

FY2025 Budget
Chicago Public Schools



The FY2025 proposed budget for Chicago Public Schools totals \$9.9 billion, an increase of nearly \$500 million driven by an increase to the District's capital budget.

- \$8.4 billion funds the District's operating budget, which covers day-to-day expenses
- \$611 million funds the District's capital budget, which includes investments in school buildings and infrastructure and is funded primarily through bonds issued by CPS
- \$817 million funds the District's debt service budget, which pays for principal and interest on bonds issued to fund the capital budget

A Quality Experience for Every Student



Every student, especially those furthest from opportunity, will experience a challenging, culturally responsive curriculum and access enrichment opportunities and feedback that promotes daily growth. The daily student experience will be joyful, affirming, and meet student's social-emotional needs, prioritizing historically underserved students.



Chicago Public Schools

Of the 40 large urban districts from the Council of the Great City Schools with Education Recovery Scorecard reporting in reading,

**CPS was #1 in Reading Growth
from 2022 to 2023
and #1 in Reading gains from 2019-2023**





Chicago Public Schools

Of the 40 large urban districts from the Council of the Great City Schools with Education Recovery Scorecard reporting in both reading and math,

CPS was #3 in Combined Reading and Math Growth from 2022 to 2023



Moving to a Need-Based Funding Model

FY2025 BUDGET



- To align with the District's vision for student experience, FY2025 school budgets revamp the way the District allocates resources to schools, shifting from Student-Based Budgeting to a **fully need-based funding model**
- These changes reflect years of stakeholder feedback, advocacy, and organizing to **advance resource equity across our city**
- The new funding model follows a targeted universalist approach, with **guaranteed foundational resources for all schools** with **additional targeted resources for our schools of higher need**

- The upcoming expiration of federal relief funding presented a **significant initial budget deficit** in FY2025 that required difficult decisions to avoid cuts to school funding
- To protect school funding, **CPS made significant reductions in spending across centralized budgets** to balance the budget
- As is usual practice, **CPS expects to amend the budget** to reflect the collective bargaining agreements with the Chicago Teachers Union and Chicago Principals and Administrators Association once final

- The FY2025 budget relies on **significant one-time federal relief funding** that will not be available in FY2026.
- Due to the expiration of federal relief funding plus cost pressures in labor healthcare, pensions, and other areas, **CPS's FY2026 projected budget gap will be over \$500 million** before accounting for additional important investments in pending collective bargaining agreements with our key staff.
- CPS and its partners **will continue to advocate for state and federal funding** to help balance future budgets.

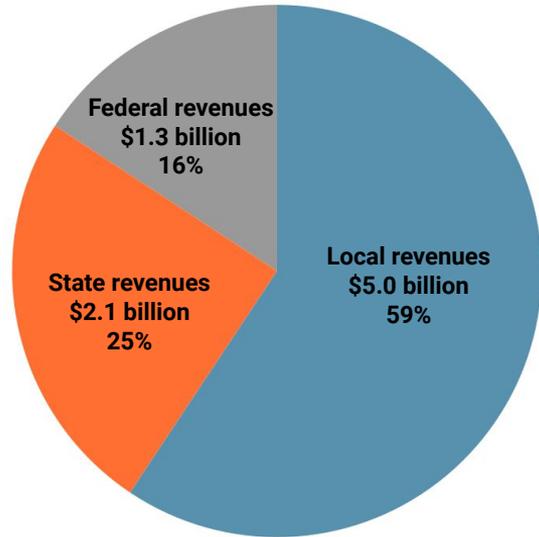
Lack of state funding drives CPS's structural budget issues

CPS's structural budget issues remain moving forward due mainly to a lack of adequate and equitable funding from the state of Illinois.

