

**20% for 20%**

CPS' Budget Crisis

# Who are CPS' students?

- CPS is unlike any other district in the state. As the third largest school district in the country, and the largest in the state of Illinois, our nearly 400,000 students represent diverse backgrounds: 86% qualify as low-income, 85% are students of color, and 17% are English Language Learners.

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- And our students are succeeding - their improvements in math and reading are leading the country. More students are graduating from high school and more are attending and graduating from college than ever before.

# How did the budget get this bad?

- We didn't get here overnight.
- First, for years, the State of Illinois has failed to fully fund education, hurting every school district in the state. But, over the past seven years, the state reduced funding to CPS by nearly 10% or \$569 million dollars -- this year alone, funding for Chicago students was cut by \$106 million. At the same time, the state increased its funding to all other districts by over 40%.
- This year CPS students receive \$0.74 for every \$1 students receive in the rest of the state. In four years, this gap will grow to \$0.60 for every \$1 the state spends outside of Chicago.

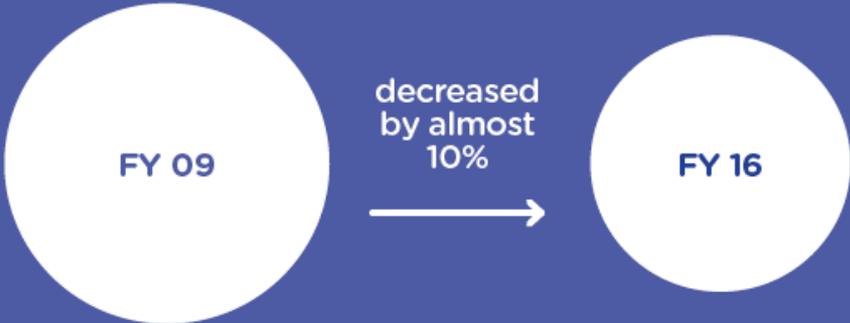
- Second, CPS students face even more daunting prospects: this broken approach to education funding has cut state support while imposing costly mandated pension payments, leaving CPS with less money than our peers around the state. Every other district receives \$2,266 per student from the state for pensions; CPS receives \$31 per student to cover pensions.
- In the past two years, CPS has taken more than \$1 billion out of the classroom to cover pension payments, and will spend another nearly \$700 million this year in pension costs. This is despite the state's assurances that it would contribute CPS teachers' pensions - a promise that is worth \$200 million of this year's payment

- Third, to make matters worse, Illinois is the worst in the nation in supporting the education of children in poverty.

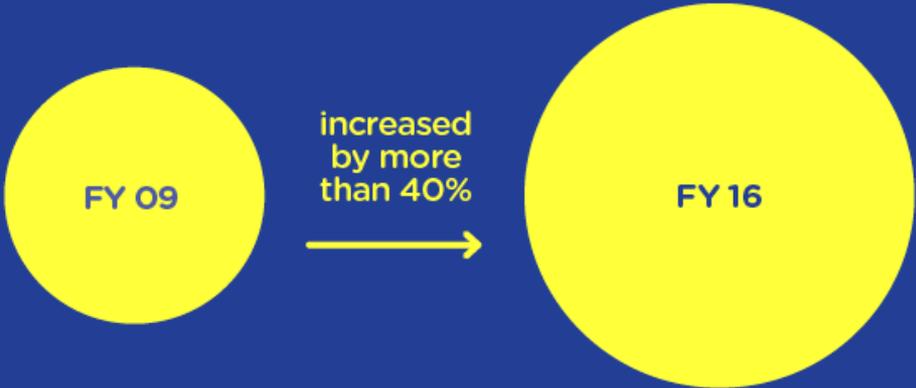
# How has state funding changed?

- Over the past seven years, the state reduced funding to CPS by 10%. At the same time, the state increased its funding to all other districts by 41%.

