I. Call to order and welcome
   A. In attendance: State Sen. Iris Martinez; State Rep. Bob Pritchard (by phone); Rene Heybach, Chicago Coalition for the Homeless; Nona Burney, Grand Blvd. Federation; Robert Runcie, Chicago Public Schools; Valencia Rias, Designs for Change; Xian Barrett, Chicago Teachers Union; and Cecile Carroll, Blocks Together. In the absence of Co-Chairs Rep. Soto and Sen. Steans, Sen. Martinez assumed the Chair for the meeting. The meeting was convened at approximately 1:30 pm. With eight task Force members present, quorum is established.
   Staff in attendance: Becky Locker, Office of the Senate President; Jackie Leavy, pro bono advisor; CPS staff Jimm Dispensa, Sean Murphy (URS Corp. Consultant to CPS), Eddie Garza, Wendy Thompson, and Corey Davis; City of Chicago staff Billy Glunz and Dept. of Community Development Managing Deputy Commissioner Michael Jasso.
   B. Approve prior minutes: Due to delay in convening the meeting, the review and approval of the Minutes of the Oct. 5th Meeting were tabled until the next meeting.
   C. Statement regarding public comments: Because of the special presentations on today’s agenda, the Chair suspended the public comment period for this meeting only.

II. Presentations (order of presentations reversed)
   A. Chicago Public Schools Presentation on Capital Planning, Needs Assessment, and Spending:

   Mr. Runcie presented CPS’ PowerPoint presentation (attached to Minutes and available online at the Illinois State Board of Education webpage for the CEFTF). Some key statements in the Presentation included:

   • From 1996-2010 (a 15-year period), CPS’ total capital budget, including debt service, has reached $9.203 Billion.

   • CPS’ actual capital expenditures from 1996-2009 (see Slide # 8 - figures for 2010 not included) totaled $6.039 Billion and an additional $2.940 billion for debt service.

   • Over this 15-year period, the vast majority of capital dollars – 92% - have come from local sources (CPS, City of Chicago Tax Increment Financing).

   Ms. Heybach commented that nowhere in the presentation did CPS provide the overall total of TIF funds, nor are the TIF funds prior to Modern Schools Across Chicago clearly identified by CPS in its funding summary, and asked that CPS do so. NOTE: TIF funding for school facilities expands dramatically after 2006 with the “Modern Schools Across Chicago” initiative – see section on the presentation by the City of Chicago below.

   • Only 1% came from Federal sources.

   • The State of Illinois has provided just over 7% of all capital funding between 1998-2010 (no break-out of state funding for 1996-1997 was available). The portion of annual facility funding provided by the State varied widely from year to year. In several years, CPS
received no capital funding from the State (e.g. no State dollars in 1998; 2001; 2002; or from 2006-2009).

NOTE: In the years when State capital funds are reported, the share of State funding varies from as low as 7.8% in 1999 to a high of 22% in 2000.

- The average annual capital improvement program was stated to be between "$200-250 Million" while the annual capital needs are estimated at $700 million/year.

NOTE: The average annual CIP figure stated does not match up with the data provided by CPS for its capital projects. The Task Force research team is still working with the data but the average annual capital projects indicate a much higher annual average of $400 million.

- Of overall capital spending between 1996-2010, 58.58% went to renovation projects; 40.63% to new construction; 7.97% to Renaissance 2010 schools; and 4.87% for CPS management of the capital program. Ms. Heybach questioned how CPS could fail to meet the repair and modernization needs of existing schools and instead spend so much on new construction.

NOTE: With the Modern Schools Across Chicago program (post-2006), new construction spending dramatically outstripped all other types of spending in 2008 and 2009. Data for 2010 was found to be incomplete.