- **\$1.1 billion** in additional funding would be available if the state fully funded Evidence-Based Funding formula
- **\$662 million** of teacher pension costs will be funded by Chicago taxpayers, a burden no other District faces
- **\$540 million** in unrestricted state and local funding must be diverted from classrooms to pay debt service on capital bonds as CPS lacks the ability of other districts to raise dedicated funds for capital investments
- CPS remains underfunded in other key areas as well, including **pre-K, special education, and reimbursements for transportation for students with IEPs**

Over half of CPS' operating revenue comes from local sources

FY2025 BUDGET



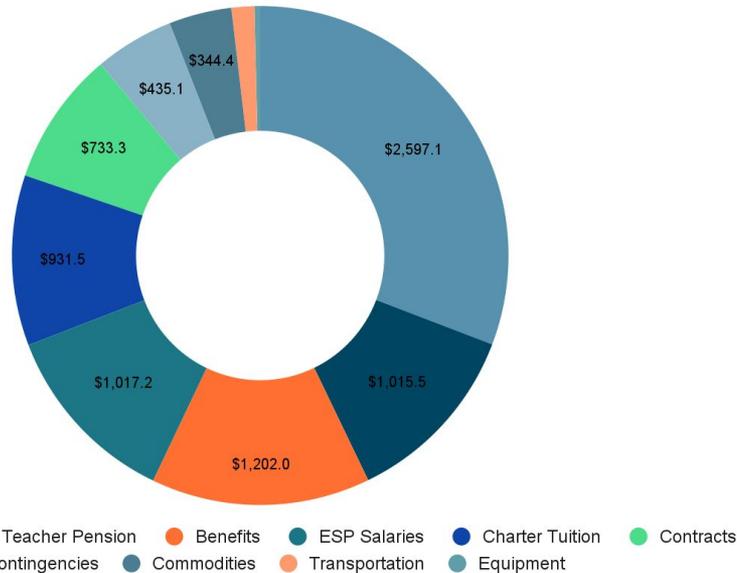
Total operating revenue: \$8.4 billion

Local: 59% (\$5.0B) of operating revenues come from local sources – primarily property tax, personal property replacement tax, and TIF surplus

State: 25% (\$2.1B) of operating revenues come from the state, including EBF funding, teacher pension normal costs, and categorical grants

Federal: 16% (\$1.3B) of operating revenues come from federal sources; recurring sources include Title funding and lunchroom funding that primarily support low-income students. This number is decreasing compared to previous years, as federal relief funding (ESSER III) ends September 30, 2024

Salaries and benefits comprise 80% of CPS operating budget expenses

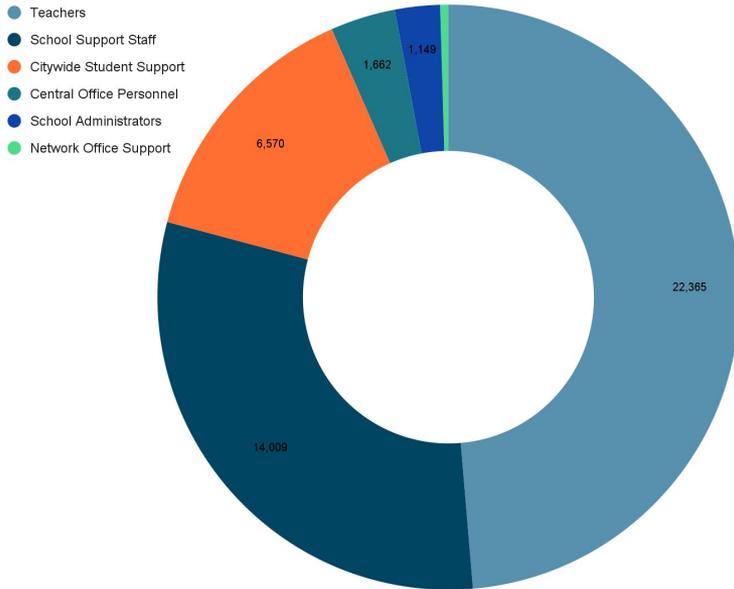


Total operating expenses: \$8.4 billion

- The total spent on teacher and support staff **salaries, benefits, and pension costs is 80%** when funding for charter tuition – which primarily funds salaries and benefits for charter school staff – is included.
- The remaining **20%** of our budget is used to pay for **non-personnel expenses**, including:
 - Commodities, such as food and utilities
 - Instructional supplies, equipment, and software
 - Student transportation and building repair
 - Contractual services, such as facilities management and Safe Passage

Over 96% of Employees Directly Support Schools

FY2025 BUDGET



- The CPS FY2025 budget will include 45,965 FTEs, **an increase of 805 from FY2024.**
- Over **96%** of CPS employees **directly support schools.**
 - Teachers, school support staff (clerks, classroom assistants, etc), and school administrators make up 82% of CPS employees, while another 14% provide citywide support services to schools.
- **Just 4% of positions are central office administrative positions,** consistent with similar districts in the U.S.

