positions
- Supplemental English Learner resources
- Social and emotional supports
- Restorative justice coordinators for high-needs schools

Equitable Resourcing



Equitable

New Foundational Teacher Funding Model

Elementary School Teachers

Core Classroom Teachers
K-8
Reading, Math, Social
Science, Science

1 teacher for every:

- 26 students for schools with an Opportunity Index sum score of 30 or less
- 24 students for schools with an Opportunity Index sum score between 31-41
- 22 students for schools with an Opportunity Index sum score between 42-52

Minimum of 10 teachers

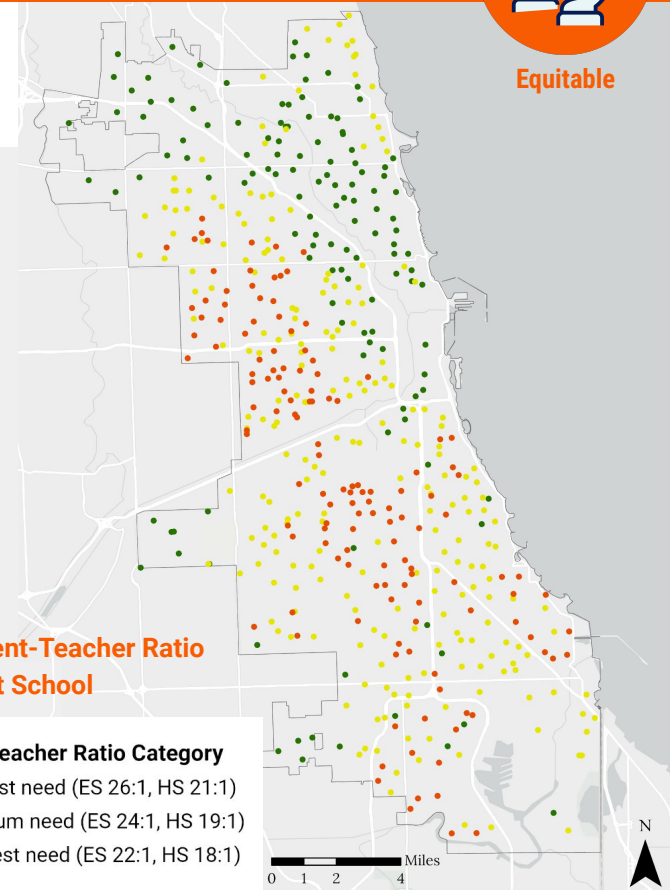
Holistic Teachers
Arts, PE, World Language,
Computer Science,
Librarians

A ratio of 1 holistic teacher for every 5 core classroom teachers
OR
Minimum of 3 teachers

F25 Student-Teacher Ratio by District School

Student-Teacher Ratio Category

- Lowest need (ES 26:1, HS 21:1)
- Medium need (ES 24:1, HS 19:1)
- Highest need (ES 22:1, HS 18:1)



Equitable Resourcing



New Foundational Teacher Funding Model

High School Teachers

1 teacher for every:

- 21 students for schools with an Opportunity Index sum score of 30 or less
- 19 students for schools with an Opportunity Index sum score of between 31-41
- 18 students for schools with an Opportunity Index sum score of between 42-52

