

Bond Financing Update

December 16, 2015



\$120 million additional long-term bonds

- We are asking the Board to approve an additional \$120M in long-term bonds
- This \$120M of additional borrowing would increase the bond specific approval up to the previously authorized \$1.16 billion
- These bonds will finance certain additional capital needs that have arisen in fiscal year 2016, including:
 - Dyett
 - Safe and Dry projects
 - Mechanical repairs (e.g., boilers)



\$130M of additional cash flow borrowing

State Payment Delay

- The State is late on \$210 million in payments to CPS
- This includes \$150M of state block grant payments and \$60M of capital reimbursements
- As of December 31, the State will owe another \$130M on top of the \$210M for a total of \$340M
- These delays put pressure on CPS' cash flow and forces CPS to increase its cash flow borrowing

Cash Flow Borrowing

- CPS currently has lines of credit totaling \$870M; Another \$65M will be issued by December 31 for a total of \$935M previously authorized by the Board
- An additional \$130M of cash flow borrowing will cover cash flow needs caused by the State payment delay discussed above
- If CPS receives the state block grant payments by the first week in January, this additional \$130M of cash flow borrowing will not be needed
- We continue to advocate for equitable funding from the State so that our students receive their fair share of state education dollars