Increases to staff are driven by special education and new funding model

FY2025 BUDGET



- The FY2025 budget includes **increases to teachers and school support staff**
- Of the 513 new teacher positions, 243 are due to **growth in special education needs** while the remaining 270 are due primarily to **increases through the new funding model**
- The 337 new school support staff positions are due to an **increase of 661 special education classroom assistants and 88 restorative justice coordinators**, with offsetting decreases in other support staff categories

	FY2024 FTE	FY2025 FTE	Increase or (Decrease)
Teachers	21,852	22,365	513
School Support Staff	13,672	14,009	337
School Administrators	1,150	1,149	(1)
Citywide Student Support	6,607	6,570	(37)
Central Office Personnel	1,668	1,662	(6)
Network Office Support	211	210	(1)
Grand Total	45,160	45,965	805

FY2025 Teacher Pension Employer Contribution

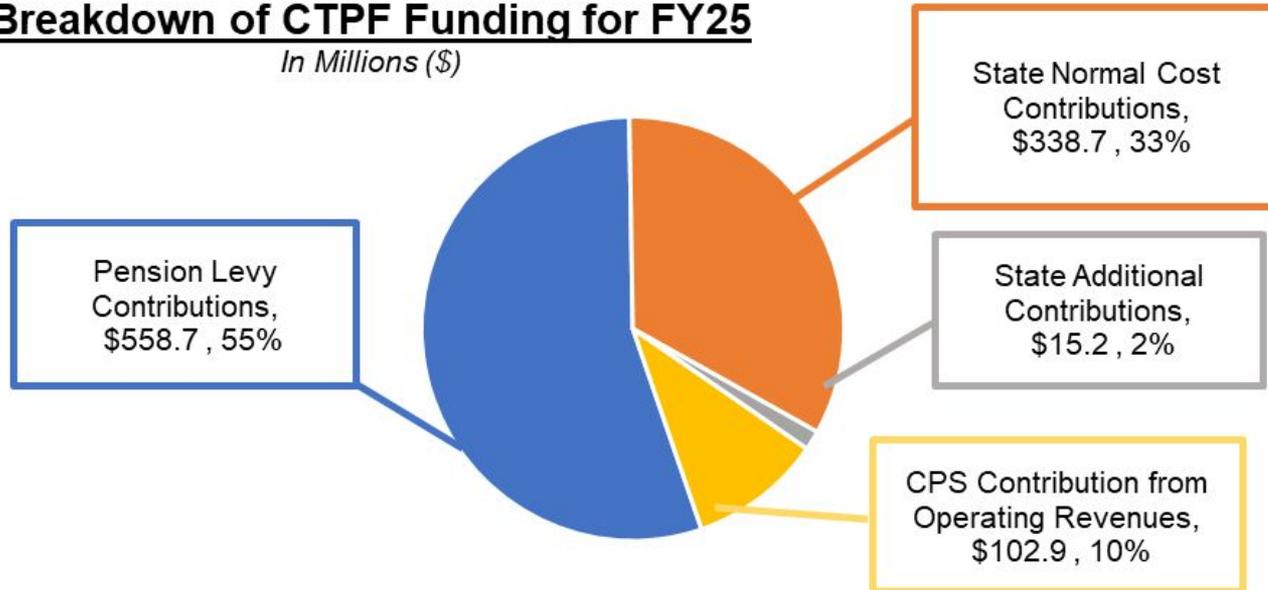
FY2025 BUDGET



While the state funds teacher pensions for every other school district in the state, it provides only 35% of funding for CPS. This leaves Chicago taxpayers to cover **\$662 million** of costs in FY2025.