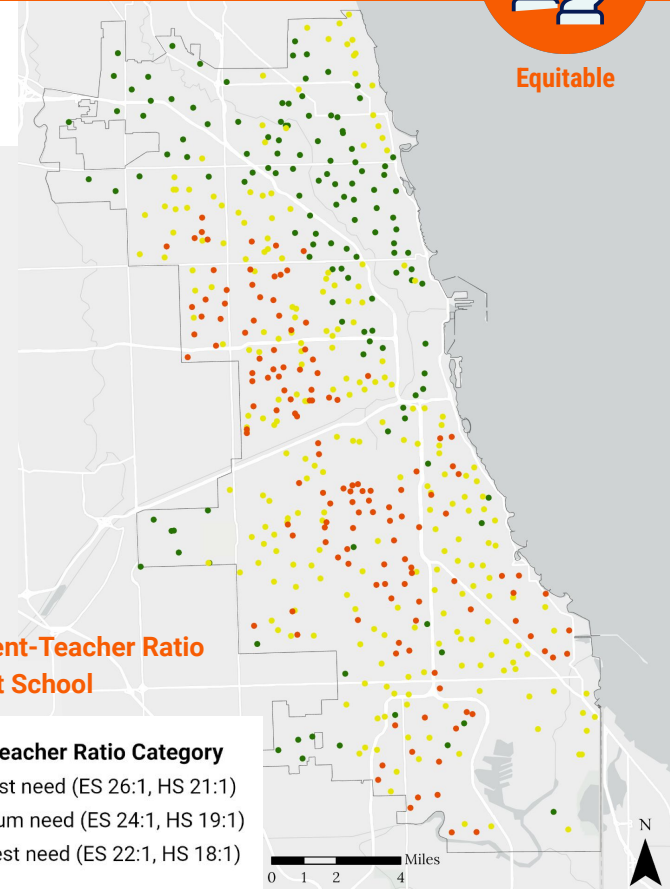
OR

A minimum of 10 teachers to ensure a full complement of required courses.

F25 Student-Teacher Ratio by District School

Student-Teacher Ratio Category

- Lowest need (ES 26:1, HS 21:1)
- Medium need (ES 24:1, HS 19:1)
- Highest need (ES 22:1, HS 18:1)



What does this mean for a school?

Elementary School in West Pullman

Fall 2023 enrollment:

236

(includes 33 students with disabilities in "cluster" classrooms)

Opportunity Index:
47

English Learners:
0.4%

Students with IEPs:
25.0%

Economically Disadvantaged:
86.9%

FOUNDATIONAL ADMINISTRATION

- Principal
- Assistant Principal
- School Clerk
- School Counselor

CORE TEACHERS

- 10 Core Classroom Teachers
- 3 Holistic Teachers
- 1 Interventionist

SPECIAL EDUCATION

- 7 Special Education Teachers
- 20 Special Education Classroom Assistants (SECAs)
- 0.5 Case Manager

EARLY CHILDHOOD

- 1 Pre-K Teacher
- 1 Pre-K Teacher Assistant

OTHER SUPPORTS

- Nursing and Social Work
- \$67K for Prof. Dev.
- Before- & After-School Funds

OPERATIONS

- 1 Senior Security Officer
- 2 Lunchroom Staff
- 1 School Operations Bucket

SCHOOL FLEXIBLE FUNDING ALLOCATIONS

- School Counseling Office Assistant
- Technology Coordinator
- \$79K of Non-Personnel Expenses
- \$10K of Extended Day/Part-Time Supports

PROJECTED AVERAGE CLASS SIZE: 21 students per classroom

What does this mean for a school?

Elementary School in Gage Park

Fall 2023 enrollment:
887

Opportunity Index:
41

English Learners:
51.6%

Students with IEPs:
11.4%

Economically Disadvantaged:
86.7%

FOUNDATIONAL ADMINISTRATION

- Principal
- Assistant Principal
- School Clerk
- 2 School Counselors
- Restorative Justice Coordinator

CORE TEACHERS

- 38 Core Classroom Teachers (including 18 Bilingual Teachers)
- 8 Holistic Teachers
- 2 Interventionists

SPECIAL EDUCATION

- 8 Special Education Teachers
- 7 Special Education Classroom Assistants (SECAs)
- 1.0 Case Manager

EARLY CHILDHOOD

- 2 Pre-K Teachers
- 1 Special Ed Teacher
- 1 Pre-K Teacher Assistant
- 1 SECA

OTHER SUPPORTS

- Nursing and Social Work
- 1 Bilingual Coordinator
- 1 Lead Coach
- \$17K for Prof. Dev.
- Before- & After-School Funds

OPERATIONS

- 3 Security Officers
- 9 Lunchroom Staff
- School Assistant

SCHOOL FLEXIBLE FUNDING ALLOCATIONS

- Parent Advocate
- Two additional School Clerks
- School Library Assistant
- Bilingual Teacher Assistant
- Technology Coordinator
- \$102K of Non-Personnel Expenses
- \$209K of Extended Day/Part-Time Supports

PROJECTED AVERAGE CLASS SIZE: 22 students per classroom

Setting an equitable standard: Resourcing based on student need

FY2025 school budget allocations improve resourcing for all schools while ensuring resources are targeted to highest need schools.

