CPS FY2027 Budget Frequently Asked Questions

What's going on with the CPS budget?

After months of work and community engagement, CPS has created a balanced, responsible, and student-centered budget for next school year that prioritizes classroom learning and the student experience while closing a $732 million budget deficit. This budget is also specifically designed to give CPS time to work with our partners in government to secure additional revenue.

The budget needs to pass by July 30 for CPS to make payroll in September and avoid major disruptions for the upcoming school year.

How much is CPS spending on each area of the budget?

For FY2027, CPS has proposed a $9.96 Billion total budget. Here's the breakdown:

- **Operating Budget: $8.57 Billion.** This 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: $6.29 Billion.** This includes school-based staff such as teachers, principals, teacher aides, security officers, school clerks, cooks, and janitors; city-wide support staff such as coaches, clinicians, nurses, social workers and speech pathologists; 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. However, this figure actually undercounts the total amount CPS spends on personnel, as it does not include personnel costs for charter schools.
  - **Non-Personnel Costs: $2.28 Billion.** This section represents 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: $794 Million.** The debt budget represents the amount of funds allocated to make annual principal and interest payments on our long-term debt.

- **Capital: $600 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.

How do this year's spending levels compare with last year's?

CPS is spending more on direct school funding, while reducing costs in other areas. The decline in charter funding is mainly due to several charter schools closing or transitioning to District management this year.

Budget Category	FY2026	FY2027	Year Over Year % Change
District Schools	$4.29B	$4.46B	4%
Charter	$0.98B	$0.96B	-2%
Citywide	$2.97B	$2.77B	-7%
Network and Central Offices	$0.41B	$0.38B	-7%
Total	$8.66B	$8.57B	-1%

*Note: The decline in charter funding is mainly due to several charter schools closing or transitioning to District management this year.

What is driving CPS' budget deficit?

In a nutshell, our revenue is not keeping pace with our growing costs.

On the cost side, CPS is facing higher costs in several key areas, including:

- Employee pensions
- Labor contracts
- Maintaining CPS' aging buildings
- Paying off the District's $9+ billion long-term debt burden
- Educating our growing population of students with unique needs

On the revenue side, CPS' current funding level has not kept pace with our growing costs:

- **Federal:** Federal pandemic relief aid has expired, and federal funding — especially for students with disabilities — has not kept pace with student needs.
- **State:** CPS is only funded at 73% of what the State of Illinois considers "adequate" according to its own formula.
- **County:** Delays in Cook County's property tax administration have severely disrupted our cash flow, forcing CPS to take out short-term loans to make payroll.

How is CPS closing the budget gap?

While CPS is always working to reduce costs, here is a summary of the specific strategies CPS is employing this year to close our $732 million budget gap. Keep in mind that the vast majority of CPS spending goes towards personnel costs, which means that spending level adjustments often impact personnel.

- **Central Office and Citywide Reductions:** For the second year in a row, CPS is making cuts to central office and citywide staff and expenditures and finding operational efficiencies to save money.
    - Over the past two budget cycles, the District has reduced the central office and citywide staff by 323 employees, closed vacant positions, and implemented a hiring freeze.
    - The District, which issued impact notifications earlier in July to 161 non-unionized central office and citywide employees, will also suspend all raises for non-unionized central office employees as part of the proposed budget.
    - The reductions to staff, frozen positions and salaries, as well as other cost-saving measures at the central office reduces the deficit by about $178.8 million.
- **Aligning School-Based Staff to Students' Needs:** CPS is adjusting school-based staff allocations to align with students' needs and account for lower enrollment.
    - In recent years, CPS has experienced significant growth in the number of students requiring specialized support. To meet this need, **CPS is adding over 1,000 special education positions in FY27**: teachers, classroom assistants, related service providers (physical therapists, occupational therapists, etc.), and support staff. Special education staffing allocations shift year-to-year from school-to-school based on the needs of students within each particular building. CPS will be working to ensure that special education staff are more directly aligned with student needs — working to fill vacancies at schools where more staff is needed, and addressing overallocation at schools where there is less student need.