Breakdown of CTPF Funding for FY25

In Millions (\$)



FY2025 Budget Balancing

CPS's FY2025 budget reflects actions taken to balance an over \$500 million deficit

FY2025 BUDGET



To balance the FY2025 budget without impacting school funding, CPS identified \$505 million in strategies to close this year's gap.

	\$M
Remaining FY2025 Budget Deficit	(391)
Estimated Healthcare Cost Growth Above Projections	(52)
Additional Special Education Positions	(62)
Updated Remaining Budget Deficit	(505)
Department Budget Reductions and Efficiencies	197
Budget Strategies: Leverage Federal Grant Carryover, New Grant Funding, and Increased Vacancy Savings	196
Reduced Need for Supplemental Class Size Funding	30
Reduced central office positions and hiring freeze	20
Savings on Debt Restructuring	52
Reduction in Short-Term Borrowing Costs	10
Remaining FY2025 Deficit After Gap Closing Strategies	-

Department budgets included \$197M worth of reductions and efficiencies

FY2025 BUDGET



	Strategy	Impact (total \$197M)
OPERATIONS	Reductions to building maintenance, repairs	12
	Negotiated reductions to engineering contract and operational efficiencies	12
	Reduction of 187 private custodians	10
	Reduction in custodial supply spending under insourced supply contract	7
	Reduction in parent reimbursements for transportation	5
	Reduction in lunchroom positions to reduce general fund subsidy to food program	5
	Reduction to costs allocated to new school security cameras	3
	Reduction of 85 bus monitors	2
SCHOOL-BASED PROGRAMMING	New early childhood grant funding to cover local costs and maximize existing grant funds	43
	Reductions to curriculum development costs	10
	Rightsizing Tutor Corps to FY24 spend	9
	Elimination of School Resource Officer program	6
	Reduction in Safe Passage spending	2

Department budgets included \$197M worth of reductions and efficiencies

FY2025 BUDGET



	Strategy	Impact (total \$197M)
ADMINISTRATIVE EFFICIENCIES / REDUCTIONS	Process improvements to increase Medicaid claims	12
	Growth in negotiated rebates from existing contracts	7
	Closing early childhood classrooms due to excess capacity (reduction in school-based positions and non-personnel funding)	5
	Reduction in insurance expense	2
	Reduction in nursing contract	2
	Reduction of 40 crossing guards for private schools	1
	Special ed (citywide): Rightsizing extended day, summer buckets, and non-personnel to projected spend	8
	Special ed (central): Efficiencies and reductions in administrative costs	3
	ITS: Reduction in telecom contract spending and other vendor spend	8
	ITS: Reducing budget for central office IT projects by 50%	5
	Capital/Facilities: Reduction in operational spending on custodial equipment	5
	Capital/Facilities: Reductions in vendor staff for capital project management	3
	Law: Reduction to contracted services/outside Counsel	2
	Budget, Finance, Treasury: Reduction to vacancies	1
	LSC and FACE: Reduction to non-payroll expenses for LSC election budget (\$600k) and Safe Haven (\$300k)	1
	Audit and Communications: Reduction to non-payroll, primarily professional services	1
	Portfolio and I&I: Reduction to non-payroll budgets, primarily services	1
	Talent: Closing 25 vacant Teacher Resident positions	1.5
	Talent: Reduced professional services for teacher sourcing & recruitment, including AUSL	1.5
	Student Protections: Closing vacant positions and part-time staff buckets, reducing non-personnel	0.5
Intergovernmental Affairs: Reducing non payroll (professional services)	0.3	

Long-Term Fiscal Health

Long-Term Fiscal Health

- Despite recent improvements to the state's funding model, CPS still faces long-term financial challenges due in part to inadequate and inequitable state funding when compared to other school districts in the state.
 - **\$1.1 billion** in additional funding would be available if the state fully funded Evidence-Based Funding formula
 - **\$662 million** of teacher pension costs will be funded by Chicago taxpayers, a burden no other District faces
 - **\$540 million** in unrestricted state and local funding must be diverted from classrooms to pay debt service on capital bonds as CPS lacks the ability of other districts to raise dedicated funds for capital investments
 - CPS remains underfunded in other key areas as well, including **pre-K, special education, and reimbursements for transportation for students with IEPs**