Teachers		
Opportunity Index Range	Avg Change in Core Teacher Positions	FY25 Student : Teacher Ratio
Opp Index 14-30	0.1	19.5
Opp Index 31-41	0.6	17.3
Opp Index 42-52	1.0	15.5

Counselors		
Opportunity Index Range	FY24 Counselor : Student Ratio	FY25 Counselor : Student Ratio
Opp Index 14-30	1:452	1:382
Opp Index 31-41	1:307	1:296
Opp Index 42-52	1:237	1:228

Progress since 2019: Growth in staffing

Job Title	FY20 FTE	FY25 FTE	Change
Teachers	19,369	21,483	+2,114
Special Education Classroom Assistants	3,793	7,208	+3,415
Counselors	712	874	+162
Social Workers	467	685	+218
Nurses	342	658	+316
Restorative Justice Coordinators	1	132	+131
Centrally-Funded Athletic Directors	-	47	+47
Dedicated Case Managers	-	337	+337
STLS Coordinators	-	62	+62

Progress since 2019: Growth in school funding

Total Dollars Budgeted at Schools



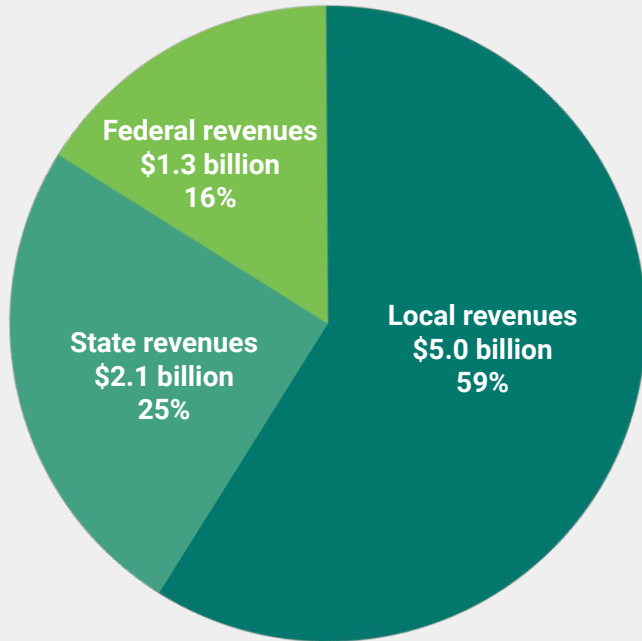
Since 2019, CPS has **increased direct school funding by 30%, adding over \$1 billion to school budgets**, to meet the growing needs of the students we serve, despite an increase of just \$250 million in state funding



