

26-0610-EX1

June 10, 2026

APPROVE THE CHICAGO PUBLIC SCHOOLS LEGISLATIVE AGENDA

THE SUPERINTENDENT/CHIEF EXECUTIVE OFFICER RECOMMENDS:

Board approval for the Chicago Public Schools Legislative Agenda to establish clear goals, rigorous standards, and effective policies that facilitate equitable access to a high-quality public education system for the children of Chicago by pursuing the following legislative priorities.

DESCRIPTION:

The Superintendent/Chief Executive Officer is requesting Board approval of the Chicago Public Schools Legislative Agenda. The legislative priorities overview below is detailed in Attachment A and is in alignment with Board ByLaw 1-2.

- Financial Priorities - Bolstering structural funding sources
 - Work with partners across local, state, and federal governing bodies to identify, pursue, and secure increased funding across previous and new revenue streams in support of achieving full funding, including but not limited to advocating alongside other school districts across the state for a special session in the Illinois General Assembly to address revenue needs in support of serving all CPS students.
- Policy Priorities - Advancing governance and accountability
 - Partner with local, state, and federal governing bodies to strengthen effective governance and accountability in service of all students residing in the City of Chicago.

Approved for Consideration:

Approved:

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Macqueline King

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Superintendent/Chief Executive Officer

Approved as to Legal Form:

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Attachment A

Chicago Public Schools Legislative Agenda

As a District, we seek to establish clear goals, rigorous standards, and effective policies that facilitate access to a rigorous, joyful, and equitable learning experience for every student, school, and community of Chicago. While we have made progress toward providing a high-quality public education for every child in every neighborhood, we continue to face long-standing challenges and opportunity gaps. We seek to further our work by pursuing the following legislative priorities. The legislative priorities, detailed below, in alignment with Board By-Law 1-2, are not exhaustive and may be pursued in multiple legislative sessions as the District responds to circumstances that affect the ability to advance this agenda.

The District is advancing this agenda amid significant fiscal challenges. CPS is currently projecting a FY27 budget deficit of approximately \$732.5 million, driven by years of inadequate state funding, rising labor and pension costs, aging facilities, increasing transportation expenses, and the growing needs of students requiring specialized supports. CPS remains funded at approximately 73% of the level the State of Illinois considers adequate under the Evidence-Based Funding formula. In addition, the District continues to experience increasing costs associated with serving students with disabilities, multilingual learners, students in temporary living situations, and students requiring additional academic and social-emotional supports.

The District also continues to navigate uncertainty surrounding federal education funding and policy. These pressures reinforce the need for a strong state partnership and sustainable long-term solutions.

Because the State of Illinois controls many of CPS's funding sources, this agenda focuses on areas where CPS will advocate for increased state support. These priorities may change as discussions continue and as state-level circumstances evolve.

Financial Priorities

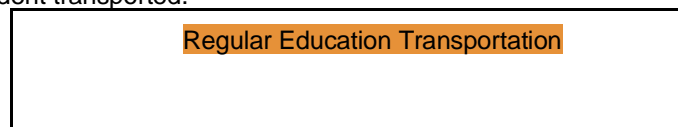
As CPS continues to navigate significant fiscal pressures, the District will prioritize legislative solutions that provide financial relief to meet our students' needs. These proposals focus on reducing the burden of underfunded mandates, increasing flexibility, and providing relief from obligations that divert resources away from classrooms and student supports.

1. Mandated categorical (MCAT) funding reimburses districts for legally required services, such as special education, bilingual education, and student transportation. CPS must provide these services even when the State does not fully reimburse the cost.

The CPS FY2026 MCAT budget totals \$179.9 million. However, reimbursements are prorated, are less than adequate and do not cover full costs. The reimbursement percentages below are associated with the percentage the total ISBE approved amount as opposed to the total CPS cost. Current proration levels include:

- 0.19% for general education transportation
- 48.28% for special education transportation
- 63% for private special education tuition
- 2.76% for IL free lunch and breakfast

General Education Transportation: For Transportation, the proration is compounded and shifts more costs to the District. In FY26, the State will reimburse CPS 76% of the \$16 it receives per general population student transported, which translates to an annual reimbursement of \$12.16 per general population student transported.



