FY 2011 Budget Deficit Changes

$1 Billion

$300 M.
Additional State Cuts

$700 M.
CPS FY11 Deficit

$400 M.
Legislative Pension Relief

$600 M.
Pension Relief Law Passed 4/14

$600 M.
Current Deficit

If $300M. in Late State Payments Aren’t Paid, Deficit will Grow

$300 M.
Wildcard!

$400 M.
20K Education Staff Cut Statewide

- **Rockford**
  - District has proposed wage freezes for all union employees
  - Drawing on $30 M. of reserves

- **Peoria**
  - $6 - $8 M. budget shortfall
  - Additional layoffs planned
  - 121 layoffs last year

- **Quincy**
  - Proposed layoff of 319 positions across the 9 county district

- **Elgin**
  - $48.6 M. deficit (12% of budget)
  - Potential layoffs

- **Pontiac**
  - $1 M. deficit
  - Laying off 39 positions
  - Proposed elimination of all sports

- **Decatur**
  - Budget reserve has declined 88% since 2007-2008
  - Collecting fees for sports and activities

- **DuQuoin**
  - $1.9m deficit (19% of budget) due to reduced state funding
Before Touching Schools: Deep Cuts to CO/CW

- 3 rounds of major cuts to Central Office and Citywide Services

$100 Million

$65 Million

$45+ Million
School-based Budget Assumptions

✓ Includes pension reform savings and incorporates $300M cut from State

✓ Keeps as many schools open as possible; abiding by all laws & requirements

✓ Includes only things in our control

✓ Represents a work in progress – More changes are likely
School-based Budget Items: $224 M.
Central Office/Citywide Services: $301 M.

- Teachers: 3,200
- Non-Teaching Staff: 600+

500 Teaching Jobs Saved
300 School-based Jobs Saved

$376 M.
$398 M.

600 Million Reduction
<table>
<thead>
<tr>
<th>SCHOOL-BASED ITEMS</th>
<th>Amt. Restored</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase class size to 22 students per class (HS &amp; Elem.)</td>
<td>$160 M.</td>
</tr>
<tr>
<td>Reduce supplemental resources for magnet, magnet cluster, Montessori, gifted and IB programs</td>
<td>$22 M.</td>
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<tr>
<td>Reduce Early Childhood Education programs</td>
<td>$34 M.</td>
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<tr>
<td>Reduce Bilingual Education programs</td>
<td>$27 M.</td>
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<tr>
<td>Reduce District funded resources supporting full day kindergarten programs</td>
<td>$16 M.</td>
</tr>
<tr>
<td>Reduce discretionary funding at schools not eligible to receive Title I funding</td>
<td>$3 M.</td>
</tr>
<tr>
<td>Reduce positions not supported by student enrollment and formulas, including:</td>
<td>$27 M.</td>
</tr>
<tr>
<td>ESP positions, quota positions, over-formula positions at small schools, clerks, assistant principals</td>
<td></td>
</tr>
<tr>
<td>Cancel plans to expand Academic Enhancement programs</td>
<td>$2 M.</td>
</tr>
<tr>
<td>Reduce operational support including: security, maintenance</td>
<td>$10 M.</td>
</tr>
</tbody>
</table>

**TOTAL** $77 MILLION RESTORED

Lack of Funds: $700 Million
$35 M. to reduce class size from 37 to 35
$34 M. restored to Early Childhood programs
$ 3 M. restored to discretionary funds for schools not eligible for Title I
$ 5 M. restored to security/maintenance support
CPS Needs Level Funding

$300 M.
State Cuts

½ of CPS Deficit

$600 M. Deficit

CPS Needs Level Funding
Key Elements for Reducing Deficit

- Pension Relief: $1 B.
- Level State Funding: $600 M.
- Union Concessions: $300 M.
- Remaining Deficit
Pension Legislation

What it does

- Provides relief in FY2011 operating budget of $400M.
- Requires CPS to contribute Employer Normal Cost in each of the next three years.
- Extends the time in which the plan is required to reach 90% funded status.
- For new employees only:
  - Extends retirement age from 62 to 67.
  - Caps pensionable salary.
  - Limits Cost of Living increases.

What it doesn’t do

- Does NOT grant CPS a contribution holiday.
- Does NOT change the benefits for current CTPF members.
- Does NOT jeopardize or delay payments for retirees.
Budget May Change

Later budget adjustments may be necessary
Will try to honor as much flexibility as possible
FY 2011 Budget Update

April 28, 2010