CHALLENGES WE FACE MOVING FORWARD

CPS has limited control over district revenues

CPS Operating Revenues: \$8.4 billion

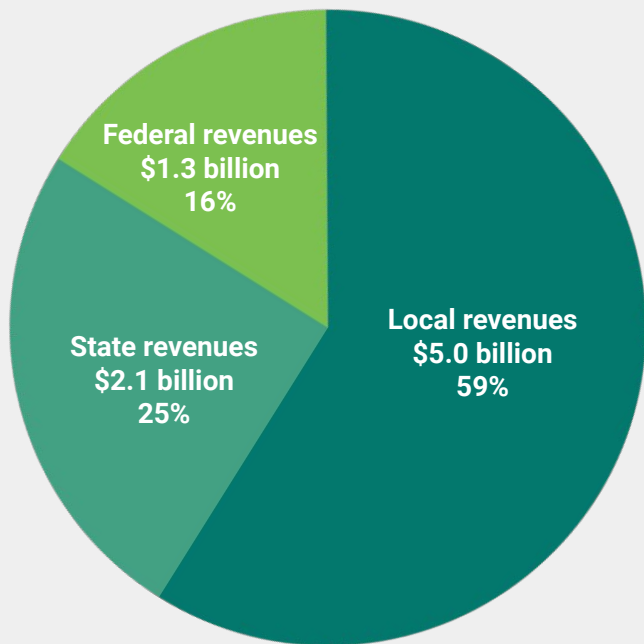


Local funding is limited under state law

- **Most of CPS' operating revenues come from local sources** (i.e. Chicago taxpayers) – primarily property tax, personal property replacement tax, and TIF surplus
- The largest source of funding is property taxes that are **capped from increasing beyond the lesser of the rate of inflation or 5%**
- Smaller sources are dependent on economic factors and funding decisions by the city and related agencies

CPS has limited control over district revenues

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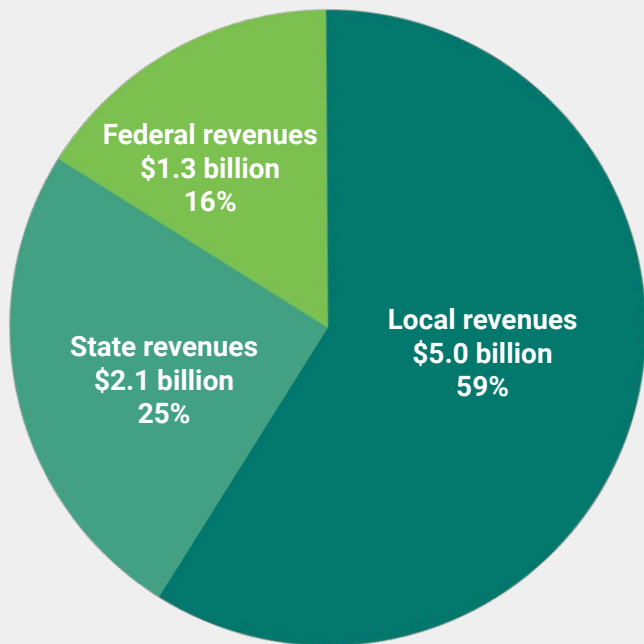


State funding fails to be adequate or equitable

- State funding for CPS is **\$1.2 billion** short of what the state says our students need, with CPS receiving only 79% of our needed resources
- Unlike every other district, CPS teacher pensions are not fully funded by the state, resulting in **\$662 million** of teacher pension costs will be funded by CPS and Chicago taxpayers
- CPS lacks the ability of other districts to raise dedicated revenues for capital, and has to divert **\$540 million** in funding away from classrooms to make payments on debt issued for capital purposes
- CPS remains underfunded in other key areas as well, including **pre-K, special education, and reimbursements for transportation for students with IEPs**