Total Reimbursable Costs Submitted	Total Reimbursement approved by ISBE	Actual % of expenses reimbursed
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\$13,419,463	\$25,402.92	0.19%
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Special Education Transportation: In FY26 the State will reimburse school districts at 60% of the 80% maximum, or 48% of total expenses, for special education transportation. If CPS were to receive the full reimbursement of 80% for special education, it would receive \$175.2M from the State or an additional \$69.5M.

Special Education Transportation

	Costs Submitted	ISBE
	Total	% of
Total	Reimburseme nt	expenses
Reimbursa ble	approved by	reimburse d

\$218,950,280	\$105,700,333.81	48.28%
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Private Special Education Tuition: Unlike Transportation, the reimbursement for Private Special Education Tuition is not compounded. In FY26 CPS will receive 63% of its SY24-25 reimbursable costs for private special education tuition. If CPS were reimbursed at 100% of its expenses, it would receive an additional \$7.9M from the State.

Private Special Education Tuition

	Submitted	ISBE
	Total	% of
Total	Reimburseme nt	expenses
Reimbursable	approved	reimbursed
Costs	by	

\$21,392,354	\$13,483,444	63%
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IL Free Lunch and Breakfast: Because the District participates in the State’s Community Eligibility Provision (CEP) Program it is able to offer students all meals free of charge without having to collect, approve, and verify household eligibility applications for free and reduced-price meals. The District receives \$2.46 per breakfast meal served and \$4.71 per lunch meal served in federal revenue and \$0.04 per breakfast and lunch meal served from the State.

The statutory reimbursement rate for the IL Free Lunch & Breakfast Program is \$0.15 per each meal served. When the funds the State appropriates do not meet the statutory reimbursement rate, the rate per meal served is then prorated at \$0.04. If the state reimbursed CPS at the full \$0.15/meal, the District would receive an additional \$4.86M.

SY24-25 IL Free Lunch and Breakfast program

	Reimburseme nt rate	meals	approved by ISBE
	per meal	served	
Number of Meals	EOY Credit provided	Total	
Served	by ISBE based on	Reimbursement	

47,806,413	\$0.04	\$392,637.75	\$2,307,198.35
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CPS will advocate for these grants to be funded at 100% of eligible costs.

2. Waive or delay repayment of EBF overpayment from 2019 to 2022

Due to errors in state EBF calculations, CPS received \$87.5 million above what should have been distributed in the fiscal years 2019 through 2022. The state agreed to a repayment plan of approximately \$11 million per year for 8 years until this amount was repaid. There are five more years of repayments left that total approximately \$55 million.

Waiving or delaying this repayment would result in savings for CPS and prevent future funding reductions for errors committed outside of CPS control.

Bolstering State Investment in Support of Fully Funded Education

While fiscal relief can help mitigate budget pressures in the short term, it alone will not address the longstanding funding inequities facing Chicago Public Schools. To ensure students have access to the resources and opportunities they need to succeed, CPS must also pursue additional state investments in key areas where existing funding falls short of actual costs.

1. Increase Evidence-Based Funding (EBF) tier funding allocation

Partner with the state legislature and school districts across the state to identify and pursue opportunities for increasing the EBF allocation.

2. Increase funding for the Early Childhood Block Grant

CPS will receive \$277M in funding from the State's early childhood block grant in FY2026. Of this amount, \$221M is part of the "Preschool for All" (PFA) allocation that CPS uses to support the cost of running its free, full-day pre-K program.

While CPS currently invests significant resources to operate this program, an additional \$53 million in dedicated funding is needed to ensure high-quality programming and consistent operations across the city with dedicated revenues.

3. Increase state support for Chicago teacher pensions

In FY2026, the State will contribute \$6.50 billion to the Teacher Retirement System (TRS), covering 98.2 percent of employer pension costs for districts outside Chicago. With an additional \$26.5 million from federal funds, these districts are responsible for only 1.3 percent of the required annual contributions. By contrast, CPS must pay 64.6 percent of its total employer pension costs, highlighting a significant funding inequity. Parity with other Districts would include an additional \$660 million in funding; any funding above normal cost, however, would help to alleviate the burden Chicago faces of funding its own teacher pensions while the state funds the teacher pensions for every other district.

Sustainable and Progressive Revenue

In addition to fiscal relief and increased state investments, CPS supports the exploration of sustainable revenue solutions that strengthen public education funding and improve long-term fiscal stability. As the District continues to face structural budget challenges, we ask legislators to consider revenue strategies that generate recurring resources for public education and protect existing funding streams.