- While CPS has taken significant steps to identify budget balancing strategies for FY2025, **the District still faces significant budget challenges in future years**
- FY2026’s budget deficit projects to be **at least \$500 million** with potential to reach **over \$750 million** if new revenues are not identified
- **Future deficits will reach \$1 billion and greater** if CPS does not find structural solutions to its budget challenges

Year	Projected Deficit Range
FY2026	(\$509M) - (\$758M)
FY2027	(\$558M) - (\$945M)
FY2028	(\$451M) - (\$983M)
FY2029	(\$403M) - (\$1.08B)
FY2030	(\$427M) - (\$1.26B)

FY2025 School Budgets

Public input on the FY2025 Budget

FY2025 BUDGET



Beginning in 2019, CPS launched a new process to engage community and stakeholders around funding priorities, revenue challenges, and school resourcing. For the last four years, we have convened public forums, stakeholder input sessions, focus groups, and surveys to gather feedback on community and stakeholder priorities.

The significant changes in school funding and the priorities informing the resourcing strategy are a direct result of this engagement, along with years of advocacy and organizing.

Hearing directly from students, parents, teachers, principals, and other community members allowed CPS to better understand what is important to our school communities and develop a school resourcing strategy to reflect those priorities.

Public input on the FY2025 Budget

FY2025 BUDGET



Over the last four years, we have heard several key themes that informed our FY25 school resourcing model:

- 1) Shifting away from SBB**
Public feedback focused heavily on moving away from SBB to a needs-based funding model. This model consolidates resources allocated through SBB and other funding streams into teachers and discretionary funds allocated through the district's opportunity index.
- 2) More transparency in school funding**
Despite efforts to increase transparency and clarity in school resourcing strategies, public feedback highlighted a continued lack of understanding in how the district resources schools. The FY25 school resourcing strategy streamlines approach to school funding to reduce complexity in funding model and align with district equity and instructional priorities, to allow the district to more clearly show how and why schools receive the resources in their building.
- 3) Supporting the whole child**
In the budget roundtables, participants highlighted the positive impact of additional supports that foster the overall student experience, such as tutors, STLS advocates, and athletic directors. This model continues the investment in Interventionist positions for high-need schools and continues funding for after school programming, social-emotional support, academic interventions, and other priority areas.
- 4) Importance of Assistant Principals**
Principals continued to highlight the importance of Assistant Principals, ranking as the top priority in principal surveys and focus groups.
- 5) Local autonomy in resourcing decisions**
Public and internal feedback highlighted the spectrum of unique needs across our schools and the variety of ways school communities meet those needs. The FY25 funding model preserves local discretionary funding to allow schools to prioritize local needs and make local decisions in how to meet those needs.

Foundational Resources vs. Need-Based Resources

FY2025 BUDGET



FY2025 resourcing follows a targeted universalist approach that provides universal foundation resources to every school with targeted additional resources for schools with greater need.

Foundational Resources for Every School

- Principal
- Assistant Principal
- Core classroom and holistic teachers
- Counselor(s)
- Clerk
- Professional development funding
- Baseline funding for discretionary needs
- Centrally-managed operational positions (custodians, engineers, security, lunchroom)
- Before- and after-school programming to support athletics, enrichment, and other activities

Additional Resources Based on Need

- Additional teachers to support smaller class size
- Additional discretionary funding for high-needs schools
- Additional counselors for high-needs schools
- Instructional coaches
- Tiered intervention supports
- Tutoring
- Advocates for Students in Temporary Living Situations
- Special education positions
- Supplemental English Learner resources
- Social and emotional supports
- Restorative justice coordinators for high-needs schools

Using the Opportunity Index to Increase Equity

The CPS Opportunity Index currently consists of 12 distinct indicators used to analyze differences in access to opportunity. These indicators include:

- **Community Factors**, which are indicative of the socioeconomic environment in which attending students live
- **School Demographics**, which consider the percentage of the attending student population that fits a particular category
- **Historical School Funding**, which accounts for resourcing schools experienced in prior years

CPS has relied on the Opportunity Index to make some operational and funding decisions in the past, but starting in FY2025, CPS will use this tool to guide the distribution of a greater share of funding, ensuring those most impacted by inequity have strong, vibrant and healthy school communities.

