

# What's the matter with Student-Based Budgeting?

## What is SBB?

Picture every student with a dollar amount floating over their head, and now imagine every school competing to enroll that student so the school can add that student's dollars to its budget. That's the crux of SBB.

According to SBB boosters, this approach ensures equal spending per student and gives schools more autonomy over the budgeting process. But in reality, SBB is grossly unfair. The system assigns the same funding to each student regardless of the student's needs, and this approach has had a disastrous impact on neighborhood schools, especially on predominantly Black schools on the South and West sides of Chicago.

Schools that are already struggling with inadequate resources and/or serve a large number of students coming from marginalized communities are hit hardest by SBB funding. Every time a student leaves the school, the school has even fewer resources to accommodate the students who remain.

On the other hand, the schools that are considered "desirable" have an incentive to pack in as many students as possible, so they can add dollars to their budgets—but without regard to overcrowded classrooms and other sub-optimal learning outcomes.

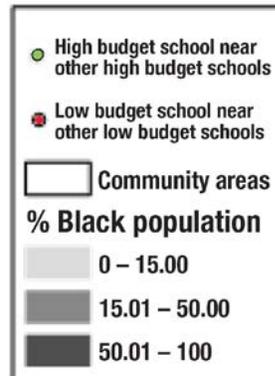
## The background

In 2013, CPS closed 50 schools, primarily on the South and West sides, citing low enrollment and poor performance as justifications. The following year, CPS implemented SBB—a school

## SBB means racist neglect of schools on the south and west sides

Clusters of low-budget schools are confined to the majority-Black neighborhoods of the south and west sides, while high-budget school clusters are on the north and southwest sides.

Source: Stephanie Farmer and Ashley Baber, "Student Based Budgeting Concentrates Low Budget Schools in Chicago's Black Neighborhoods," 2019.



budget system that provides dollars instead of positions to schools, with the funding distributed on a per-pupil basis.

SBB's proponents—such as school privatizers and their civic allies—supported the strangulation of struggling schools. After all, they reasoned, what could be better than students exercising consumer choice, "voting with their feet," and leaving behind their crumbling, low-resource schools?

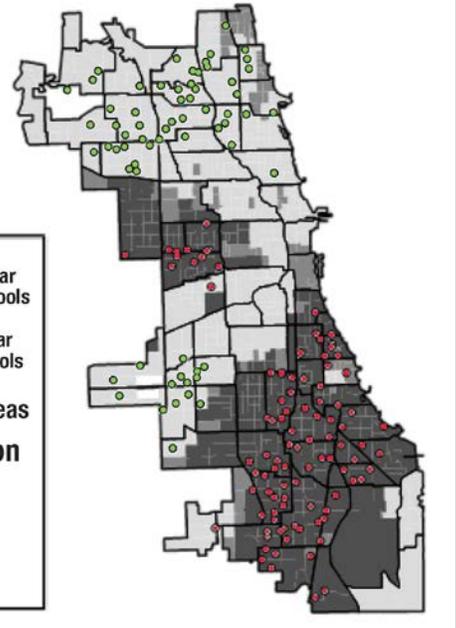
But schools aren't consumed like cans of soda. SBB punishes a neighborhood school for the exodus of families from the area, even if that exodus is the result of city policies—which, like CPS policies, are set by the mayor—that shut down public housing, place a charter school nearby, or promote gentrification that makes housing unaffordable.

SBB and other supposed accountability programs like the School Quality Rating Program (SQRP) create instability and unpredictability for schools and parents. Rather than continue with the same doomed system, CPS should move to a more equitable way of resourcing schools.

## What's wrong with SBB

### 1. School strangulation

Neighborhood schools with declining enrollment, which are clustered in dis-



trressed parts of the city, have felt the negative impacts of SBB most acutely over the last six years. When families leave the neighborhood, the budget of the neighborhood school suffers. As a result, majority-Black and a growing number of Latinx schools have lower percentages of librarians, music, or art teachers compared to other schools in the district. Then, a struggling school, which was initially triggered by families leaving, can in turn cause more families to leave in search of a better school. The students who remain and the entire school community suffer as the downward spiral grows more powerful. Ultimately, CPS uses such downward spirals to justify school closures.