1. Personal Property Replacement Taxes

PPRT revenues have been highly volatile in recent years. Following a post-pandemic surge in corporate profits and temporary changes to Illinois corporate tax law under Public Act 102-0658, PPRT distributions more than tripled between 2021 and 2023. However, revenues declined approximately 33% in FY25 compared to the prior year, and cumulative receipts have fallen nearly 60% since the 2023 peak, signaling a return to historically lower levels.

The proposed FY26 State budget diverts approximately \$400 million from statewide PPRT distributions, further reducing resources available to local governments and school districts. CPS is typically the largest local government recipient of PPRT in the State. For CPS, which relies on PPRT as a flexible revenue source supporting core operations, these diversions exacerbate existing budget deficit pressures. Capping the diversions at \$200 million would preserve tens of millions in local revenue and provide greater fiscal stability at a time when CPS is navigating significant structural deficits and enrollment-related funding challenges.

As legislators consider broader revenue and tax policy reforms, CPS supports efforts to preserve and strengthen existing revenue sources that support public education and local government services. Protecting PPRT revenues represents one example of how the State can promote greater fiscal stability for school districts while minimizing disruptions to educational programming and student supports. Below you will find CPS's five-year PPRT funding levels.

CPS Fiscal Year PPRT Funding Level

2025 \$257.2M

2024 \$383.5M

2023 \$636.5M

2022 \$609.9M

2021 \$282.1M

2020	\$202.5M
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2019	\$187.2M
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2. Millionaire Tax

For CPS, a tax on millionaires could represent a potential long-term, sustainable revenue source that could stabilize school funding without increasing the burden on working families. By capturing a portion of ultra-high incomes, this dedicated revenue source would directly help address structural budget gaps, support classroom investments, and reduce reliance on volatile or one time revenue streams. As CPS continues to navigate budget challenges, sustainable state revenue options like a millionaire tax are critical to maintaining academic programming and student supports.

3. Digital Ad Tax

A 10% tax on digital advertising revenue has been proposed for platforms earning more than \$150 million annually, with an estimated \$375 million in new revenue. The revenue generated would be deposited into the State's General Fund, which legislators use to support statewide programs and services.

While the proposal does not currently dedicate funds to education, increased General Fund revenue creates the opportunity to strengthen Evidence-Based Funding (EBF) appropriations during the annual budget process. To ensure CPS and other public school districts directly benefit, legislative

language should include a dedicated percentage of revenue for EBF. Establishing a clear statutory connection between new revenue and K–12 funding would provide greater predictability, reduce reliance on unstable revenue streams, and support long-term fiscal sustainability for CPS.

4. Other Revenue

Partner with local and state legislative bodies to identify and pursue new revenue sources that support and serve our students. Partner with the Congressional delegation to secure increased federal funding across nationwide formula and competitive funding streams, as well as through Congressionally Directed Spending, also known as Community Project Funding.

As the State evaluates emerging revenue opportunities, CPS supports consideration of sustainable revenue solutions that expand the resources available for public education. The District will continue to advocate for revenue proposals that provide long-term fiscal stability, strengthen educational investments, and ensure the district directly benefits from new funding streams when made available.

Policy Priorities

Charter School Regulations

In response to the Board’s resolution that was passed in May 2025, CPS will continue to pursue regulations around charter school contracts and charter school closings that prioritize the protection of students and their learning experience. Strengthening Relationships

CPS will expand local legislative engagement through school visits, community meetings, and ongoing briefings to build trust and discuss student needs. Recognizing that effective advocacy requires strong ties with local, state, and federal legislative bodies, CPS will prioritize opportunities for leadership and Board members to inform legislators on critical fiscal pressures, such as special education costs, transportation, and pension inequities. Crucially, CPS leadership and board members must build direct relationships with their respective legislators to foster collaboration in service of students and families. To support this, CPS will host dedicated Board advocacy days and partner with external organizations on joint initiatives such as those included on the following table.

Event Partners

Board Members visit to Springfield	Board Members
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Lobby Days Labor Partners, Community and Advocacy Organizations, Revenue Coalitions, Local School Councils

Funding Illinois’ Future Coalition Advance Illinois, Large Unit District Association, 20+ partners

Early Childhood Advocacy	Illinois Action for Children, Labor Partners
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