



BIG DOLLARS

LITTLE SENSE

*The Real Facts Behind Mayor Emanuel's
Charter Expansion Plan to Relieve Overcrowding*



An Executive Summary of the "Big Dollars, Little Sense" Report by
Communities United for Quality Education
&
Chicago Students Organizing to Save Our Schools

October 2013

ABOUT CUQE AND CSOSOS

About Communities United for Quality Education

Communities United for Quality Education (CUQE) is a group of concerned parents, students, and community members from across Chicago, committed to improving the quality of public education. In the wake of massive school closings and record budget cuts to neighborhood schools, members of CUQE are committed to increasing investment in neighborhood schools, promoting common-sense solutions to improve the quality of education, and demanding accountable, transparent leadership from our elected officials. CUQE has over 250 members from over 20 CPS schools.

Contact CUQE at cuqeinchicago@gmail.com

About Chicago Students Organizing to Save our Schools

Chicago Students Organizing to Save our Schools (CSOSOS) is a student-led organization that is working to end CPS school closings, put an end to high-stakes testing, and ensure our neighborhood schools are supported to succeed. We believe that every student has the fundamental right to a high quality public education, and that our neighborhood schools are not being given the resources they need. We believe it is our duty as students to hold our elected officials and district leaders accountable to promoting equity in education.

Contact CSOSOS at csosos.chicago@gmail.com

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OPEN LETTER FROM PARENT AND STUDENTS:

Investing in our Neighborhood Schools

In August 2013, the Chicago Board of Education voted to cut classroom spending from neighborhood schools by \$168 million for the 2013-14 school year.¹ This decision has had a devastating impact on our schools, and came just 16 days after Chicago Public Schools (CPS) quietly released a new Request for Proposals for charter expansion to supposedly relieve overcrowding in priority communities.

To give you a sense of what impact the budget cuts have had on the ground we wanted to highlight an example from one of our neighborhood schools. Due to teacher layoffs, classrooms are packed, sometimes so much that students have to stand because there aren't enough desks. The school has so few resources now, that it had to take toilet paper out of its school budget. In some classes, students can't even bring their books home because they have to share with everyone in the school who takes the same class. These cuts have not only hurt the learning environments of our schools, but also directly impact the quality of education that students receive.

This is a story that is repeated countless times throughout the city, impacting thousands of CPS students, and led us to a key question:

“Why is CPS promoting charter school expansion while at the very same time cutting basic educational resources from our neighborhood schools?”

Investing millions of dollars of taxpayer money into new charter schools while our neighborhood schools suffer is not a common sense solution. We hope that through this report, and the ongoing efforts of parents and students to highlight the real facts, Mayor Emanuel and CPS leaders will think twice about their plan, implement more targeted and sensible solutions to the overcrowding that does exist, and re-invest in our neighborhood schools.

**Parent and student leaders of
Communities United for Quality Education
and
Chicago Students Organizing to Save our Schools**

EXECUTIVE SUMMARY

On August 12, 2013 Chicago Public Schools (CPS) quietly released a Request For Proposals (RFP) for charter school expansion. Through the RFP, CPS revealed that it aims to open new charter elementary and high schools across 10 priority areas between the 2014-2015 and 2015-2016 school years, with its stated goal to relieve school overcrowding. CPS identified the “priority areas” of Albany Park, Asburn, Belmont Cragin, Chicago Lawn, Little Village, McKinley Park, Midway, Ravenswood Ridge, Reed-Dunning, and Sauganash as overcrowded and has identified charter expansion as the solution to overcrowding in these areas.ⁱⁱ This is the first time Chicago, and possibly any major school district has taken this approach.

Sixteen days after the RFP for charter expansion was released, the Chicago Board of Education, handpicked by Mayor Rahm Emanuel, voted to cut classroom spending from neighborhood schools by \$168 million dollars for the 2013-2014 school year, while raising the property tax levy in the city by \$86 million.ⁱⁱⁱ This represented devastating cuts to basic educational resources for neighborhood schools.

As a result of this latest charter expansion plan at the time of record cuts to neighborhood schools, concerned parents and students that are part of Communities United for Quality Education (CUQE) and Chicago Students Organizing to Save our Schools (CSOSOS) took it upon themselves to take a closer look at CPS’ rationale for charter expansion, and conduct an independent analysis of the impact of this plan on Chicago taxpayers and neighborhood schools.

According to a new analysis by Moody’s, “a small but growing number of school districts face financial stress due to the movement of students to charters.”^{vii} Given the population declines in priority areas projected by the U.S. Census that are outlined in this report, combined with the already devastating cuts to neighborhood schools, parents and students have good reason to believe that this latest round of charter expansion will lead to even greater cuts to neighborhood schools, and greater financial distress for our city.

