



EMBARGOED FOR RELEASE UNTIL 11:30 AM:

Wednesday, July 13, 2016

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CPS Issues School Budgets That Protect Classrooms and Academic Gains

CHICAGO – As a result of last month’s compromise in Springfield, CPS management efficiencies and participation from Chicago taxpayers, CPS is able to provide principals at all District-run schools today with School Year 2016-17 budgets that ensure classrooms have the resources to build on the tremendous academic gains of recent years, and do not introduce new per-pupil funding cuts.

“Just a few weeks ago, CPS faced the real prospect of unavoidable, devastating cuts. Thankfully, those cuts are off the table,” said CPS CEO Forrest Claypool. “We will continue to tighten our belts, but thanks to the collaborative efforts of State leaders and Chicagoans that significantly reduced the District’s budget deficit, our schools will open this fall with the resources to continue their remarkable academic progress.”

All CPS principals received budgets today that provide a Student Based Budgeting (SBB) funding rate of \$4,087. This SBB rate reflects the annualized reductions executed in February.

“The past school year provided unique challenges to our school community, but today’s budgets should provide relief and stability to our families and educators looking to the year ahead,” said CPS Chief Education Officer Dr. Janice K. Jackson. “While we have work ahead of us, thanks to the deep commitment by our teachers, parents and the entire CPS community, the school year will start as scheduled and students will receive the resources and critical instruction time that they need to be successful.”

To further reduce the deficit without introducing new per-pupil reductions to schools, CPS will undertake additional management efficiencies that resulted from numerous strategy sessions with principals. These initiatives include an expansion of the CPS School Support Center to centralize certain responsibilities, and remove some financial and accounting administrative burdens; assistance to match schools seeking to employ half-time Art, PE, and Music teachers, as well as counselors; training for school staff on efficient scheduling models that will drive consistency and transparency across all District schools; and new centralized, more uniform procurement processes that leverage the District’s purchasing power to reduce costs.

Over the past year, CPS worked with local and State partners to reduce the District’s budget deficit and ensure that new reductions to per-pupil funding would not occur. The deficit was reduced through three primary avenues:

Compromise in Springfield

Voices of principals, parents and stakeholders around the state were heard loud and clear in Springfield, and lawmakers recognized the need to provide an equitable education for children in every corner of Illinois.

- Through several legislative measures, the CPS budget deficit was reduced by more than \$600 million.
- Importantly, these legislative measures also lay the groundwork for continued action to address the inequity that hurts our classrooms and deprives our students of needed resources.

CPS Management Efficiencies

CPS aggressively worked this past year to reduce administrative and Central Office spending by operating more efficiently, in order to preserve classroom efforts in FY16. Major undertakings from the District included:

- \$120 million: Unprecedented midyear cuts, partially offset by grant dollars reprogrammed directly into schools, and \$40 million in Title I and Title II grant funds will be directed to schools this year.
- \$45 million: Central Office streamlining, closing more than 400 administrative positions (FY17 savings)
- \$30 million: Mandatory furlough days for all employees (FY16 savings)
- \$6.8 million: Phasing out pension pickup for Central Office staff (FY17 savings; at full implementation in FY18, savings will be \$11.1 million)
- \$3.1 million: Requiring non-union employees to pay more for their health care (FY17 savings)

Additional management reforms and efficiencies are part of the FY 17 budget deficit.

Assistance from Chicago Taxpayers

For years, CPS has faced an agonizing choice between funding the pensions that our teachers have earned or funding the classrooms where our students are doing better than they've ever done before. In FY16 alone, this meant putting \$676 million into pensions – the equivalent of nearly 7,000 teacher salaries.

- Chicagoans will be directly funding teachers' pensions with a property tax levy generating approximately \$250 million in revenue for pensions.

Chicago Public Schools serves 392,000 students in 660 schools. It is the nation's third-largest school district.