FY2027 CPS Budget

Chicago Public Schools

A Student-Centered Budget

Chicago Public Schools

Despite the challenges posed by persistent revenue shortfalls, growing costs, and a deficit of $732 million, CPS has outlined a balanced $9.88 billion FY2027 budget that stabilizes the district and protects our most important classroom investments.

Our goals throughout the budget process have been to:

- Collectively develop **equitable, student-centered solutions** to CPS' financial situation that acknowledges both short- and long-term challenges.
- Center our choices on students' needs and protect the investments that have the most direct and measurable impact on **student achievement, engagement, and well-being**.
- Align our approach to our **District's strategic plan**, which works to disrupt cycles of inequity and close opportunity gaps that impact students.

Our Vision & Mission

Chicago Public Schools

OUR VISION

Every student will experience high-quality, culturally responsive learning; develop the competencies of the CPS Graduate Profile;
and be prepared for postsecondary success.

OUR MISSION

To provide a high-quality public education for every child, in every neighborhood, that prepares each for success in college, career, and civic life.

Who We Are – Our Core Values

These values guide how CPS makes decisions and directs resources on behalf of students.

- **Student Centered**
- **Whole Child**
- **Equity**
- **Academic Excellence**
- **Community Partnership**
- **Continuous Learning**

FY27 Budget Process Timeline

This proposed budget reflects months of planning, public engagement, and school-level decision making.

May/June

- School budgets distributed to school leaders
- School leaders worked with CPS Central Office and their LSCs to align resources to student needs
- Budgets approved by LSCs and submitted to the district

June/July

- CPS Department budgets are outlined
- Community roundtables occurred to gather feedback
- CPS Budget Office works to bring full budget into balance

July

- Proposed budget finalized and submitted to Board of Education
- Public Hearings on proposed budget
- Capital budget hearings
- Board of Education votes on proposed budget

Listening to Our Communities

More than **570 participants** attended seven community feedback sessions, including students, parents, teachers, principals, Board members, elected officials, and other community members.

Location	Date
Westinghouse HS	Tuesday, 6/23
Back of the Yards College Prep HS	Saturday, 6/27
Dyett High School	Tuesday, 6/30
Virtual	Wednesday, 7/1
Student Focus Group with Mikva Students	Thursday, 7/2
Roosevelt High School	Monday, 7/7
Brooks College Prep Academy HS	Wednesday, 7/13

What We Heard

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KEY TAKEAWAYS:

Protect classroom instruction

Keep cuts as far away from the classroom as possible

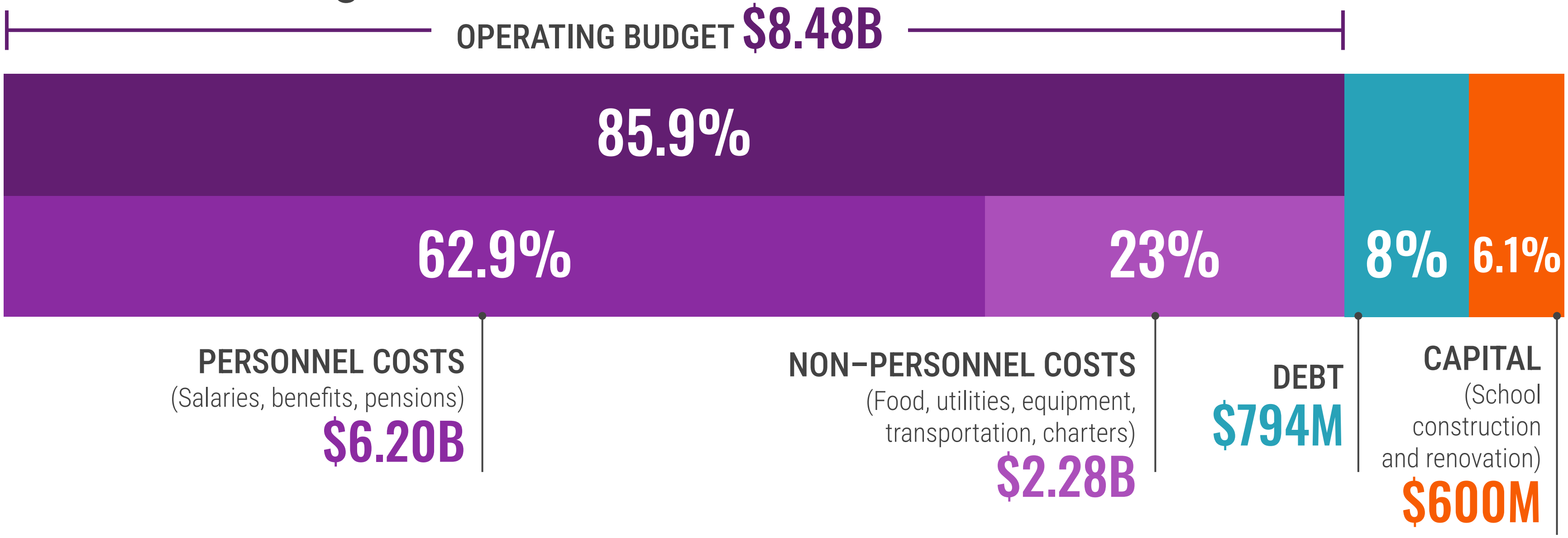
Continue advocating for additional funding

