



News Release

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CPS Calls For Springfield to Provide ‘20 for 20’

Chicago Students Are 20% of State Enrollment, Chicago Taxpayers Provide 20% of Education Funding, Yet CPS Receives Only 15% of State Funding

CHICAGO – Chicago Public Schools CEO Forrest Claypool today laid out a compelling case for treating Chicago’s students fairly, asking for the state to spend 20 percent of its education funding on the District.

Chicago’s children are 20 percent of the state’s enrollment, and their families and neighbors provide 20 percent of the income tax money that funds public education in our state. However, Chicago’s students receive only 15 percent of the state’s spending on education.

“Our children deserve equal treatment. Since 2009, CPS has accounted for nearly 20 percent of state enrollment,” Claypool said. “If we simply got our fair share – 20 percent of funding – we would receive an additional \$458 million this fiscal year alone, eliminating the budget gap that is threatening to derail our school year.”

Because of annual reductions in funding since 2009, CPS students now receive on average 26 percent less in education funding per pupil than children in the rest of the state. For every four dollars the state of Illinois provides suburban and downstate districts, it provides just three to Chicago’s students.

“As we all know, the reality is that the playing field isn’t level for all of Illinois’ students,” Claypool said. “A fair formula would provide these students with no less than 20 percent of the state’s education funding, and would mean that CPS could follow through on our promise to provide every child from every community in Chicago with a high-quality education that prepares them for success in college, career and life.”

FORREST CLAYPOOL CITY CLUB SPEECH – remarks as prepared for delivery:

As a kid, I really liked playing Monopoly.

I loved landing on the railroads, and of course passing GO to collect my \$200.

But there was one thing about Monopoly that always struck me as unfair: the space on the board called Chance.

Some players would land on Chance and get a windfall. Others would lose their turn – they’d be told “do not pass go, do not collect \$200.”

There was no rhyme or reason to it – it was just a matter of drawing the right card.

If the state of Illinois was a Monopoly board, CPS would constantly be drawing that bad card – while the rest of the state is getting a windfall.

Of course, our financial crisis is not a game. Our students and teachers are being denied the funds they need and deserve.

For years, Chicago Public Schools was written off. People from different sides of the aisle, different sides of the state, or even different sides of the city have called it a lost cause.

But one thing I've learned over the last four months is that this is not the CPS of the past.

There's no denying that we have a lot more work to do – but year by year – especially over the last four years with Mayor Emanuel we've made progress:

- Our graduation and attendance rates continue to rise;
- Our composite ACT score is the highest in CPS history;
- We've increased the number of minority students enrolled in Advanced Placement courses, with more students than ever doing well enough to earn college credit;
- We have more CPS students going to and graduating from college;
- According to recently released data from the National Assessment of Educational Progress, CPS students are outpacing their peers nationally in academic growth, with our 8th-graders showing the most progress of any urban school district in the country for growth in math;
- And we have three high schools ranked in the top 50 in the country according to Newsweek. And six ranked among the top 10 in Illinois, according to US News and World Report.

They may not get the headlines they deserve, but our schools are filled with talented principals, teachers, and students – and they are worth investing in.

But right now, they're not getting their fair share.

My predecessors at CPS used every tool to avoid classrooms cuts that would impede the academic progress of our kids. Frankly, they borrowed money we didn't have, year after year, because it was better than the alternative--laying off teachers, increasing class sizes and taking resources from the classrooms. Each year there was hope of pension reform or education funding reform that would fix the problem. It never came.

This funding approach has led us to a \$480 million budget gap this year alone, and a \$1.1 billion budget deficit for the next school year, both of which could jeopardize our academic gains. And with the district at junk bond status, we've run out of one-time tricks.

The state's funding approach may work for students in districts across the state, but it does not work for Chicago's students. This funding approach is flawed and ineffective, and it needs to change.

There are three compounding problems with the state's current funding approach:

- the consistent decline in state funding for Chicago,
- pension inequity, and
- the lack of resources for low-income students.

The conventional wisdom is that Chicago gets more education funding than other school districts. You hear it all the time. Chicago gets special block grants that other schools don't get. Chicago gets more than it should through the state's replacement tax.

And in certain categories of funding, Chicago may indeed get more, just as other districts receive more in other categories of state education aid. For example, suburban and downstate districts get major subsidies for teacher retirement health care and pensions, a major cost of any school district – Chicago gets almost nothing.

What matters isn't this category of education aid or that category of education aid. What matters is the total amount of education funding—when you throw everything into the pot. What matters is how much does each district get from the state to *spend in its classrooms*, including its most expensive cost—the salaries and benefits of its teachers.

When you look at the total of all state education subsidies for school districts, the conventional wisdom doesn't hold up.

On average, school districts across our state have seen a 40 percent increase in total state education funding per pupil over the past seven years.

How about Chicago? We've suffered a 10 percent reduction.

These yearly reductions mean CPS students now receive on average 26% less in education funding per pupil than children in the rest of the state.

Let me say that again: *These yearly reductions mean CPS students now receive on average 26% less in education funding per pupil on average than children in the rest of the state.*

For every four dollars the state of Illinois provides suburban and downstate districts, it provides just three to Chicago's kids.

That's not right. That's not fair. Our children deserve equal treatment.

It doesn't have to be this way – the solution is simple math. The kind of math any third grader can do...or any second grader from Chicago.

Since 2009, CPS has accounted for nearly 20 percent of state enrollment.

Chicago's taxpayers contribute 20 percent of state income tax revenues - which is the primary funding source for public education in the state - yet we receive only 15 percent of the funding.