As a result of this analysis, CUQE and CSOSOS have concluded that CPS' rationale for opening new charter schools to relieve overcrowding is deeply flawed, and one with major ramifications for Chicago students, parents, and taxpayers.

The research that led to this conclusion revealed the following:

1. The plan is based on misleading information that CPS is promoting. CPS uses inaccurate and misleading data in order to justify charter expansion, such as using inaccurate boundaries for community areas to overstate the overcrowding crisis, and excluding additional classroom space such as mobile classrooms and leased classroom space when calculating community area utilization rates. When adjusting for these factors, the utilization rates within the RFP's priority areas are on average 13% lower than CPS reports. In six out of nine elementary areas, the adjusted community area utilization rates are below 100%. Finally, CPS enrollment projections conflict with U.S. Census Data projections, which show that student-aged populations are projected to decrease in all but one of the priority community areas.

2. The plan does not acknowledge that Chicago's charter schools do not produce better outcomes than traditional CPS schools. New analysis comparing CPS' key performance metrics reveals that Chicago's charter schools do not produce better outcomes than traditional CPS schools. In fact, traditional CPS schools are more than twice as likely to receive

a top performance level rating than a charter school in Chicago. Even charter schools that have been praised for high graduation rates and college enrollment rates show a very different picture when examined more closely. For example, the Noble Street Charter Network reports a 100% college acceptance rate. What it doesn't report is the fact that it serves 13% fewer special education students and 19% fewer English Language Learners than traditional CPS high schools, or that it has a high attrition rate of students over the four years of high school.

3. The plan continues CPS' trend of making huge increases to charter spending at the same time as it has made record cuts to neighborhood schools. CPS has aggressively increased tax dollar investments into charter schools while neighborhood schools continue to face deep cuts every year. In the last two years alone, traditional CPS school budgets were cut by a total of \$351 million, while charter school spending increased by more than \$143 million to \$570 million.^{iv}

4. The plan is a bad deal for Chicago's taxpayers, adding millions of dollars of long-term and avoidable costs while neighborhood schools continue to suffer. At a time of record budget cuts to neighborhood schools, the new charter schools would receive up-front tax dollars to cover start-up costs, administrator salaries, facility costs, and other expenses. According to CPS' funding formula, a single new charter school would cost taxpayers up to \$2.9 in upfront revenue that CPS automatically provides and could cost up to \$2 million in additional expenses every subsequent year.^v The 12 schools that CPS is considering through the RFP process could collectively cost taxpayers anywhere between \$13.8 to 34.8 million in a single year alone.^{vi} These are not dollars attached to students; rather these are new expenditures that taxpayers would have to pay for. Additionally, because of CPS' new Student Based Budgeting formula, as new charters pull students away from neighborhood schools, financial resources for neighborhood schools would be further depleted over time.

5. More targeted, cost-effective alternatives to relieve overcrowding exist. While there are some schools that experience overcrowding, CPS has failed to provide targeted solutions for this targeted problem. More sensible and less costly solutions exist that CPS has embraced in the past. Some examples include redrawing attendance boundaries and making targeted investments to increase a school's capacity such as building mobile classroom units on site. These solutions could save taxpayers millions of dollars, while investing in existing neighborhood schools.

RECOMMENDATIONS

Recommendations to Mayor Emanuel and Chicago Public Schools

- Reconsider this plan for charter expansion! Invest in cost-effective, common-sense solutions to relieve the overcrowding that does exist, such as sensible attendance boundary shifts and mobile classroom units where needed.
- Re-allocate new funding reserved for charter expansion back to neighborhood schools to support quality neighborhood-based education and well-resourced learning environments.
- Approve a budget designed to fund existing neighborhood schools at the highest rate possible.

Recommendations to Aldermen and State Representatives

- Where overcrowding does exist in neighborhood schools, promote sensible solutions such as attendance boundary shifts and mobile classroom units. We need common-sense solutions to the problems impacting neighborhood schools!
- Advocate for funding to be reallocated from charter expansion back into neighborhood schools.
- Advocate for a CPS budgeting formula designed to fund existing neighborhood schools at the highest rate possible.

Recommendations to Parents, Students, and Community Members

- Join our efforts to support neighborhood schools! Contact CUQE or CSOSOS to get involved, and contact your elected officials and CPS to tell them to promote common-sense solutions to relieve overcrowding, and strong investment in neighborhood school.

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