The CPS presentation also provided maps showing locations of new construction projects, Renaissance 2010 schools; and co-located schools (shared facilities). (NOTE: There are now 41 school buildings in which 2-4 schools are operating.) Ms. Carroll noted that the map of REN2010 schools does not display several schools such as Fenger, Harper, Copernicus, Fulton and Dodge. Mr. Runcie and Mr. Dispensa both responded, stating that it is not clear if “turn-around” actions at schools are “counted” as part of the REN2010 initiative.

Additionally, the CPS presentation included: A description of the needs assessment process and an internal organizational flow chart of how the various CPS actors participate in creating the annual capital budget.

Regarding facility needs: The presentation states that CPS give priority to schools with “failures identified in Phases I [defined as Exterior Envelope] and II [defined as Mechanical Systems]”; however CPS did not provide a list of these schools. Ms. Heybach noted that the presentation stated that CPS uses “standardized criteria for consistency” and asked for them in writing.

Regarding capital planning, CPS did not provide any information on planning beyond the one-year capital budgeting process described in the flow chart. When several members of the Task Force pressed for disclosure of the 5-year Capital Plan, CPS officials present at the meeting said that the 5-year plan is not yet available, and has not yet been approved by the CPS Board. Dr. Burney pressed for clarification on planning and prioritization, as to how CPS chooses priorities beyond the “Phase I and II” problem schools. Mr. Runcie replied that often CPS has to respond to emergency repair needs, but did not comment on longer range planning.

Dr. Burney also asked how CPS does its demographic projections in isolation of neighborhood development information. Mr. Dispensa (CPS Office of Planning & Demographics) responded that CPS uses a “cohort survival ratio” computation to forecast one-year enrollment projections and where the school-age populations are anticipated to be. Dr. Burney stated that the planning and demographic projects need to be more comprehensive, longer-range, and transparent to the public.
Mr. Dispensa added that CPS has worked with studies produced by the IFF (formerly Illinois Facilities Fund) in 2004 and 2009 to identify priority community areas where “performing seats” are needed, and used IFF’s recommendations to guide its longer-range planning. Ms. Carroll observed that CPS has not told the public it is using IFF for a facilities planning “road map”.

Mr. Barrett commented that CPS must have some kind of longer-range plan, since the Board has authorized borrowing for the next year, and has approved new facility spending on a project by project basis all year.

The final component of CPS’ presentation addressed community engagement going forward, but did not address what CPS public participation policies have been up until now, other than holding annual Capital Improvement Program hearings. Ms. Rias stated that CPS did not hold such hearings in 2010. Mr. Runcie stressed that CPS is focused on improving public engagement from now on.

The final section of CPS’ presentation describes how CPS is now establishing “Community Action Councils” in four communities – Bronzeville/Grand Boulevard, Humboldt Park, Austin, and Englewood – to plan for community-wide academic improvements to schools.

Ms. Heybach asked how this new process relates to elected Local School Councils and their powers. Mr. Runcie replied that the Community Action Councils (“CACs”) represent a “broader approach” than LSCs.

Ms. Rias questioned why CPS has not provided LSCs with the coordinated and broad support that CPS is promising to the new “CACs,” and how this new community engagement process will impact master facilities planning and CPS capital budget decisions and spending.

Mr. Runcie replied that CPS will have to line up plans for the clusters of schools examined in the CAC process with available capital funding, and that the new approach might result in a community-driven re-prioritization of facility needs. He acknowledged that at this point it is not clear how the CAC process will impact any Master Plan or CPS’ capital budget. Ms. Rias asked what CPS expects will come out of these efforts, and what options are on the table. Mr. Runcie replied that the whole range of school action and school improvement options will be on the table, and that CPS is pulling back from making school closing decisions directly. Mr. Barrett pointed out that the key role the CAC process gives to Chief Area Officers (CAOs) is likely to stifle teacher input. Dr. Berry questioned whether CPS would honor community feedback to “undo” some of the school actions (closings, phase-outs, consolidations, and/or turn-arounds) that CPS has already undertaken in these four communities.

Senator Martinez stated that any approach like this must include state legislators and that so far, she and her colleagues had not been included. She urged CPS to brief legislators, and ensure that they are part of the CAC planning.