  - **From 2019 to 2026, CPS enrollment declined by 45,000 students, while staffing increased by nearly 10,000.** As a result, CPS is adjusting school-based staff allocations in FY27. In total, these changes have impacted 759 teachers, 801 education support personnel, and 41 assistant principals. However, CPS had 1,700 staffing vacancies in FY26, and anticipates a comparable number of vacancies in FY27. Staff who are laid off at CPS from cycle-to-cycle are typically retained at a rate of between 65%-85%.
  - Many staffing decisions are also made at the school level; principals work with their Local School Councils to tailor staffing to meet their communities' unique needs — balancing enrollment shifts, programmatic changes, and budgetary realities.
  - Altogether, these school-based staffing adjustments as well as other school-based efficiencies helped reduce the deficit by $163.4 million.
- **Vendor Contracts:** CPS is actively renegotiating contracts and working with our vendors to achieve savings.

Is CPS cutting funding for schools?

No. All in all, CPS is increasing the total amount of funding for schools $143 million next year. However, individual schools budgets may increase or decrease due to enrollment, programmatic shifts, and student needs.

How is CPS increasing funding for schools while still reducing school-based staff?

Much of the increase in direct school funding is to pay for employee raises, which are guaranteed through collective bargaining agreements with labor organizations representing CPS employees.

Will these staffing shifts increase class size limits?

No. Class size limits are determined by our collective bargaining agreements with labor organizations representing CPS employees. CPS also sets aside funding every year to hire additional teachers if class sizes exceed these limits, and works with individual schools at the beginning of the year to provide additional teachers as needed. Last year, CPS placed dozens of additional teachers at schools to ensure adherence to class size limits.

How does CPS distribute funding equitably?

CPS provides a baseline allocation of positions to all schools. CPS then considers enrollment and student needs to distribute additional positions and resources. CPS uses a tool called the

Opportunity Index (OI), which uses school, community, and historical factors to measure differences in access to opportunity across traditional elementary and high schools in the District. It helps CPS Offices, Departments, Networks, and external partners understand the levels of need in schools relative to other schools across the district so resources can be distributed equitably. Click here to learn more about the OI.

Is CPS continuing to explore additional revenue opportunities?

Yes. This budget is specifically designed to give CPS more time to continue our work with government partners to identify additional revenue solutions. CPS' budget is based on a fiscal year that begins on July 1, but the City of Chicago operates on a fiscal year that begins on January 1, and the Illinois state legislature could call a special session later this year to provide additional funding to the District. This gives CPS a critical window to continue working with our partners in government to secure additional state funding and/or additional Tax Increment Financing (TIF) surplus funds from the City of Chicago, and to continue working with Cook County to secure CPS' share of property tax revenue on a timely basis from the prior fiscal year to help with cashflow.

What happens if CPS is unable to secure any additional revenue?

If additional funds do not materialize (a worst case scenario), CPS will close the remaining budget gap by instituting a mid-year spending freeze to keep costs under control.

Are furlough days still on the table?

No. CPS has increased its projection for additional Tax Increment Financing (TIF) revenue from the City of Chicago which would eliminate the need for staff furlough days.

Why isn't CPS considering a loan to close the budget gap?

If the District adds more debt this year, it will take dollars away from the classroom next year and beyond.

CPS already carries over $9 billion in debt. Again this year, CPS will spend about $700 million in operational funding on paying back that debt — money that could instead be used in the classroom.

Taking out loans to support school operations is not a sustainable practice. Current students are paying the price for decisions made in the past. Instead of repeating these mistakes, CPS is committed to learning from them and putting the District on better financial footing.

How has community feedback been incorporated into the budget?

CPS has engaged in extensive community conversations about the District's post-COVID financial reality, soliciting important feedback from families, staff, students, and community members to help drive budget decisions. Over the last year, CPS has hosted over a dozen feedback sessions and public hearings, tracking input from key stakeholders to ensure that community priorities are reflected in the overall budget.

What happens if the budget does not pass by July 30?

In short, CPS would be in danger of missing payroll starting in September — a major disruption right at the start of the school year.

CPS relies on short-term borrowing due to the misalignment between when property tax revenue comes in and when payroll, vendor payments, and other obligations are due. The problem is made more urgent by the delays in the second installment of Cook County property tax revenue. These systemic delays — stemming initially from pandemic-era disruptions and more recently from a technology upgrade to the County's property tax system — have forced the District to rely on costly short-term borrowing to maintain daily operations. Without a budget, CPS will not be able to secure short-term financing, putting CPS in danger of missing payroll for staff in September.