



## **Chicago International Charter Schools Frequently Asked Questions**

### **What is a charter school? Are they public?**

Yes. Charter schools are independently run, public schools. In Chicago, charter schools are open to students throughout the city, tuition-free and open to all who apply. There is no selection criteria to enroll in a charter school.

### **How are charters funded?**

Just like all public schools, charter schools are funded through public dollars. The amount of funding they receive is based on the number of students they serve.

### **What is a School Management Organization (SMO)?**

Unique in its structure, CICS partners with School Management Organizations (SMOs) to design innovative school models and run the day-to-day operations of the CICS campuses. This structure allows educators to focus on student achievement, school culture and professional development for staff while the CICS network office manages back-office functions such as human resources, facilities and finance.

CICS currently partners with five SMOs to operate its 14 campuses: Chicago Rise, Empowered Community Schools, Distinctive Schools, ReGeneration Schools, ChicagoQuest, and Civitas Education Partners.

### **What is the network office and what does it do?**

The Chicago Charter International Charter School is a 501(c)3 nonprofit organization. CICS' network office provides the back-office support to its SMO partners so that they can focus on academics. As the charter holder, CICS is responsible for the academic and financial outcomes of each campus; CICS network staff members visit campuses frequently and are regularly involved in a variety of endeavors including but not limited to special education compliance, facility maintenance, student performance evaluation, community partnerships and curriculum alignment.

**What is a management fee and how is it used?**

A management fee covers essential services that our network office provides to all of our campuses in order to provide excellent education to our students. In total, CICS receives 16 percent of per pupil funds. Only three percent of those funds are used to support network office functions such as data, finance, enrollment and recruitment. The remaining 13 percent is used to cover rent payments for CICS' fourteen properties, debt service, capital projects and repairs. This is necessary because unlike traditional public schools, charter schools must provide and pay for their own facilities.

**What is a reserve fund and how is it used?**

Reserve funds allow CICS to continue to operate when public funding is delayed or decreased, which has happened many times over the last several years, or when there are state budget stalemates, which has also occurred several times recently. When those things occur, reserves allow us to keep schools operating and continue to meet financial obligations, including ensuring that our school staff is paid.

The reported number of \$36 million in reserve is not accurate. In fact, it is about half that and equal to just under three months' operating expenses for the entire CICS network. The Illinois State Board of education recommends a reserve of 25 percent of an organization's annual revenue; CICS currently has approximately 18 percent. Maintaining this reserve is critical to the financial health of the organization.

**Who employs teachers and staff at CICS schools?**

CICS' partnering School Management Organizations are responsible for all hiring processes and decisions at their respective campuses. CICS is not the employer of any instructional staff at its campuses, and as such, CICS does not play a role in the hiring decisions made by its partnering SMOs, nor in the contract negotiations.