Ensure a more equitable distribution of resources

Continue engagement with communities

Proposed FY27 Budget - All Funds

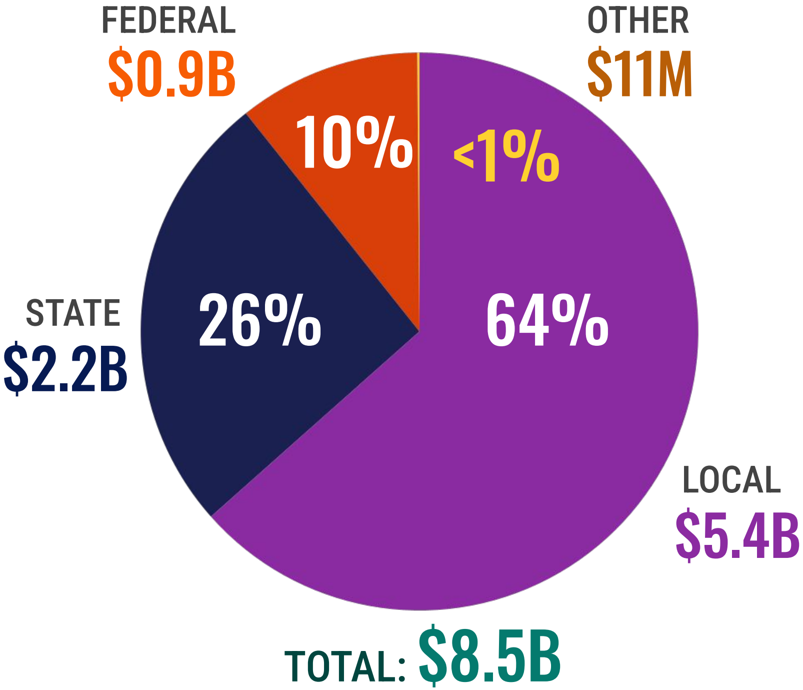
Total FY2027 Budget: $9.88 Billion

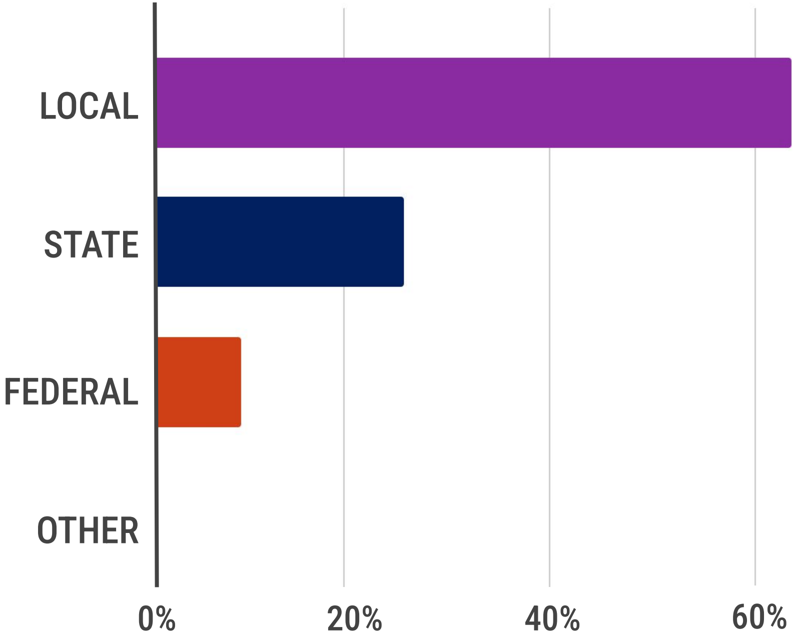


*Note: Total actual personnel costs are higher than 63% once factoring in charter staff whose salary and benefits are included in the non-personnel costs, and contractors who are paid by vendors, not directly by the district.

