

# FY2019 Budget Presentation

July 25, 2018



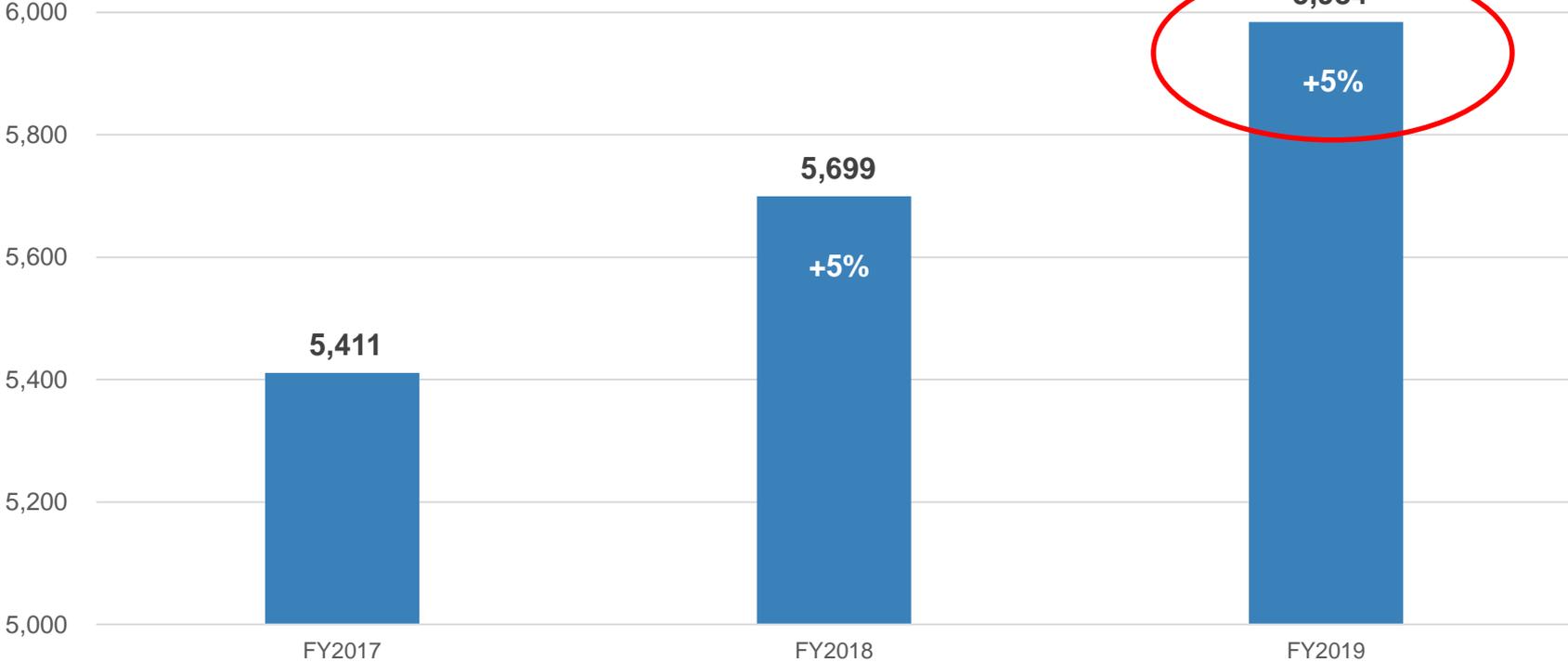
# FY2019 Financial Overview

- **FY2019 Budget includes \$5.98B in operational spending and revenues aligned to the CPS Vision, with a focus on supporting equity and access citywide**
- **State revenue risk is largely removed – proven in FY2018 and passage of FY2019 state budget**
- **FY2019 budget is structurally balanced for the second year in a row**
- **Fund balance has been restored and is nearing CPS' fund balance targets**
- **Cash improved in FY2018 and is projected to have additional improvement in FY2019**
- **The market has clearly stated that CPS' financial position has improved by lowering our borrowing costs**



# Operating Budget Year-Over-Year Comparison

CPS Operating Budget (\$M)



Percentage in bar reflects change from prior year.