CPS has limited control over district revenues

CPS Operating Revenues: \$8.4 billion

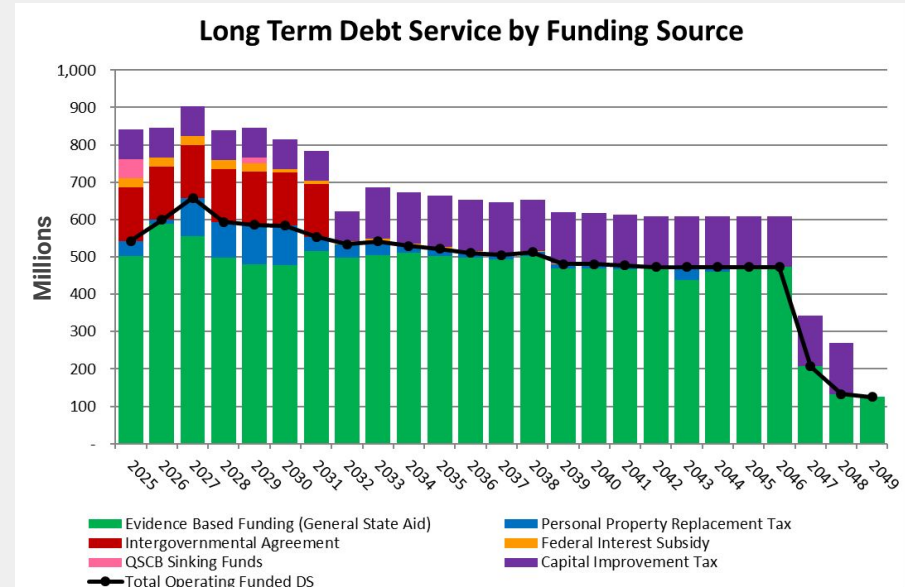


Federal funding is in decline due to the expiration of COVID relief funding

- The FY24 CPS budget included over **\$670 million** of federal relief funding
 - The FY25 budget includes **\$233 million**, the remainder of the available funding
 - In FY26, CPS will **no longer have any relief funding**
- Increases to recurring federal funding sources, including Title funds and lunchroom funding, **are dependent on congressional action**

CPS currently has over \$9.3 billion in outstanding debt

- CPS has 34 series of long-term bonds or approx. **\$9.3B** of debt (all fixed rate) that have primarily been issued to fund capital needs
- The FY25 budget includes **\$817 million** in debt service payments across various funding sources
- About 20% of our state aid and PPRT revenues are **currently used to pay debt service**



Note: Does not include future long-term bond financings or current or future short-term financings.

Crisis debt accounts for over 22% of current debt

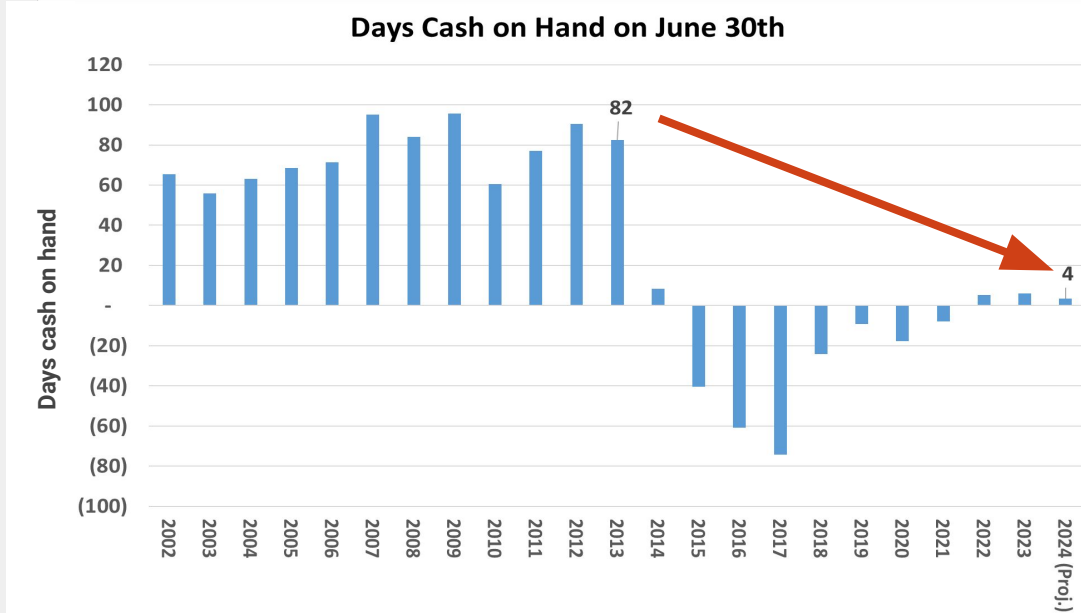
- From 2016 to 2018, in addition to making significant cuts to schools and staff, CPS took out emergency loans to manage the District's financial crisis
- These actions, taken primarily to mitigate short-term budgetary pressures, have saddled CPS with significant long-term costs