Using the Opportunity Index to Increase Equity

FY2025 BUDGET



Opportunity Index Indicators		
Community Factors	Demographics	Historical Funding
<ul style="list-style-type: none">Chicago Hardship IndexStudents Residing in Invest SIWCommunity Life Expectancy Index	<ul style="list-style-type: none">% of students with disabilities% eligible for free and reduced lunch% of English Learner students% eligible but not enrolled in Medicaid% of students in temporary living situations% of teachers retained90% majority single race/ethnicity	<ul style="list-style-type: none">Historical Capital & TIF FundingHistorical School Funding Levels & Changes Over Time

For each of the 12 metrics, **values are ranked by percentile** and **divided into quintiles**. These quintiles are then assigned a point value between 1 and 5. Higher scores indicate being further from opportunity.

The sum of each of the indicator scores is used to help determine resource allocations as part of CPS' need-based teacher and discretionary funding formulas. Schools currently range from ~14 (lowest need) to 52 (highest need) out of a possible 60 points.

Foundational Teacher Positions

FY2025 BUDGET



CPS's new funding model ensures that every student attends a school with a requisite number of teachers, providing:

- Certified teachers for every Core Content Area
- Reasonable class sizes
- Access to no fewer than three Holistic Courses (Arts and PE required)

Core and Holistic teacher positions will be centrally provided and centrally funded regardless of individual teacher cost.

This ensures that all schools - neighborhood, magnet, selective enrollment, and all others - have resources to offer rich programming that meets the needs of their students.

Foundational Teacher Position Formula: Elementary

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Core Classroom Teachers K-8

1 teacher for every:

- 26 students for schools with an Opportunity Index score of 30 or less
- 24 students for schools with an Opportunity Index score between 31-41
- 22 students for schools with an Opportunity Index score between 42-52

Minimum of 10 teachers

Holistic Teachers

A ratio of 1 holistic teacher for every 5 core classroom teachers
OR
Minimum of 3 teachers



Foundational Teacher Position Formula: High School

FY2025 BUDGET



High School Teachers

1 teacher for every:

- 21 students for schools with an Opportunity Index of 30 or less
- 19 students for schools with an Opportunity Index score of between 31-41
- 18 students for schools with an Opportunity Index score of between 42-52

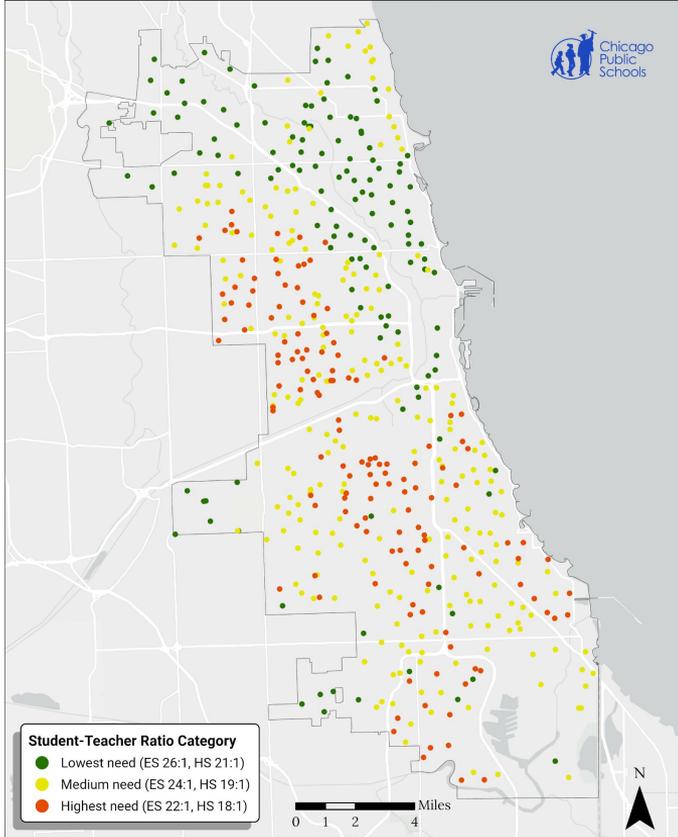
OR

A minimum of 10 teachers to ensure a full complement of required courses.