# School Budget Overview

To build on the record-setting academic progress that has earned national recognition for Chicago schools, CPS is investing \$3.1 billion in school-level funding for the 2018-19 school year, an increase of more than \$60 million compared to the 2017-18 school year. Resources were allocated deliberately to support both equity across all schools, as well as provide increased access to programming in targeted schools.

## Student Based Budgeting (SBB)

- Funding increased by 2.5% over FY2018
- Schools receive the base rate of \$4,397 per student which is then weighted based on grade level and diverse learner LRE categories

Schools also receive discretionary funding through Federal funds (Title I and II) and state funds (Supplemental Aid), which is allocated per student using a need-based formula

- The per pupil allocation for SA increased from \$857 per student to \$910 (+\$14M increase over FY2018)



# Investments in Academic Excellence and Equity

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

The FY2019 budget also includes nearly \$1 billion in capital spending which would be the district's largest single-year capital investment in more than two decades. For many students, this will mean new annexes and classrooms. For others, it will mean modernized school buildings that are safe and ready for the new school year. For every student in the city, this will mean access to digital learning tools and a state-of-the-art high school science lab.

## **21st Century Science Labs**

As the first phase of a three-year, \$75 million dollar investment in high school science labs, CPS will be adding, upgrading, or renovating high school science labs in FY2019 to ensure students receive a robust science education that is aligned to the Next Generation Science Standards (NGSS) and prepares them to excel in the 21st Century economy. CPS has budgeted \$28M for this initiative in 2019 and announced the first group of science lab renovations last week.

## **Social Workers and Case Managers to Support Students in High Needs Communities**

\$26 million will be allocated to fund a total of 160 social worker positions at 160 schools and 94 special education case managers to support 78 schools for the 2018-19 school year to ensure students have equitable access to the social and emotional and special education support they need to succeed, inside and outside of school.



# FY2019 Budget Invests in Academic Excellence

## Modern Computing Resources for All Students

To improve access to modern technology in schools throughout Chicago, the district is beginning a 4-year, \$125 million investment that will ensure all schools have the devices and internet connectivity.

In FY2019:

- **\$50 million to support the district's highest-need schools.** CPS will provide new equipment to support the use of classroom technology for 12,500 students. An additional 40 schools will receive new devices and equipment to support approximately 22,000 additional students.
- School wireless networks will be upgraded in 66 schools to provide increased capacity for access to online resources.

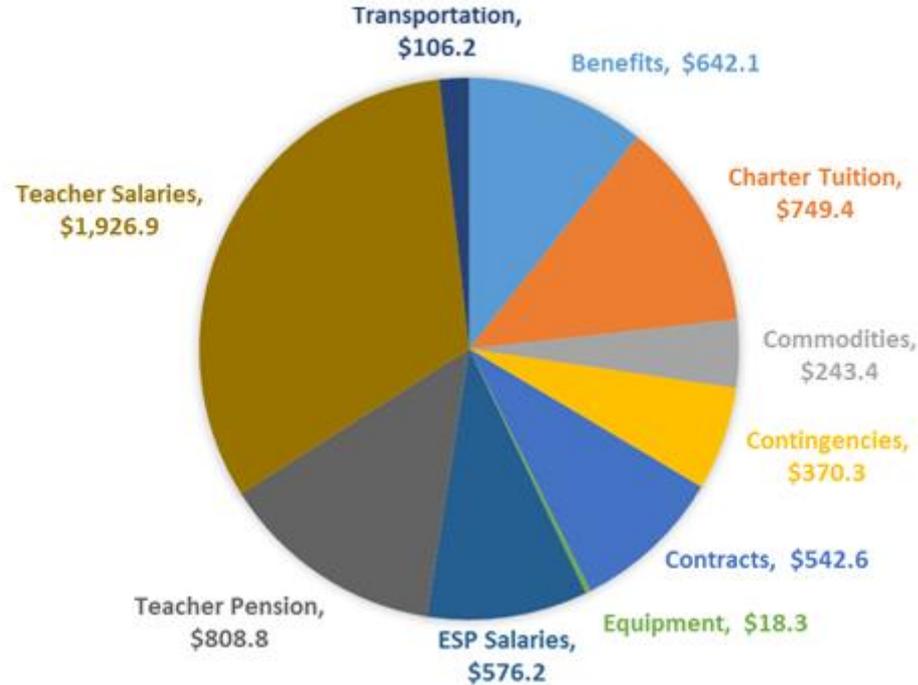
## Expansion of Free, Universal Full Day Pre-K with Priority for Limited-Income Working Families

