

CPS is facing a total budget deficit of \$734 million going into the 2025-2026 school year. This gap is being driven by several factors.

SIGNIFICANT GROWTH IN COSTS

Growing needs of our students, especially services for a growing number of students with disabilities.

Rising operating costs, including the cost of maintaining CPS' aging buildings.

Growth in historic pension obligations without a dedicated revenue source.

REVENUE PRESSURES

When it comes to state funding, CPS remains over \$600 million short of the state's goal of 90% funding levels for all districts by FY2027.

Federal pandemic relief funding has expired, and funding for teacher recruitment and development, English Learners, STEM, and community schools remains under threat.

CPS' ability to generate local revenues is limited under state law, providing CPS minimal capacity to combat state and federal funding challenges.

CPS' APPROACH TO CLOSING OUR BUDGET GAP

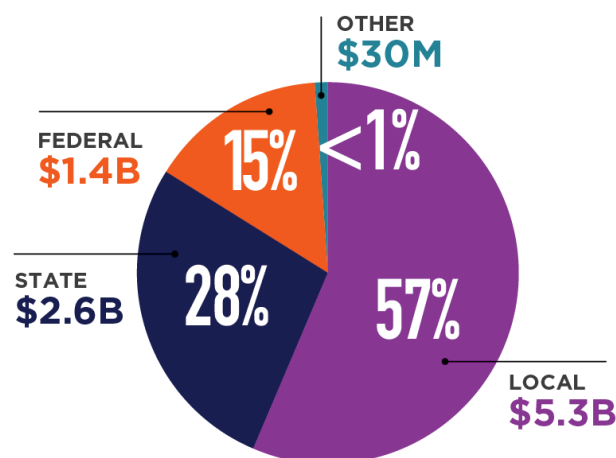
CPS must close a **\$734 million budget gap** and pass a balanced budget by August 28, 2025

As of July 9, CPS has already made **\$165 million in reductions**, which include cuts to administrative staff and expenses, changes to vendor contracts, operational efficiencies and spending cuts, reductions in programmatic spending, and using our existing grant funding more strategically.

That means CPS must find additional savings or revenues to close the remaining **\$569 million gap**. There is broad agreement among stakeholders that CPS should avoid cutting the total amount of funding provided to schools.

CPS is currently working with state and local partners to maximize opportunities for additional revenue, including Tax Increment Financing (TIF) surplus funds. CPS is also engaging with families, staff, students, and other stakeholders to ensure that decisions around the budget reflect the needs of our school communities.

REVENUES (2025)

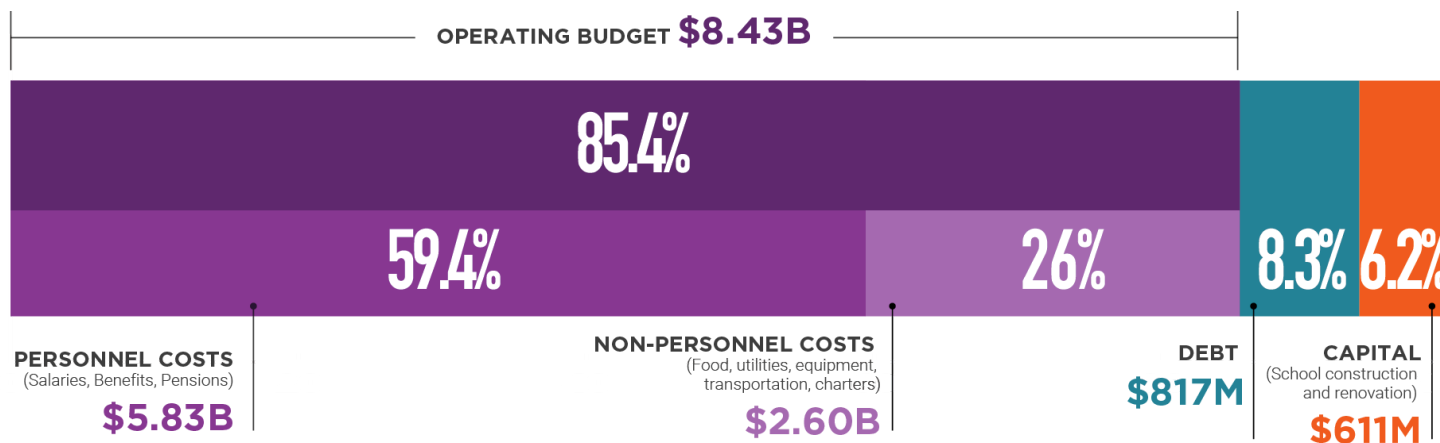


WHERE OUR FUNDING GOES



We are firmly committed to ensuring that every dollar we spend goes furthest for our students and families, so 59 cents (59%) of every dollar spent in our operating budget is tied directly to school-based expenditures and positions with another 36 cents (36%) directly supporting students through citywide services and personnel that benefit multiple schools, such as nurses, custodians, bus aides, and others.

TOTAL BUDGET: \$9.9 Billion (2025)



\$8.43 Billion is our operating budget. It is the budget figure that most people are familiar with, and represents the amount of funds allocated to operate the day-to-day activities of our schools each year.

PERSONNEL COSTS

\$5.83 Billion

59.4 percent of CPS' total budget (69 percent of the operating budget) is used to pay for the salaries and benefits of our 45,965 employees. This includes school-based staff such as teachers, principals, teacher aides, security officers, school clerks, cooks, and janitors. It also includes central office staff that provide administrative and programmatic support to the schools, and network office staff that support schools as they are grouped into 17 networks across the city. We also have city-wide support staff that include coaches, clinicians, nurses, social workers and speech pathologists.

NON-PERSONNEL COSTS

\$2.60 Billion

26 percent of CPS' total budget (31 percent of the operating budget) is used to pay for non-personnel expenses, which are the costs required to keep our schools running. This includes commodities such as food and utilities, instructional supplies, building supplies, and software. It also includes equipment like furniture and computers, transportation via our school bus fleet or CTA passes, and funds for discretionary purchases. Lastly, non-personnel costs also include the tuition we pay to charter schools, which funds salaries and benefits for charter school staff, as well as operational costs for charters.

DEBT

\$817 Million

The debt budget represents the amount of funds allocated to make annual payments on our bonds and other debt payments.

CAPITAL BUDGET

\$611 Million

The capital budget represents the amount of funds allocated for long-term investments in our school facilities including building construction and renovations, and infrastructure-based technology like high-speed internet. This money is raised largely through the issuance of bonds, which are debt instruments like loans, and require annual payments on the bond principal and interest.