The FY25 budget includes \$194 million of costs associated with this debt and CPS will incur costs until the last of these bonds mature in 2048

Series	Purpose	Currently Outstanding	% of Total Debt (\$9.3B)	FY25 Debt Service
2016A	Scoop & Toss	\$725M	7.8%	\$50.8M
2017A	Swap Terminations	\$285M	3.1%	\$20.0M
2017B	Scoop & Toss	\$215M	2.3%	\$14.9M
2017CD	Fix-out Variable-Rate Debt	\$278M	3.0%	\$51.3M
2017G	Scoop & Toss	\$127M	1.4%	\$6.3M
2018AB	Scoop & Toss + Fix-out Variable-Rate Debt	\$459M	4.9%	\$50.5M
Total		\$2.1B	22.4%	\$194M

Limited cash on hand leaves CPS vulnerable to financial risks

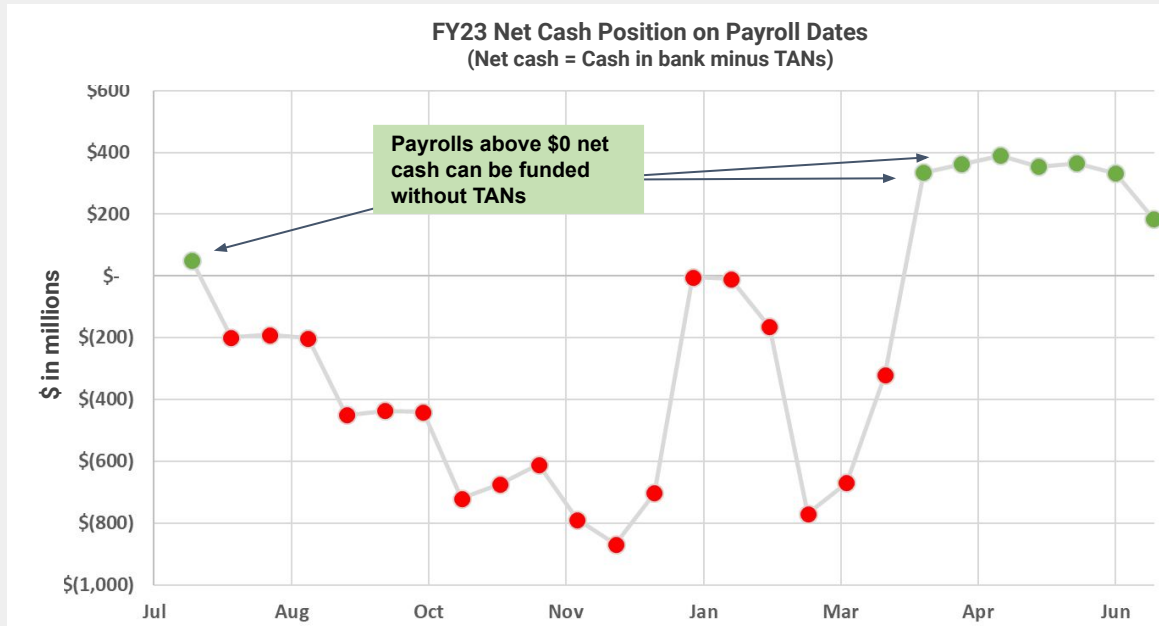
On June 30th 2024, CPS can only operate for 4 days before insolvency without the use of debt



\$600M more in cash needed to achieve 30 days cash on hand

CPS is still reliant on short-term borrowing to meet cash flow needs

CPS does not have enough positive cash flow balances to fund payroll throughout the year



In FY23, ~69% of payrolls (18 of 26) required short-term debt (TANs) because our cash position was too low; this dynamic persisted in FY24

