HB 4277

Legislative Fact Sheet

Summary: HB 4277 proposes to change the funding formula for charter schools to 95%-100% funding, which would be a detriment to neighborhood schools. Our question is, where will the money come from?

Position: CTU, IFT and IEA Oppose

Due to the current financial crisis in Chicago and the state of Illinois, changes to funding for charters are not warranted at this time.

Analysis: HB 4277 changes the formula for charter reimbursement per student. Charter schools are publicly funded schools, not only do they receive state, local and federal monies; they also have the ability to receive independent/benevolent contributions.

Currently, the Chicago Board of Education calculates the per capita tuition payment for each student enrolled in a charter school set forth in the CPS budget. CPS’ 2011-12 budget reports and utilizes the ‘09 per capita tuition charge of $ 9,519.00. By statute charter schools may receive a range of 75% to 125% of the monies. However, it is not clear in CPS’ budget how it’s determined what level of funding is provided to charters.

Fact 1-CPS faces a $712 million deficit due to the serious fiscal crisis as federal, state and local revenues have decreased. Clearly more funding to charters would be subtracting money from neighborhood public schools that serve the vast majority of CPS students.

Fact 2-The FY 2012 budget already includes a funding increase in 2011-12 for charter schools. Charters receive: $348 million annual support for charter and contract schools

$9.7 million in new funds to open 4 new charter schools in 2011-2012

(over)
$6.7 million in new funds to support 1,000 expanded slots for new students at currently operating schools in 2011-2012

$22 million in new funds to add additional grades for 3,000 students in 2011-2012

Fact 3-Because of the district’s financial crisis, CPS reneged on a negotiated 4% pay increase for teachers and other staff, saving $100 million.

Fact 4-Negotiated Charter legislation passed in 2008 included a moratorium on new charter laws specific to Article 27A of the school code until June 30, 2013. That statute (Article 27A) specifically addresses state finance for the charters. HB 4277 would be a significant change to charter law, thus violating the spirit and intent of the agreement.

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