

Public Hearings FY 2017 Budget

August 19, 2016



FY16 Budget Recap

- FY16 Budget of \$5.691 billion balanced but required use of one-time items and assumed revenue
 - \$255M in Scoop & Toss and Debt Reserves
 - \$480M in Unrealized Revenue
- CPS covered the unrealized revenue with a mixture of borrowing and cuts, including:
 - \$45M in recurring Central Office position cuts
 - \$8M in recurring Non-Union Pension & Healthcare contribution increases and IT reductions
 - \$120M in recurring SBB reduction
 - \$30M in non-structural furlough days
 - \$66M in spend control



FY17 Budget Doesn't Rely on Long-Term Operational Borrowing

With \$173 million in expense reductions during FY16, new revenue provided by the State and Chicago taxpayers closes the FY17 deficit to \$300 million.

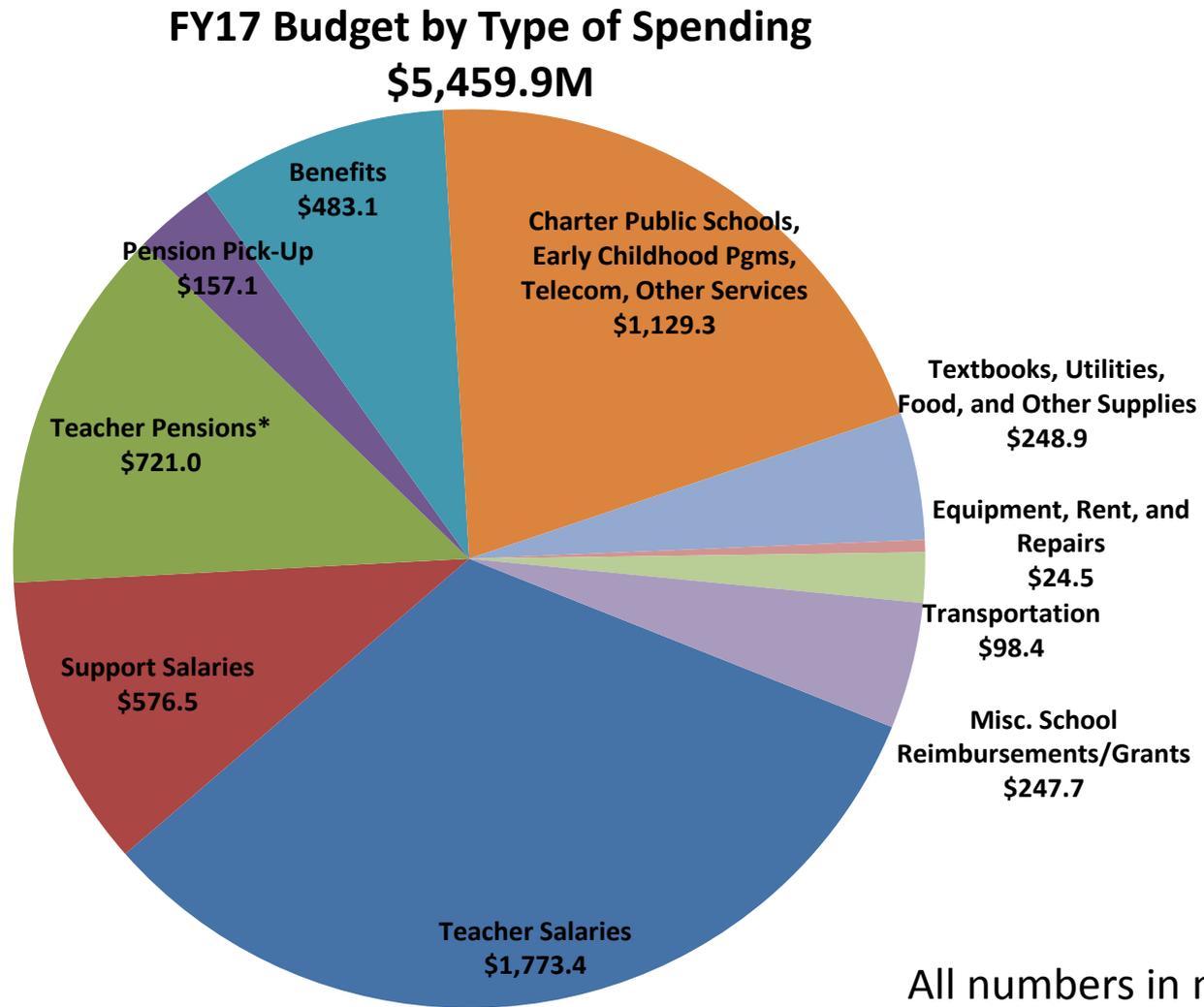
(in millions)	
Original FY17 Deficit	\$1.14 Billion
FY16 Savings Initiatives	(173)
Central Office Position Cuts	(45)
Non-Union Healthcare & Pension Contribution Increases	(8)
School Budget Reductions with Grant Offset	(120)
New Revenue	
GSA Flat from FY16	(74)
Additional Early Childhood Funds	(29)
Increased Equity Grant Appropriation	(102)
Pension Levy	(250)
Partial Pension Parity	(215)
Additional Efficiencies and Revenue Initiatives	(300)
Remaining Deficit – Balanced Budget	\$0