Expanding full-day Pre-K next year to provide an additional 3,700 students access to full-day programming. An additional 180 full-day CPS classrooms will be added for this fall and will serve the families most in need – or roughly 15,000 of the city's 4-year-olds.



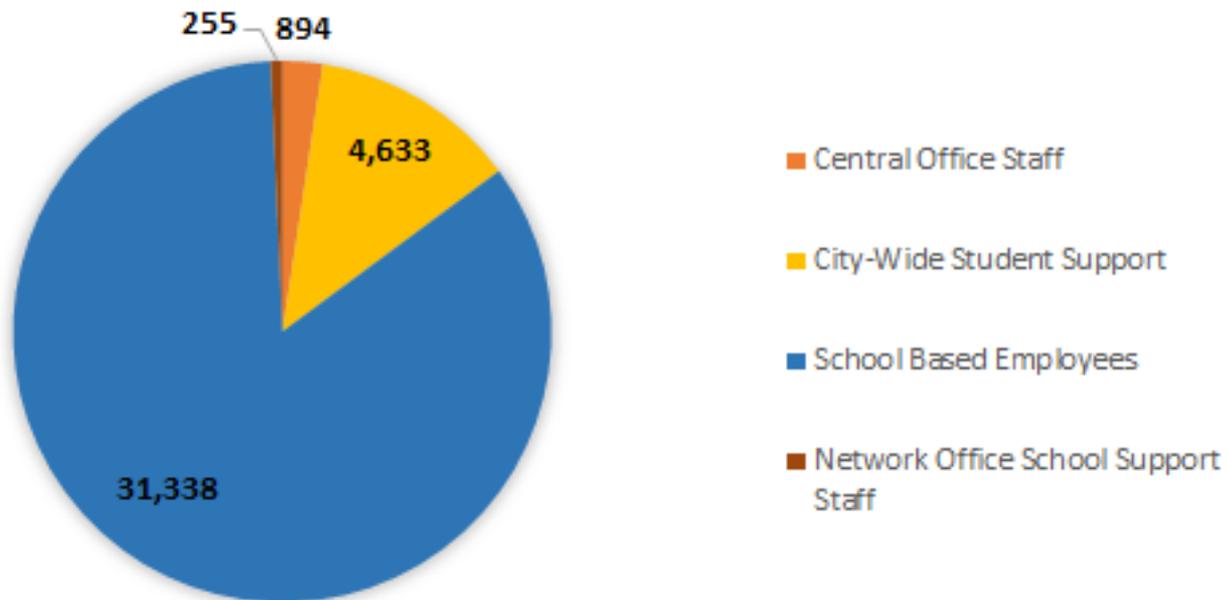
# FY2019 Operating Budget by Category

With funding for charter tuition included - which primarily funds salaries and benefits for Charter School staff - the total spent on personnel is 78%.