II-B. Presentation by the City of Chicago Dept. of Community Development: “Use of TIF for CPS and Modern School Across Chicago Summary” (attached and available for the public on the ISBE website web page for the ILGA Chicago Educational Facilities Task Force).

CPS-DCD Coordination: Michael Jasso presented for the City. Mr. Jasso stated that interaction and coordination between CPS and the City occurs through periodic coordination meetings, along with representatives from the Chicago Public Building Commission. There are also many kinds of informal interaction, through phone calls and emails. The City’s role was described as a funding source, and DCD reviews CPS’ requests for TIF funds based on specific TIF districts’ available fund balances, revenues, existing and anticipated obligations, the original objectives of the TIFs’
approved Redevelopment plans and goals, and the specific scope and timing of the CPS request. Mr. Jasso stressed that while the purpose of TIF is primarily economic development, state law allows the use of TIF for public improvements. Once a CPS request is deemed feasible, an Intergovernmental Agreement ("IGA") must be approved by the Chicago City Council. DCD provided the Task Force with a summary of all TIF/CPS IGAs and copies of the agreements. Mr. Jasso stressed that the City does not determine the sites of new schools or the capital projects for which TIF funds are used, but rather, CPS makes these determinations.

DCD’s presentation then provided an overview of the "Modern Schools Across Chicago" initiative ("MSAC"), begun in 2006, which authorized $666 million in City TIF funds for 27 school facility renovation and construction projects. CPS is to fund $447 million of the projects’ costs. The City has issued bonds ($356 million in 2007, $170 million in 2010), plus provided direct TIF funding for four projects. The City also made IGAs with CPS for TIF funds to go to school facility projects prior to Modern Schools Across Chicago. Fourteen schools have been opened since 2007 that were funded by MSAC. The DCD presentation identifies which TIF districts around the City funded each specific MSAC school facility project (see Slide #6). MSAC is expected to conclude three years from now, and the City does not anticipate extending the program. Prior to MSAC, the City and CPS entered into IGAs for eleven TIF-funded school facility projects (See Slide #8).

Several Task Force members raised questions to Mr. Jasso: Ms. Rias asked if future TIF revenues could be a source for funding CPS’ facilities going forward. Mr. Jasso responded that while the City does not anticipate issuing additional bonds, TIF might be a funding source in specific cases. Prior to 1997, Mr. Jasso explained, State law allowed municipalities to use TIF for public improvements such as schools even if the school site was merely adjacent to a TIF district’s boundaries which was being tapped for funds. Since 1997 the school site must be in a TIF district, and there is “limited portability” under State TIF law, i.e., constraints on moving TIF funds from one TIF district to another. Ms. Rias also expressed concern about whether there is adequate public involvement in TIF planning, to determine whether TIF resources could be used for school facilities. Mr. Barrett expressed concern that the City’s TIF program is diverting property tax revenues from CPS. Mr. Glunz of the City of Chicago joined Mr. Jasso in responding that the City’s position is that is not the case; rather the City is helping CPS free up capital funds for schools not in TIF districts by providing funding for capital projects for schools that are in TIF districts.

Ms. Heybach and Dr. Burney both added their observations that despite the presentations, the Task Force has not yet received a complete and fully honest explanation of how CPS prioritizes its capital investments. Ms. Heybach stressed that CPS should provide a clear breakdown of its “local” funding sources, as well as clearer summary information on TIF funding.

**Conclusion**

Following this open discussion of both presentations, and having suspended the Public Comment period for this meeting, the Chair set the next meeting date for the Task Force for:

**Tuesday, November 9th, 9:30 AM.**

ILGA staff will notify the members as to the location, and subcommittee co-chairs will begin to plan their next meetings. Senator Martinez called for a motion to adjourn. Mr. Barrett so moved, Senator Martinez seconded the motion; motion approved by voice vote. The Task Force adjourned at 3:25 pm.