CPS has secured more than \$778M in outside funding since FY22

Infrastructure and Capital Projects

\$421.6M

- \$321.6M for capital projects funded through TIF and other city sources, state DCEO and CDB grants, Space to Grow, and federal E-Rate
- FCC Emergency Connectivity Fund - awarded over \$100M for student devices

Reimbursements

\$154.7M

- CPS advocated for state policy changes to expand school Medicaid claiming, resulting in an increase to our reimbursement amount by \$27M in FY24
- Federal Emergency Management Agency (FEMA) reimbursement for pandemic-related expenses, including PPE, vaccination, social distancing, and testing

Federal Community Project Funding

\$9.2M

- STEM, Personalized Learning, Arts, and CTE programs at 54 schools
- Capital projects (turf fields) at 18 schools

Vaping Litigation

\$20.2M

- CPS and other school districts settled a suit against Juul, Altria, Phillip Morris and others based on the deceptive marketing of vaping devices to students
- CPS has received \$10M, with another \$10.2 – \$12.2 on the way

Instructional Supports

\$35.6M

- US Dept. of Ed. Teacher and School Leader Incentive Program to scale Teachers Lead Chicago school pipeline programs, scale and pilot new teacher leadership roles, and develop principal development systems
- ISBE Computer Science Equity program to expand access to CS curriculum for diverse learners via teacher training and resources

CPS has secured more than \$778M in outside funding since FY22

Grants to improve student health, especially mental health and social-emotional supports **\$40.6M**

- US Dept. of Ed. School Based Mental Health Services for recruitment and retention of school-based social workers, school psychologists, and school counselors
- CDC Improving Adolescent Health & Well-Being for enhancing health education, connecting students to health services, and creating safe and supportive environments by leveraging CPS's Network Health Specialists
- Cook County Stronger Together grant for addressing mental health and substance abuse

Community Schools **\$29M**

- 9 new 21st Century Community Schools grants serving 36 schools, with an FY25 application under development for 12 additional schools
- 2 federal Full Service Community Schools grants serving 5 schools

Green Initiatives **\$21.4M**

- EPA Clean School Bus grant to purchase 50 Zero Emission school buses and develop charging infrastructure
- USDA Composting and Food Waste Reduction Grant
- DOE Renew America's Schools Phase 1 prize for planning development of a Resiliency Center Network across 20 CPS high schools

Philanthropy **\$46M**

- Children First Fund (CFF) works with corporate, nonprofit, and community programs to bolster funding for key programs, including Choose to Change, Chicago Connected, and Teach Chicago Tomorrow

Without new funding, CPS will be forced to make cuts

- The FY2025 budget relies on **significant one-time federal relief funding** that will not be available in FY2026
- Due to the expiration of federal relief funding plus cost pressures in labor healthcare, pensions, and other areas, **CPS's FY2026 projected budget gap will be over \$500 million** before accounting for additional important investments in pending collective bargaining agreements with our key staff
- To balance future budgets, **CPS will need to identify new revenue or be forced to make cuts** to existing positions and programs





SUSTAINING AND ACCELERATING OUR PROGRESS



Chicago Public Schools

Of the 40 large urban districts from the Council of the Great City Schools with Education Recovery Scorecard reporting in reading,

**CPS was #1 in Reading Growth
from 2022 to 2023
and #1 in Reading gains from 2019-2023**





Chicago Public Schools

Of the 40 large urban districts from the Council of the Great City Schools with Education Recovery Scorecard reporting in both reading and math,

CPS was #3 in Combined Reading and Math Growth from 2022 to 2023





Chicago Public Schools

Reading achievement continues upward trajectory in SY24
5 percentage point increase from SY23

Surpassing pre-pandemic levels

Students performing in the lowest two performance levels (1 and 2) decreased 4 percentage points from SY23 to SY24



Protecting and building on the investments we've made



Investing in **thousands of new staff** and **robust student supports** has made a proven and profound impact on our student experience and achievement



Changes in how CPS resources schools will continue to **increase equity in funding and target resources to where they are needed most**