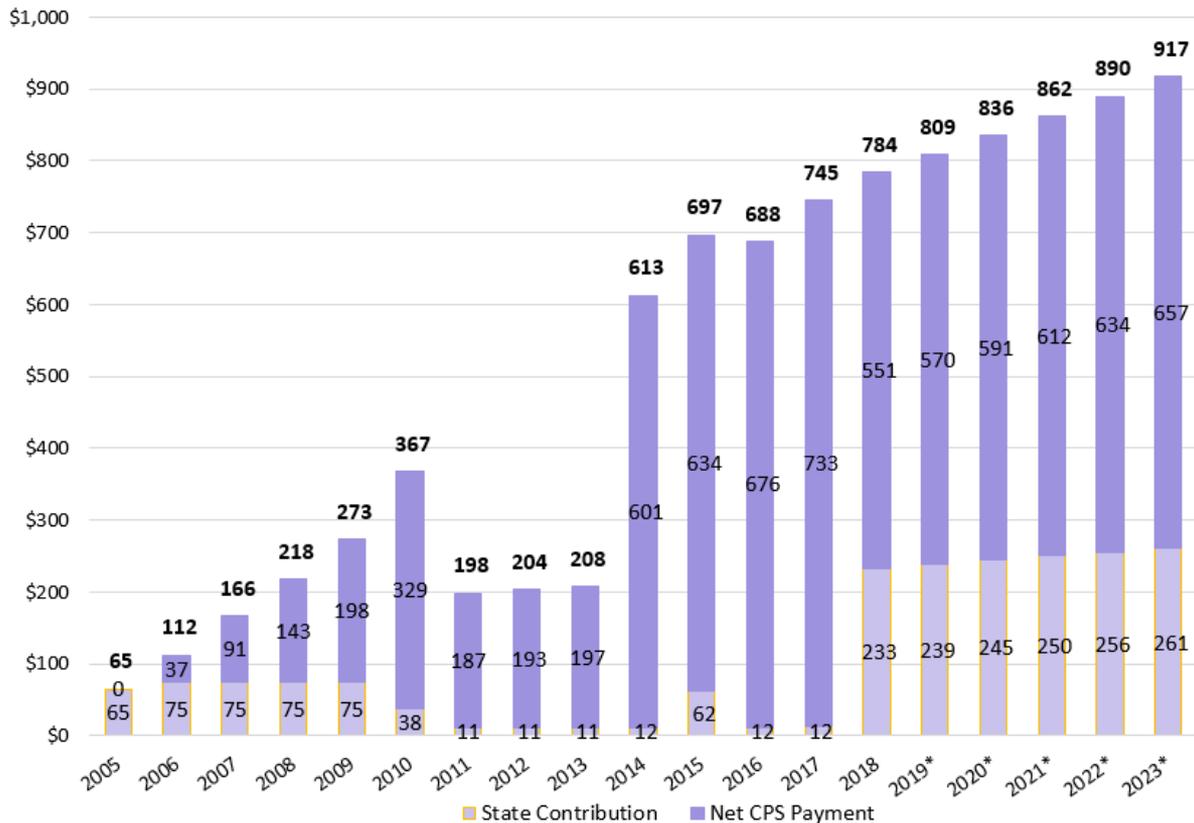


# 97% of Positions Directly Support Schools

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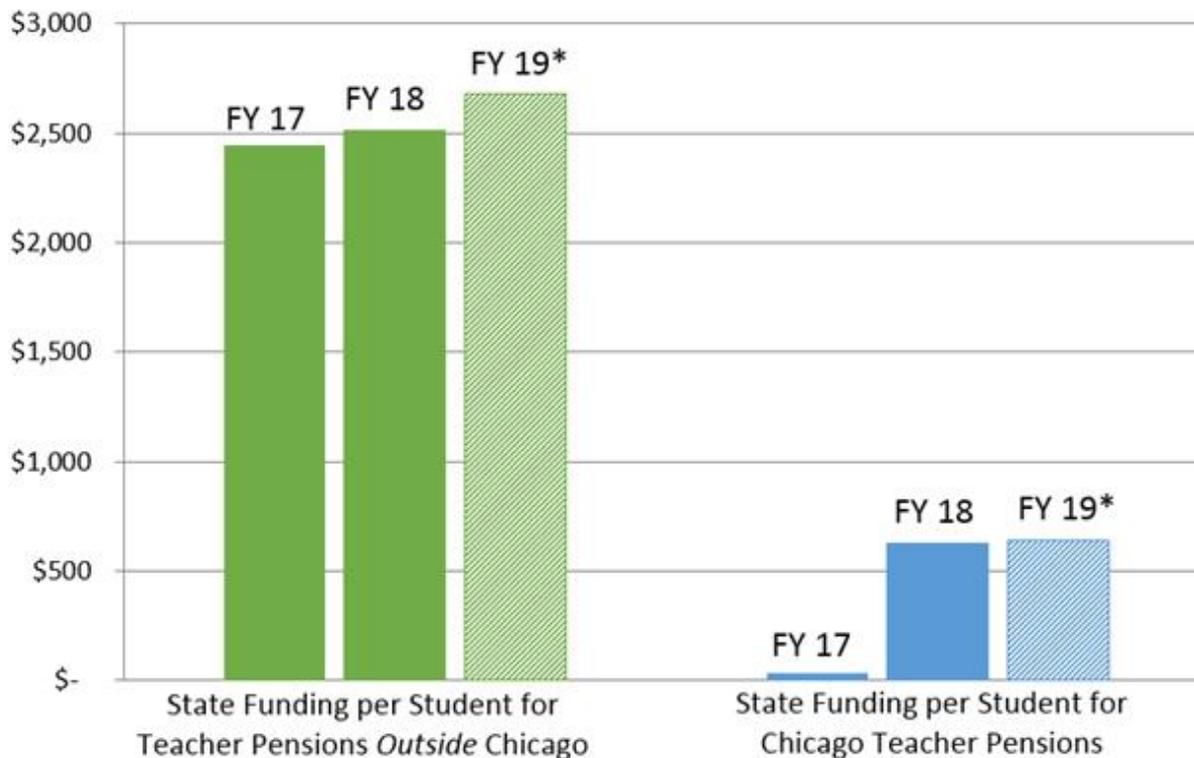


# CPS' Required Contributions to CTPF Grow Dramatically



\* Forecast based on CTPF 2017 actuarial valuation

# State Per-Pupil Contribution Disparity for Pension Funds



\*Projected

# FY2019 Capital Budget

The FY2019 budget for Chicago Public Schools includes a capital budget totaling \$989 million of investments in long-term district priorities, improvements to make sure every high school in the city offers state-of-the-art access to science labs and district-wide access to digital learning tools.

Building significantly onto the \$136 million in investments made in the FY2018 capital budget, this proposed plan is the largest single-year capital plan since 1998.

To support schools throughout the city, the FY2019 capital plan provides funding in five main areas: critical facility needs, overcrowding relief, educational programs, site improvements, and IT and security upgrades.

Funding for Capital expenditures to be spent in FY2019 is already included in the budget.

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



# FY2019 Capital Plan Funding Strategy

- The FY2019 finance plan would cover capital expenditures projected through the majority of FY2020
- The remaining \$305M FY2019 capital plan would be funded in FY2020

Bond Proceeds to fund Projects	
Previous Bond Proceeds	\$189M
CPS GO Bonds (Issued Fall 2018)	\$290M
CIT – will not impact operating budget	\$105M
Externally Funded Projects	\$50M
Capital Interfund	\$50M
<b>Total FY19 Funding Sources</b>	<b>\$684M</b>
<b>Funding Sources – FY20 and Beyond</b>	<b>\$305M</b>
<b>Total FY19 Capital Plan</b>	<b>\$989M</b>

