

FACT SHEET: CPS Savings Announced Feb. 2, 2016

Annualized Savings (FY17): \$315 million

\$150* million: eliminate pension pickup for CTU and central office employees

\$100 million: Cut to school budgets, including charters

\$45 million: Central Office streamlining

*Additional \$20 million possible from renegotiating additional union contracts in FY17

FY16 Savings: \$172 million

\$75 million: Cuts to school budgets, including charters*

\$65 million: Eliminate pension pickup for teachers (continue making employer contributions)

\$32.1 million: Central Office Streamlining

*This is divided in two \$50 million components:

- 1) \$50 million in cuts that CPS will execute this year. Because of a recently obtained approval on the use of Title I and Title II funds, CPS will be able to use grant funds to continue some functions at these schools. CPS estimates that approximately \$41 million in grants can be redirected to schools.
- 2) \$50 million in annualized cuts that will be prorated so the District will realize roughly \$25 million in savings in FY16.

Additional Background

- CPS is reducing the per-pupil funding rate under SBB by 4.3 percent. The base per-pupil rate would be reduced from \$4,390 to \$4,201, a reduction of \$189. In this school year, that will mean approximately \$75 million in savings.
- In order to reduce the impact of SBB reductions on the classroom, district-run schools will be eligible for an additional \$41 million in Title I and Title II funding. The district secured approval from the Illinois State Board of Education and the federal government. Principals at District-run schools will work with the District to move forward with reductions and specific information on how grant funding can be used.
- CPS will be eliminating some programs funded by Title I and Title II to support classrooms. CPS will provide a full list of impacted programs as we work through this process. CPS also has the permission of federal and state authorities to spend down previously unspent reserves.
- Charters would lose \$13.8 million of SBB funding.
- Charters have already received their first three quarterly payments, so the entire amount of the reduction would be taken from their fourth quarter payment in April.
- Of the Title I and Title II funds, charters are entitled to a total of \$6.8 million. To claim these funds, charters will have to submit amended program designs, which need to be reviewed and approved, and then they have to submit claims for reimbursement.