

Illinois public schools vs. CPS for funding issues

Funding

- CPS is treated the same as other public school districts when it comes to General State Aid, but receives guaranteed percentages for most mandated categoricals because of a 1995 deal with the General Assembly that also created a separate pension property tax levy for Chicago.
- Because of that deal, the amount of money Chicago receives from the state in big-ticket items like Special Education and Early Childhood is based on a fixed percentage of the amount the General Assembly appropriates for those items each year.
- Using the 2010-11 school year as an example, Chicago had 18 percent of the special education students in the state but got 29 percent of the Special Education funding based on the locked-in percentage. In Early Childhood Education, another of the large line items, Chicago had 20 percent of the population but got 37 percent of the funding.
- Since that 1995 deal Chicago has not had to report any statistical information related to their funding for the mandated categoricals so no one knows exactly how much more of the pie they have been getting than they would have if they were treated like all other public school districts in Illinois. A law passed two years ago now requires CPS to report like all other districts, but it does not change the percentage of funding they get. As of February 1, 2013, Chicago still has not filed any of the required reports according to ISBE.
- The funding related to poverty also favors Chicago in that the amount a district receives per student that falls into the poverty category is based on a sliding scale from \$355 to \$2,994. The higher percentage of a district's student population is considered low income, the more the per-student payment. In Chicago's case, the latest figures show 86% of their students qualify as low-income.

Retirement

- The Teachers' Retirements System (TRS) and the Chicago Teachers' Pension Fund (CTPF) appear to be set up very similarly in that both systems offer employees defined benefits plans using a 2.2% per year of service calculation. Members in both systems are not eligible for Social Security benefits and their pensions top out at 75% of their ending salary (after 34 years of service for CTPF and after 35 years of service for TRS).
- TRS is funded by employee contributions (9.4% of base salary), contributions from school districts (.58% of the total payroll), the State of Illinois and return on investments. CTPF is funded by a 9% contribution rate on employees' base salary, with the Chicago Public School District paying 7% and employees 2%. CTPF also gets most of its income from return on investments and also gets some contributions from the State of Illinois on a year-to-year basis

despite having its own teachers' pension property tax levy unlike other public school districts in the state.

- In other ways, TRS and CTPF are identical, such as reduced pension at age 55 with 20 years of service and full pension at age 62 with five years of service. CTPF requires 20 years of service for full pension at age 60 compared to 10 years of service for TRS. Both systems figure the pension by using the average salary of the four highest consecutive years in the last 10 years of service.
- TRS has 90,967 members compared to 21,997 for CTPF. The average annual pension for TRS retirees is \$46,452 compared to \$31,116 for CTPF retirees,