High-needs schools receive additional teacher positions

FY25 Student-Teacher Ratio by District School



Schools serving higher-needs populations receive teachers at a lower student:teacher ratio. **This gives high-needs schools more teachers to support smaller class sizes.**

The map on the left shows how the teacher allocation formula distributes across the city.

Color	Need Level	Student:Teacher Ratio
Green	Lowest Need	ES 26:1, HS 21:1
Yellow	Medium Need	ES 24:1, HS 19:1
Red	Highest Need	ES 22:1, HS 18:1

Foundational Non-Teaching Positions

FY2025 BUDGET



Principal	1 per school
Assistant Principal	1 per school
Clerk	1 per school (addtl. clerks provided for schools with multiple campuses)
Counselor	<p>Minimum 1 per school</p> <ul style="list-style-type: none"> +1 for every 500 students at a HS +1 for every 600 students at an ES Minimum of 2 counselors if: <ol style="list-style-type: none"> A school's Opportunity Index is 48+ and enrollment is 250+ OR A school's Opportunity Index is 40+ and enrollment is 350+
School Assistants/Part-Time Operational Support for Recess Coverage or Other Operational Needs	<p>Enrollment below 600: Part-time employee</p> <p>Enrollment 601-1000: 1 full-time school assistant</p> <p>Enrollment 1001 or greater: 2 full-time school assistants</p>
Athletic Directors (HS only)	<p>More than 300 students OR more than 27 sports teams: 1 FTE</p> <p>Fewer than 300 students and 27 sports teams: \$60K part-time bucket</p>

\$1,7908

Additional investments ensure resources are available where they are most needed

In addition to core staffing allocations, budgets will also include additional resources based on student and school needs:

- **Interventionists** at Title I schools (minimum 1) at a 450:1 (ES) and 600:1 (HS) ratio
- **Restorative Justice Coordinators** at schools with Opp. Index 30+ and 500+ students (excludes Sustainable Community Schools)
- Distributed Leadership Support to provide **professional development funding to all schools** and **instructional coaches to over 180 schools**
- Continued investments in **special education, English learners, and Pre-K**
- Coordinators for STE(A)M, IB, Personalized Learning, Gifted, and Montessori programs
- **Out-of-school time funding, tutor corps, and community school funding**
- Operational support positions for **lunchroom, security, and facility operations**

Capital Budget

FY2025 Capital Budget

FY2025 BUDGET



The district's initial FY2025 capital plan includes \$611.1 million of projects, \$549.6 million of which are funded by bond offerings and other CPS capital funds. The remaining \$61.5 million are funded by external local, state, and federal dollars.

Estimated Sources	
Anticipated Bond Offerings and Other Capital Funds	\$549.6
Tax Increment Financing Funding	\$29.3
External Funding for Space to Grow	\$10.6
Federal E-Rate Funding	\$4.2
Other Potential External Funding	\$17.4
Total FY2025 Capital Budget Sources	\$611.1

Proposed FY25 Capital Plan – \$611.1 Million Detail

FY2025 BUDGET



- The FY25 capital budget includes **\$311.2 million** in capital funding to address the District's **priority renovation projects and most urgent facility needs**
- The budget includes **\$83.2 million in capital funding for interior renovations**. \$45 million of this will be used to create space efficiencies throughout the District.
- **\$93.5 million is being allocated for programmatic investments**, including CTE upgrades, Office for Students with Disabilities improvements, Library renovations, and student recreation and athletic resources. This investment continues the District's stadium and swimming pool refurbishment program.