### 2. Inadequate funding

Schools with larger numbers of students experiencing poverty, homelessness, and instability at home need more resources. But SBB practically guarantees that CPS spends less per student in these schools. That's because shrinking enrollment leads to a shrinking budget, but many fixed costs—such as heat, AC, and janitorial services—remain the same, so per-pupil spending goes down. This is the opposite of equity. **CPS is \$2.4 billion short of adequate funding for its schools, according to the state of**

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**Illinois.** CPS needs to send *more* resources to struggling schools, but SBB further strangles them.

### **3. Competition and racism**

SBB (in combination with SQRP and other policies) forces schools to compete for resources and to make a series of bad choices that harm students. **For instance, CPS went from having 460 librarians in 2012 to just 123 in district schools in 2020** because librarians aren't considered essential to raising test scores or attracting students. Majority-Black schools have half as many librarians as other schools. And principals are incentivized to pass over hiring higher-paid veteran Black teachers in favor of less experienced, lower-paid white teachers. Clusters of low-resource schools neatly align with majority-Black neighborhoods on the south and west sides (see map).

### **4. Blame shifting**

The complex formula at the heart of SBB hid budget cuts to schools. CPS could cut the SBB rate and blame lower budgets on lower enrollment without acknowledging the cuts. Likewise, CPS could cap school budgets even if enrollments increased. More students at a lower amount per student meant no additional support for that school community, but allowed CPS to transfer blame away from central office and onto schools. By forcing a series of bad choices on principals and LSCs, CPS could claim it was the school's fault that they didn't provide what the school community needed, rather than central office owning the fact that funding was insufficient.

### **What's the alternative?**

The state evidence-based funding (EBF) formula, which was adopted in 2017, clearly identifies what's missing from CPS school buildings, and it's not that different from what the CTU fought for and won during its 2019 strike: additional social workers, counselors, nurses, and additional support staff for specific groups, including special education students and English language learners.

CPS also needs to hire additional teachers in order to lower class sizes.

CPS schools also need funding that guarantees equity. This means addressing the fact that 1) that different kids have different needs and, 2) that schools with the most needs should get additional resources first.

Finally, every school needs stable and predictable budgets to ensure that school programs are sustainable and that Locals School Councils have the capacity to plan their programming out over the course of years.

Evidence-Based Funding (EBF) sets clear funding goals rooted in resource equity. That means funds are sent to schools based on their actual needs, in order to fund supports proven to help students. **The EBF approach shows that an additional \$7 billion in resources are needed to bring school districts across the state to funding adequacy**, of which \$2.4 billion should go to CPS.

### **What can you do to help scrap SBB?**

■ Contact members of the Chicago Board of Education and let them know why you think Student-Based Budgeting needs to be replaced with an evidence-based funding model. For some suggested language and info about how to reach the board, go to [ctulocal1.org/SBB](http://ctulocal1.org/SBB).

■ Call your state representatives and ask them to support HB 3917, which would require CPS to dump SBB and use an evidence-based formula—similar to what the state of Illinois now uses—to distribute state education funds.

■ Vote for the Fair Tax Amendment on the November ballot to implement a progressive income tax in Illinois that will make the wealthy pay their fair share for better school districts with stable and predictable budgets for each school.

■ Attend one of the new School Funding Working Group meetings. CTU staffers are on the committee and want your input. Here are the upcoming meetings:

1/30/20: Clark HS, 5101 W Harrison, 6–8 pm ■ 2/1/20: Corliss HS, 821 E.

## **KEY POINTS**

■ SBB strangles struggling schools rather than providing additional support and resources so every school can thrive.

■ SBB is racist, with lower-resourced schools clustered in majority-Black neighborhoods on the south and west sides.

■ SBB shifts blame from the CPS central office onto each individual school, compelling a series of impossible choices on whole school communities.

103rd St, 11 am–1 pm ■ 2/5/20: Hammond Elementary, 2819 W. 21st Pl, 6–8 pm ■ 2/6/20: Dyett High School, 555 E. 51st St, 6–8 pm ■ 2/8/20: Clemente HS, 1147 N. Western Ave, 11 am–1 pm

If you have questions or need more information, please e-mail [organizing@ctulocal1.org](mailto:organizing@ctulocal1.org).



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