Funding Fundamentals: Chicago and the State

October, 2015
Chicago spends more on education than other districts with similar need at first glance…

Graph 1. Operating expenditure per pupil, low-income district quintiles and Chicago, 2014.

Note: funding excludes capital spending

Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles

Source: ILearn, 2014.

Each quintile represents ≈ 20% of the Illinois students

Operating Expenditure Per Pupil, 2014

12,749 12,002 11,193 11,660 12,277 15,120

-2,000 4,000 6,000 8,000 10,000 12,000 14,000 16,000

1 2 3 4 5 CPS

Average DHS% 18% 35% 56% 78% 100% 92%

Least low-income

Most low-income

Adequate funding
But removing Chicago’s local pension costs shows its spending is more consistent with other districts.

Graph 2. Operating expenditure per pupil without local pension costs, low-income district quintiles and Chicago, 2014.

Each quintile represents ≈ 20% of the Illinois students.

Note: funding excludes capital spending, and pension spending for Chicago.

Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles.

Source: ILearn, 2014. CPS Pension data.
And Chicago’s spending levels become more comparable when you consider other districts’ state pension benefits

Graph 3. Operating expenditure per pupil with state pension contributions, low-income district quintiles and Chicago, 2014.

Each quintile represents ≈ 20% of the Illinois students

Note: funding excludes capital spending

1Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles

Source: ILearn, 2014. CPS Pension data.
Removing federal dollars shows Chicago receives less state and local funding and benefits than similar districts

Each quintile represents ≈ 20% of the Illinois students

Graph 4. State and local spending (including state pension contributions), low-income district quintiles and Chicago, 2014.

Note: funding excludes capital spending

Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles

Source: ILearn, 2014. CPS Pension data.
Chicago spends less than the wealthiest 20% of school districts

Graph 5. Operating expenditure per pupil with state pension contributions, available local resources district quintiles and Chicago, 2014.

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Average Available Local Resources per Pupil</th>
<th>Operating Expenditure Per Pupil + State Pension, 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>9,479</td>
<td>15,257</td>
</tr>
<tr>
<td>2</td>
<td>5,878</td>
<td>12,070</td>
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<td>3</td>
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<td>4</td>
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<td>10,610</td>
</tr>
<tr>
<td>5</td>
<td>2,477</td>
<td>10,369</td>
</tr>
<tr>
<td>CPS</td>
<td>5,199</td>
<td>15,120</td>
</tr>
</tbody>
</table>

Note: funding excludes capital spending

1Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles

Source: ILearn, 2014. CPS Pension data.
Despite greater need, Chicago gets less state and local funding than districts with similar resources

Graph 6. State and local spending (including state pension contributions), available local resources district quintiles and Chicago, 2014.

Note: funding excludes capital spending

Each quintile represents ≈ 20% of the Illinois students

Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles

Source: ILEARN, 2014. CPS Pension data.
Chicago spends roughly $3/4$ of what it should based on the needs of its students...

Each quintile represents $\approx 20\%$ of the Illinois students.

Graph 7. Percentage point difference between actual spending (excluding pensions) adequate spending per pupil, low-income district quintiles and Chicago, 2014.

Note: funding excludes capital spending

1 Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles

2 Adequate spending is defined as EFAB’s recommendation spending multiplied by each districts need weight, defined in SB1.

Source: ILearn, 2014. CPS Pension data.
Put another way, Chicago should be spending $4k more per student on average, based on student needs...

Graph 8. Difference between actual spending(excluding pensions) adequate spending\(^2\) per pupil, low-income district quintiles and Chicago, 2014.

Each quintile represents \(\approx 20\%\) of the Illinois students\(^1\)

Note: funding excludes capital spending
\(^1\)Chicago Public Schools (CPS) is its own category as it represents 22 percent of the state’s enrollment; CPS is not included within the other quintiles
\(^2\) Adequate spending is defined as EFAB’s recommendation spending multiplied by each districts need weight, defined in SB1.

Source: ILearn, 2014. CPS Pension data.

1.506
210
-1,832
-3,451
-5,368
-3,837

Dollars
Chicago’s tax rate is significantly lower than the state average; districts with similar needs tax well above the state average.

Graph 9. Percentage point difference between district tax rate and state average for district type, low-income district quintiles and Chicago, 2013.

Note: Districts’ tax rates are compared to the weighted average for that district type.1

Source: IISBE, 2013 Tax Rates; Senate Bill 1; Advance Illinois Analysis.
A formula that drives funding to high-need districts is good for Chicago.

<table>
<thead>
<tr>
<th></th>
<th>Current Formula + $560M</th>
<th>SB1 + $92M</th>
<th>SB1 + $500M</th>
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</thead>
<tbody>
<tr>
<td>CPS</td>
<td>+$395/student</td>
<td>+$405/student</td>
<td>+$795/student</td>
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Fewer dollars in SB1 is better for CPS than more dollars in the current system.