Sustaining the investments we've made, and building on them where possible, **is crucial to continue the success we've seen in student achievement across our city**

Protecting **existing** spending levels will be a challenge moving forward

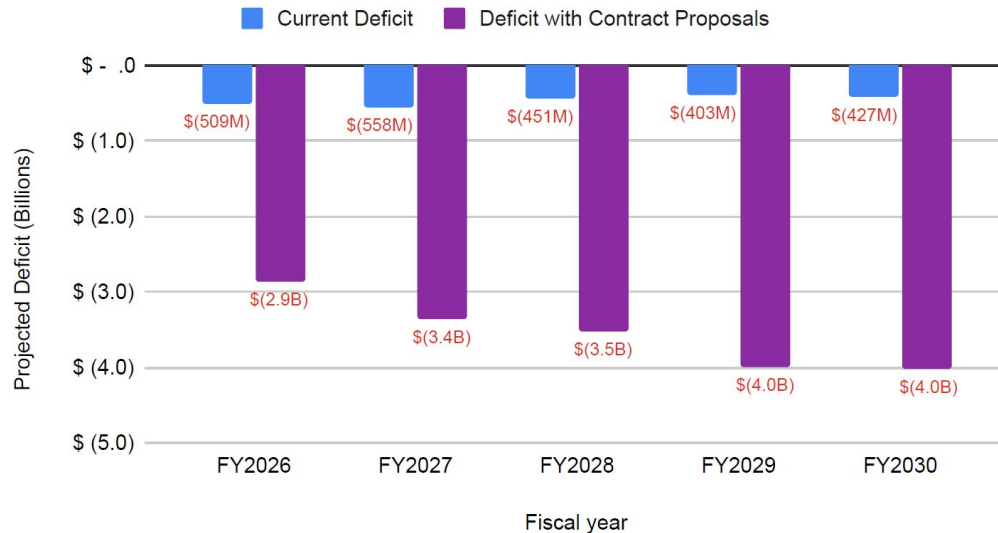
While CPS has taken steps to identify budget balancing strategies for FY2025, **the District still faces significant budget challenges in future years**

FY2026's budget deficit projects to be **at least \$500 million** before factoring in the cost of new collective bargaining agreements

Year	Minimum Projected Deficit
FY2026	(\$509M)
FY2027	(\$558M)
FY2028	(\$451M)
FY2029	(\$403M)
FY2030	(\$427M)

New costs in labor contracts will impact District deficit

Impact of New Labor Contract Costs on Projected Deficit



Additional costs included in CTU contract proposal will drive CPS deficit to nearly \$4 billion by FY2029

- Current Deficit projections do not include cost of pending collective bargaining agreements
- Deficit with Contract Proposals includes cost of 52 of over 700 CTU contract proposals, including COLAs, additional positions, and other economic items
- Remaining items not included will drive additional costs that have not yet been quantified

Advocating for revenue to close future budget gaps

- Consolidation of Chicago Teachers' Pension Fund with state Teachers' Retirement System, or equitable funding for Chicago teacher pensions
- Adequate state funding under Evidence-Based Funding
- Full state funding of Chicago pre-K programming
- Additional state and federal special education funding to meet rising needs of students with disabilities



Advocating for revenue to close future budget gaps

- Increases in Title I funding from the federal government
- Funding to support CPS newcomer students
- Support with or the ability to raise dedicated resources for capital investments
- Sustainable funding solution for Non-teachers municipal pension costs
- Evaluate and collaborate with partners based on revenue options identified by external organizations



Advocating for revenue to close future budget gaps

- The latest analysis from the state shows CPS has **decreased** in funding adequacy, **dropping from 81% in FY24 to 79% in FY25**
- While we share many of the goals CTU has expressed in resourcing our schools and supporting our staff, we cannot make these investments **without additional revenue**
- **CPS will fight to protect and grow the investments** we have made in our schools
- We must continue to partner with the city, labor partners, and our stakeholders to **advocate for the resources our students deserve**





Chicago
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Schools