Proposed FY27 Budget - Operating Revenues

REVENUES (2027)

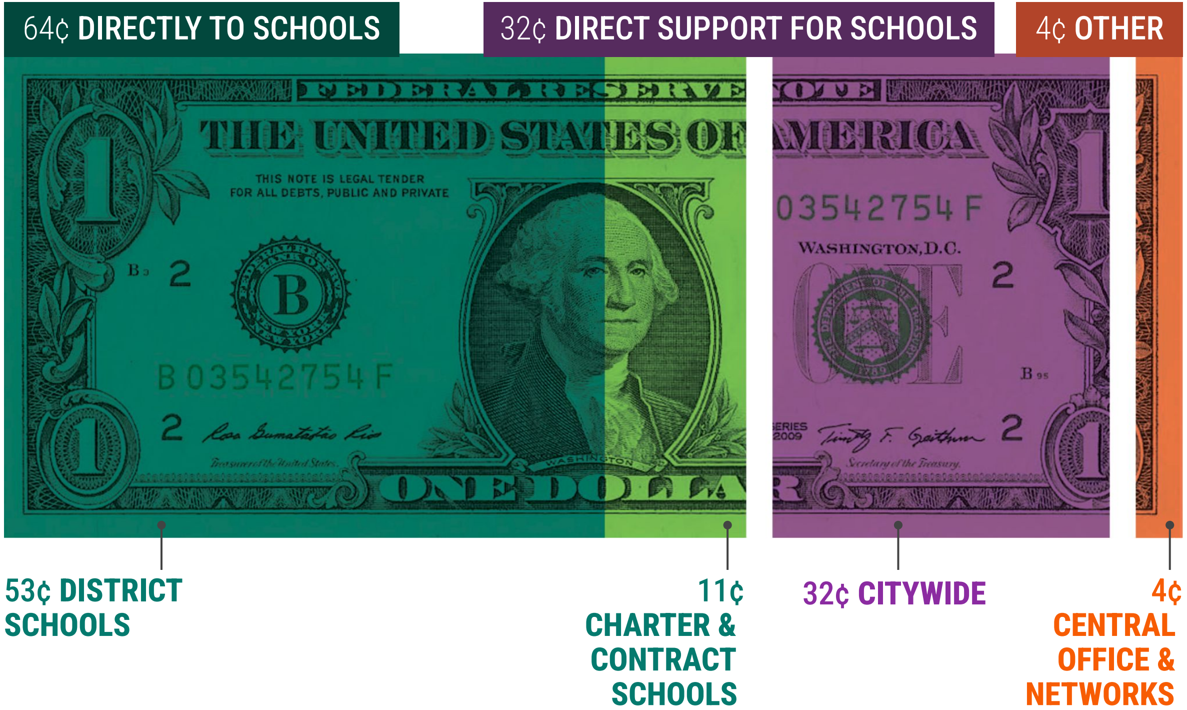




*Percentages and dollar amounts are rounded; therefore, totals may not equal 100% or sum exactly to the total revenue.

Proposed FY27 Budget - Operating Expenditures

WHERE OUR OPERATING FUNDING GOES



We are firmly committed to ensuring that every dollar we spend goes furthest for our students and families, so 64 cents (64%) of every dollar spent in our operating budget is tied directly to school-based expenditures and positions, with another 32 cents (32%) directly supporting students through citywide services and personnel that benefit multiple schools, such as nurses, custodians, bus aides, and others.

