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CPS' Proposed FY16 Budget Lowers Expenses on Budget Categories In District's Control
Budget Relies on Springfield Treating Chicago's Children Equally

CHICAGO – Chicago Public Schools (CPS) today released its proposed budget for Fiscal Year 2016 (FY16), a plan that puts students' education first. In all three expenditure categories that CPS can control – operating, capital and debt service – spending is down over last year. However, the district cannot cut its way out of the fiscal crisis and as a result, this budget relies on a partnership with leaders in Springfield to stabilize the district's finances by ending years of pension inequity and declining state funding.

“Chicago's students are making real progress – from higher attendance and record graduation rates to higher test scores and more students going to college. Yet all that hard-earned progress is threatened by a budget crisis that can be solved if our leaders come together,” said CPS CEO Forrest Claypool. “This budget reflects the reality of where we are today: facing a squeeze from both ends, in which CPS is receiving less state funding to pay our bills even as our pension obligations swell to nearly \$700 million this year. We look forward to continuing to work with our leaders in Springfield to prioritize education funding reform and finally end the inequity that requires Chicago alone to take scarce dollars from the classroom to pay for teacher pensions.”

If Springfield doesn't reach a resolution during this legislative session, CPS will be forced to close the \$500 million gap in its budget with a mix of additional cuts or more unsustainable borrowing.

The District begins the year with a \$1.1 billion structural deficit. In addition to relying on \$500 million from a comprehensive budget solution, CPS' budget includes about \$255 million in “scoop and toss” borrowing that prevents classroom cuts today, but puts a greater burden on future generations. The district's budget also uses a combination of TIF surplus funds and raising property taxes to the cap.

Finally, this budget includes \$200 million in painful cuts that CPS announced earlier this summer. CPS has made nearly a billion dollars in cuts since 2011, and anticipates streamlining the Central Office further, but it is clear that the District cannot cut its way out of this crisis.

The proposed FY16 budget will be made available for public comment and review on Aug. 18 at three meetings around the city. The final budget is expected to be presented to the Board for a vote at its August meeting, which is scheduled for Aug. 26. For additional information on the



FY16 budget, please see the attached fact sheet, background overview below or view the detailed District's budget at: www.cps.edu/budget.

In addition to releasing the FY16 budget, CPS is also sending notices today to teachers and support staff who have been impacted by changes in enrollment and budget cuts, in accordance with the district's labor contracts. As in the past, CPS will offer affected teachers the opportunity to reapply for positions within CPS. As CPS works to keep classroom cuts to a minimum, fewer teachers will be impacted this year than any point in the past five years, with 479, or less than 2 percent, of teachers impacted. A fact sheet detailing staff impacts is attached, and all processes and procedures associated with these layoffs are done in accordance with the district's agreements with the Chicago Teachers Union and other unions.

Historically, more than 60 percent of laid-off teachers have been rehired with the district, and the district has 1,450 open teaching positions that must be filled before school starts. All laid off employees will be invited to a career fair on Aug. 14 that will be attended by CPS principals who are also looking to hire teachers and staff, per our agreement with CTU.

Finally, since CPS announced the painful \$200 million in cuts, the District has worked with educators and parents who have expressed concerns about some of the changes in school bell times. As a result, earlier today CPS announced changes to schedules that restored 34 schools to their bell times from last school year, while 40 kept their new bell times and eight agreed to other changes. CPS will preserve approximately \$5 million of the planned \$9.2 million in savings from transportation streamlining and changes.

Budget Background

- In order to protect dollars for classrooms, the District made a \$634 million pension payment for FY15 and cut \$200 million in spending.
- In FY16, the District's state-mandated pension contribution will be \$676 million, the largest single-year pension obligation the District has faced. Other districts receive \$2,266 per pupil in funding from the state; CPS receives \$31.
- The FY16 budget includes an austerity approach to capital spending, allocating \$178 million for repair, improvement, and modernization. The funded capital projects are limited to previously announced projects and emergency maintenance and repairs that immediately impact student safety and comfort.
- Approximately 96 percent – \$5.486 billion – of the District's proposed FY16 \$5.687 billion budget – is directed toward schools, ensuring that students have the tools, resources and supports they need for college, career and life.