Budget Category	FY25 Budget* (\$Millions)
Facility Needs	\$311.2
Priority Exterior Envelope/Mechanical Projects	\$133.3
Fire Alarm Replacement, Major Unanticipated Facility Repairs, Modular Refurbishment, Masonry Remediation, Chimney Stabilization, and ADA Accommodations	\$177.9
Interior Improvements	\$83.2
Space Consolidation/Efficiencies	\$45.0
Other Interior Improvements	\$38.2
Programmatic Investments	\$93.5
Student Recreation and Athletic Resources	\$31.3
Other Programmatic Investments	\$62.2

*Includes potential additional outside funding

Proposed FY25 Capital Plan – \$611.1 Million Detail (cont'd)

FY2025 BUDGET



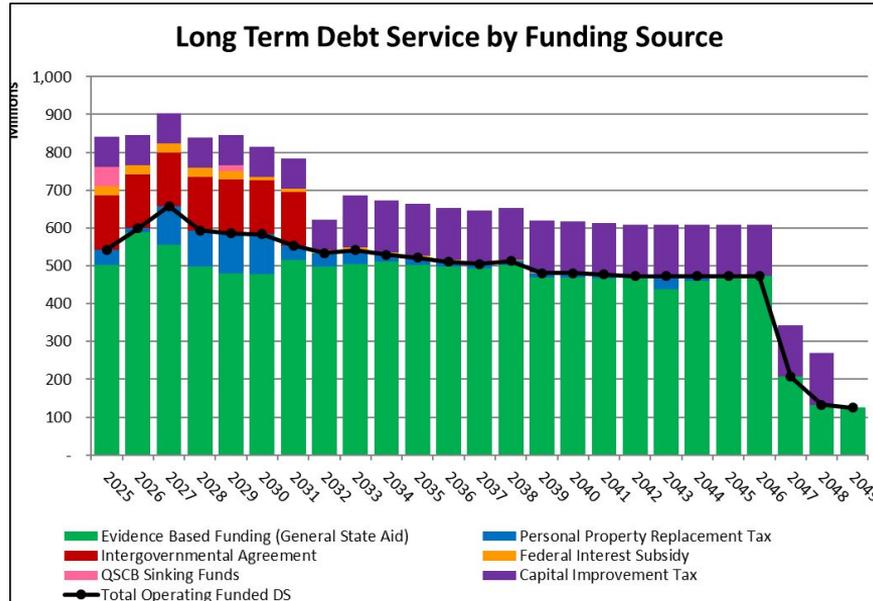
- The district is investing **\$54.7 million to upgrade school network infrastructure** to address equitable connectivity, replace aging hardware at schools, and upgrade the data warehouse and data backups. **\$5.5 will be used to fund the insourcing of custodial equipment.**
- CPS is investing **\$40.0 million for site upgrades.** These investments leverage external funding and will help ensure students can benefit from a well-rounded education that promotes healthy and active development, while providing a resource for each school’s surrounding community.
- The FY25 budget also includes **\$23 million in support services** to implement capital projects.

Budget Category	FY25 Budget* (\$Millions)
IT & Facility Support Investments	\$60.2
ITS Priorities	\$54.7
Critical School Facility Equipment	\$5.5
Site Improvements	\$40.0
Space to Grow	\$15.9
Site Upgrades	\$24.1
Capital Project Support Services	\$23.0

*Includes potential additional outside funding

Debt Service Budget

- CPS has 34 series of long-term bonds or approx. \$9.3B of debt (all fixed rate) that have primarily been issued to fund capital needs
- Our current annual repayment of principal is locked into a relatively slow structure at approx. \$250M per year and rising slightly
- About 20% of our state aid and PPRT revenues are currently used to pay debt service



Note: Does not include future long-term bond financings or current or future short-term financings.

- Despite a deficit driven by the upcoming expiration of federal relief funding and a lack of adequate and equitable state funding, **CPS's budget is balanced and avoids cuts to schools**
- The District's revamped need-based school funding model **sets a resourcing standard for every school** while prioritizing **resources for schools and students that need the most support**
- **Structural funding challenges still exist** and will require additional new revenues to continue the growth CPS students have seen in the last two years

Thank you



FY2025 Budget

Chicago Public Schools