Proposed FY27 Budget - Operating Expenditures, FY26 Compared to FY27

Chicago Public Schools

In Billions of Dollars	FY2026	FY2027	YOY % Change
District Schools	$4.29	$4.46	4%
Charter	$0.98	$0.96	-2%
Citywide	$2.97	$2.68	-10%
Network and Central Offices	$0.41	$0.38	-7%
Total	$8.66	$8.48	-2%

Sustaining Investments Critical to Student Success

- Throughout the FY2027 budget process, our priority has remained sustaining investments critical to student success, especially those we heard in community feedback sessions.
- **Student safety:** The budget continues resourcing programs like Safe Passage and Safe Haven, as well as crossing guards; CPS plans to invest in its citywide Climate Team.
- **Student supports:** CPS is continuing to fund OST, albeit at pre-pandemic levels, and will continue working with partner organizations that provide proven mentoring and other supports, such as Youth Guidance and City Year.
- **Direct academic instruction:** The FY27 school budgets maintained the needs-based funding model, which provides a minimum set of foundational positions and funding to each school, regardless of size or enrollment, and then adds in additional resources based on enrollment and need.
    - Ratios changed by 1 within each tier of need, as determined by OI
    - With appeals processes and built-in loss caps, we are confident schools will be able to comply with minimum class size requirements

Approach to Other School-Based Supports

- **Maintaining core teaching and discretionary funding levels at our smallest schools;** the district changed the threshold for Assistant Principals, although schools are still able to use discretionary funds for APs.
- **Adding more special education teachers, classroom assistants, and related service providers** (physical therapists, occupational therapists, etc.).
- **Opening 60 new cluster classrooms** and increased **transportation** for students with disabilities.
- **Continuing to allocate academic intervention and professional development supports** at schools with the greatest needs by adjusting formulas throughout the system.
- **Maintaining levels of needs-based discretionary funding** and **increasing levels of Title I funding** for eligible schools.

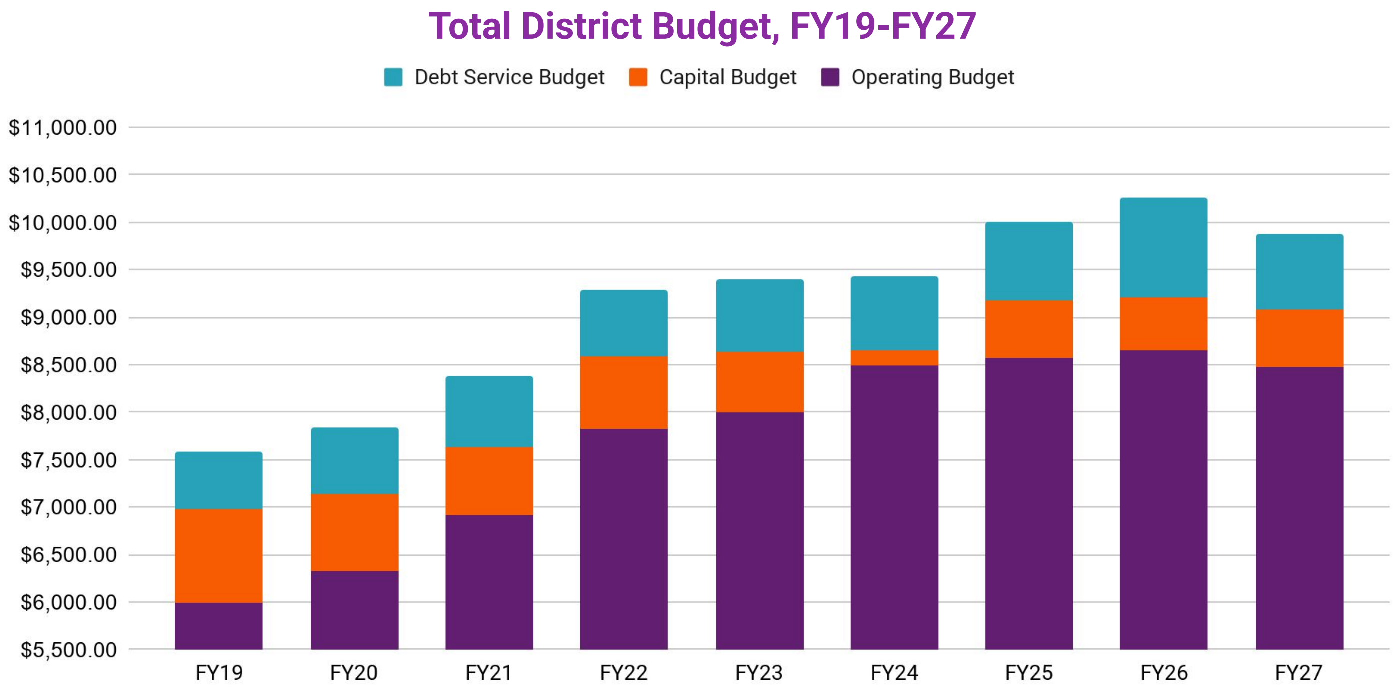
School Budgets Have Increased by $143M

- School budgets are up $143 million compared to FY2026, largely due to annual salary increases for unionized school-based employees
- Compared to FY2026, the overall number of school-based positions is projected to decrease by 164, or an overall reduction of roughly 1%