If we simply got our fair share – 20 percent of funding – we would receive an additional \$458 million this fiscal year alone, eliminating the budget gap that is threatening to derail our school year.

Right now we have a system that underfunds our classrooms and forces us to choose between investing in our students' futures or providing teachers with the pensions they've earned.

Now, let me be clear about something: Teachers deserve their pensions.

Teachers work tirelessly day-in and day-out to prepare our kids for a bright future – and their work is clearly paying off.

Teachers don't have the option to pay into Social Security, so after a lifetime of service in the classroom, they depend on these pensions for their income and retirement health benefits – and they're important to maintain.

But Illinois law treats Chicago teachers' pensions differently than those of every other district in the state.

At CPS, our annual per-pupil pension obligation is around \$1,800. But, Springfield contributes almost nothing - \$31 per student to be exact.

How does our \$31 per pupil compare with other districts in the state? They receive an average of \$2,266.

To put that all into perspective: CPS has paid \$1 billion to cover pension costs in just the last two years – almost \$700 million this year alone – while the state has covered the vast majority of these costs for every other school district in Illinois.

Clearly, the state has failed to provide the Chicago Teachers' Pension Fund with at least 20 percent of what it provides to the Teachers' Retirement System, as intended by law.

Anywhere else in the state, the pension funding problem now plaguing CPS does not even exist. No teacher I know wants to make a choice between funding their classrooms or their retirement.

Unfortunately, this is the choice our state's broken system has forced CPS to make.

So far I've talked only about the ways to level the playing field. But as we all know, the reality is that the playing field isn't level for all of Illinois' students. And we can't have an honest conversation about education funding without discussing the fact that our state does not invest enough to meet the unique needs of those students who are living in poverty.

These are the facts. 90 percent of CPS' students are from low-income families. 64,000 students do not speak English as their first language.

Yet, because of the broken school funding formula, these kids are not getting the resources they need.

In fact, when combining state and local resources Illinois is one of only 6 states where districts serving the most low-income students actually get substantially fewer funds than their wealthier counterparts.

Illinois also has the most regressive school funding formula in the country. Research and common sense are clear that it costs more to educate a child living in poverty and with other special learning needs. But instead of spending more on students who need it – like Massachusetts, the highest performing state in the nation – Illinois spends *less*. According to The Education Trust, we spend almost 20% *less* to support the very children who require more support.

As a result, districts across Illinois serving high-need students do not get the help they need from the state to provide their students the education they deserve – including Chicago.

Urban districts like Peoria, Rockford, Elgin, East Aurora and North Chicago spend thousands of dollars a student less than they should, despite taxing themselves well above the state average.

Smaller, rural districts like Pana and Taylorville, are similarly unable to provide the arts programming and student supports their children need.

Here's my biggest take-away from four months on the job: CPS students continue to make academic gains, despite our broken funding system.

These results are a credit to our students and their families, as well as to the teachers and principals who are doing their best work with one hand tied behind their backs.

But it can't last forever. We're nearing a breaking point. And without a solution, our schools will look very different next semester and next year.

Class sizes will rise. Academic electives and extracurricular activities will disappear.

Think back to the Monopoly board with CPS stuck on Chance.

It's fitting that this space bears a question mark, as our school communities are facing so much uncertainty.

It's not right that CPS is being put in this position, especially when the solutions are clear and achievable.

This crisis has been years in the making, and it will take shared responsibility by our elected officials, teachers, taxpayers, and District leadership to set things right.

We firmly believe that if everyone is willing to give something, then no one will be forced to sacrifice everything.

Chicago taxpayers are doing their part twice for teacher pensions - paying income tax to the state for all other teachers' pensions and paying property taxes for Chicago teachers' pensions, which have been raised to the cap again this year. Everyone outside of Chicago pays for pensions only once in their income taxes. Mayor Emanuel and the City Council are also maximizing their support, releasing frozen TIF funds and using their one-time authority to help pay for some capital expenses.

We at the CPS central office have to do our part—cutting costs and bringing efficiencies to the management of a multi-billion dollar corporation. It is hard but we will do it. We will have to negotiate a fair teachers' contract that protects jobs, pensions, and our kids.

And if the state of Illinois and the teachers union step up, Mayor Emanuel has pledged to help restore the old pension levy as the final piece of the puzzle to end a historic fiscal crisis and allow the district to focus on the academic future of our children.

This remains our best, most rational and fair way to dig out of a hole so deep that it threatens the very foundation of our public school system.

But we can do it. There is hope.

I believe our elected representatives, including Governor Rauner, House Speaker Michael Madigan, and Senate President John Cullerton, want a fair funding system and a solution to the financial crisis at CPS. We all want every child to have a good education. I believe Karen Lewis and the teachers union want the same thing.

What's required is to combine our shared values with shared responsibility. Without it, no solution is possible. With it, anything is possible.

I don't think we're asking for much.

These children are 20 percent of the state's enrollment, and their families and neighbors provide 20 percent of the income tax money that funds public education in our state.

A fair formula would provide these students with no less than 20 percent of the state's education funding, and would mean that CPS could follow through on our promise to provide every child from every community in Chicago with a high-quality education that prepares them for success in college, career and life.

I think President Obama put it best when he said that "As a nation, we don't promise equal outcomes, but we were founded on the idea everybody should have an equal opportunity to succeed. No matter who you are, what you look like, where you come from, you can make it. That's an essential promise of America. Where you start should not determine where you end up."

Chicago's school children deserve no less.

Thank you.