FY17 Operating Budget \$232M Less Than FY16

- FY16: \$5.691 billion
- FY17: \$5.459 billion

FY17 Budget by Type of Spending



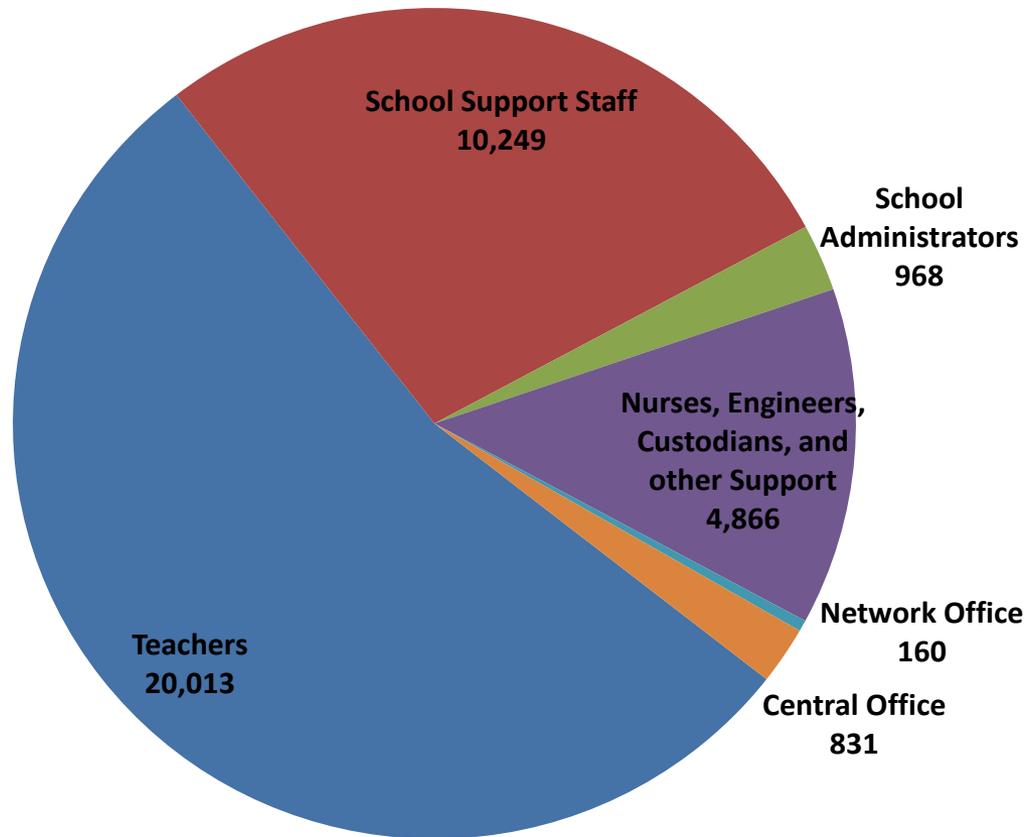
All numbers in millions

*CPS is the only district in the State required to pay the unfunded portion of its teacher pension costs.



FY17 Budget: 97% of Staff Provide Direct Support to Schools

97% of Staff Provide Direct Support to Schools
37,087 Total Positions



School Support Staff Includes Teacher Assistants, Special Education Classroom Assistants, Security Guards and other support



Earlier Hearings This Week: FY17 Capital Budget

- CPS' FY17 Proposed Capital Budget includes \$338 million of investments in:
 - \$173M - Overcrowding Relief
 - \$51M - Programmatic and Facility Upgrades
 - \$32M - Facility Needs
 - \$81M - IT and Other
- \$266 million of the projects will be funded by CPS bonds, while \$72 million will be funded by outside sources

Funding Source	Amount
CPS-Issued Bonds	\$265,906,639
TIF Funding	\$54,000,000
Federal E-Rate Funding	\$17,600,000



Earlier Hearing: Impact of Tax Increase on Homeowners

Tax Impact of Increase in CPS Property Taxes on 2017 Tax Bill of Average Home of \$250,000 Market Value

Increase due to Inflation/CPI (PTELL)	\$	14
Increase due to Capital Improvement Tax	\$	2
Increase due to Reinstatement of Teacher Pension Tax	\$	228
Total 2017 Increase	\$	245

Due to rounding, numbers may not add precisely to totals provided