	FY26	FY27	YOY Change
Core Foundational Allocations	16,803.5	15,818.6	(984.9)
School staff funded through school discretionary funds (needs-based OI and Title I)	2,123.8	1,950.8	(173.0)
Special Education*	12,088.7	13,038.1	949.5
Bilingual	462.5	475.0	12.5
Early Childhood	2,164.8	2,136.4	(28.4)
Operations	3,327.1	3,379.8	52.7
Other	567.1	574.8	7.7
Total	37,537.5	37,373.5	(164)

*Includes positions for both fiscal years that the District projects to allocate in the beginning of the school year based on newly identified IEPs and changing student need

FY27 Budget in Context



Deficit Walkdown: Strategies Applied to School Funding

Beginning Deficit	$(732.5)M
Strategies applied to School Funding	$163.4
Strategies applied to Central Office/Citywide budgets	$176.8
Projected Revenue Adjustments	$110.6
Adjustments/increases to the Deficit	$(15.9)
Remaining Deficit	$(297.6)M

- Using a zero-based budgeting approach, our total projected revenues in the Spring were **$8.302B** and total projected expenditures were **$9.035B**. This left the District with a deficit of **-$732.5M**
- **Strategies applied to School Funding:**
  - Reduced core teacher allocations, charter school funding, and needs-based discretionary funding due to decreasing enrollment and formula changes
  - Reduced lead coach and intervention teacher supports, realigning them under grant funding
  - Adjusted allocations for other supports, including Assistant Principals, Whole School Safety, professional development

Deficit Walkdown: Strategies Applied to Central Office/Citywide

Chicago Public Schools

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Remaining Deficit	**$(297.6)M**

- Central Office and Citywide supports makeup 36.1% of the District's $8.48B operating budget.
- **Strategies applied to CO/CW:**
  - 17% reduction - $105M savings - across departments and citywide supports not already accounted for in school budgets
  - Decreasing the District's projected FY27 healthcare costs by $25M.
  - Procurement savings initiatives
  - Reviewing, reducing central contingency budgets

Deficit Walkdown: Projected Revenue and Other Adjustments

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- **Projected Revenue Adjustments:**
  - Increase in EBF funding
  - Additional Medicaid reimbursements
  - Healthcare rebates
  - Strategies to secure additional competitive grant funding

- **June/July Deficit Adjustments:**
  - Full accounting of staffing costs including COLAs for unionized staff
  - Final adjustments of property tax estimates to actuals
  - Review of grant funding availability in FY27, including carryover and more aggressive strategies to fully maximize available revenue.

Closing the Remaining Gap

Structural reductions alone were not enough balance the budget.

Three additional measures were implemented to realize an additional $297.6M in deficit reduction:

- $100M more in assumed TIF surplus, increasing total to $200M
- Five furlough days for all CPS employees beginning in January **on non-instructional days. CPS will not cancel any instructional days.**
- A Districtwide mid-year spending freeze

These measures create time to continue pursuing additional revenue while protecting student instruction.

Urgent Short-Term Borrowing Needs

- CPS is reaching its legal limits on available FY26 Tax Anticipation Notes (TANs). The current $1.25 billion borrowing capacity will be fully exhausted in August.

- TANs borrowing is different from borrowing for capital or operational expenses; TANs help us with cash flow issues caused by the misalignment between when property tax and other revenues come in and when payroll and other obligations are due.

- The problem is made more urgent by the systemic delays in us receiving property tax revenue from Cook County.

- **Without new FY27 TANs borrowing authority, CPS will not make payroll for staff in September.**

Next Steps and Urgency around Budget Approval

- Following these hearings, the District will present the balanced FY27 budget to the Chicago Board of Education for approval on July 30, 2026.
- An approved FY27 budget, along with an approved tax levy, are required in order for lenders to provide us financing under a new authorization.
- Without an approved budget this month, CPS will not have enough time to engage with lenders in order to secure funding, and we will be in danger of not making payroll in September.