**Per-pupil state funding 2009 vs. 2016 (CPS)**



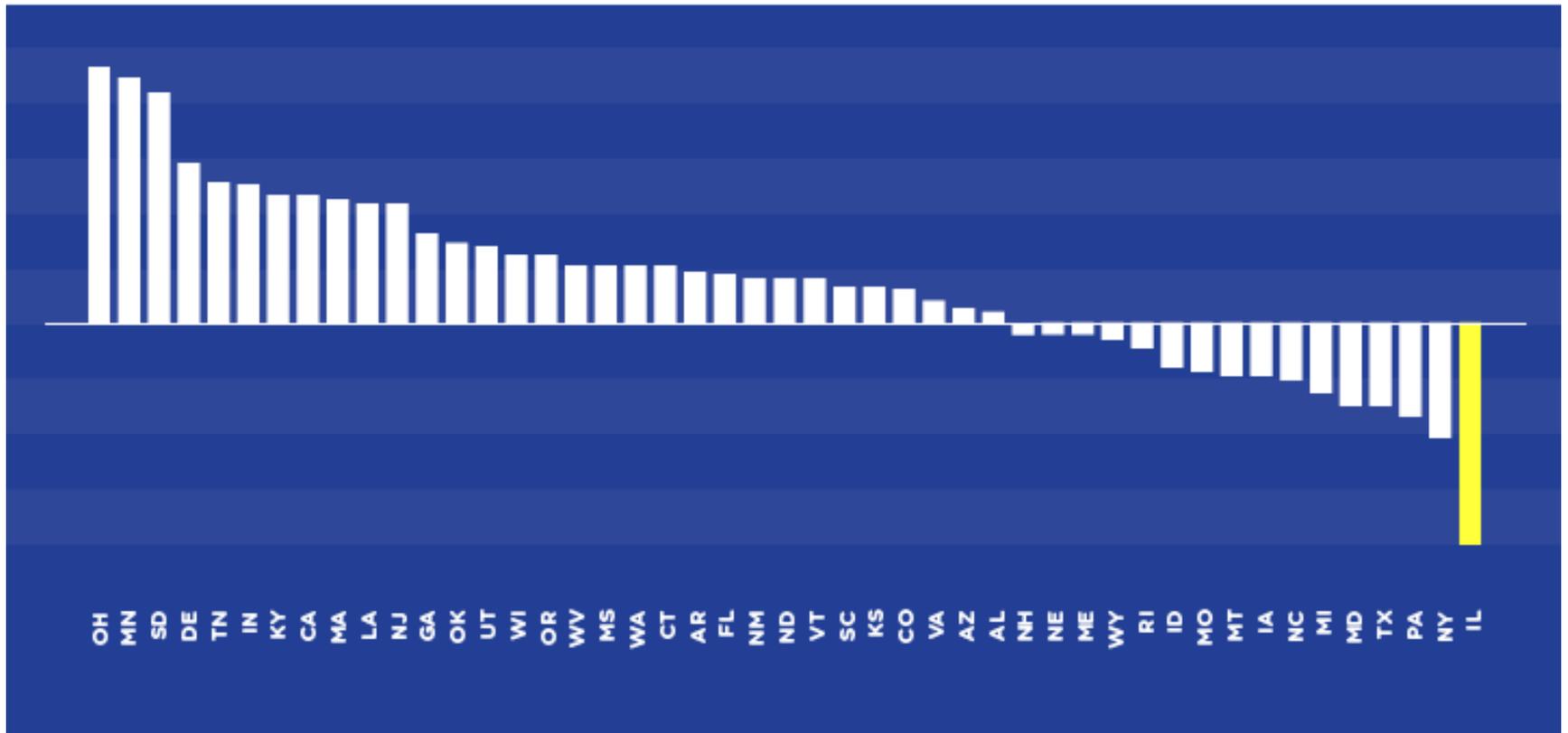
**Per-pupil state funding 2009 vs. 2016  
(All other districts)**



# Does state funding account for low-income

- The state's funding approach does take low-income students into account, but Illinois ranks last in the country for doing so.

**Illinois is the worst in the nation in supporting the education of children in poverty.**



- With the highest percentage of low-income students in the state, this funding approach hurts CPS the most - but districts across Illinois are feeling similar pain. Districts like Peoria, Decatur, Taylorville, East Moline, Rockford, East St. Louis, and countless others that care for the most vulnerable students in the state are being penalized by an outdated and broken approach to education funding.

# What role do teacher pensions play in the

- On top of losing hundreds of millions in funding, over the past two years CPS has also covered state-mandated teacher pension payments without support from the state - something no other district in the state has to do.

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**.**

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- In the past two years, CPS has taken more than \$1 billion out of the classroom to cover pension payments, and will spend another nearly \$700 million this year in pension costs. This is despite the state's assurances that it would contribute CPS teachers' pensions - a promise that is worth \$200 million of this year's payment.
- There's no doubt that teachers deserve the pension they've earned, but the state is demanding CPS live up to its obligations without living up to their own - and the math just doesn't add up. The state is cutting funding to CPS while mandating CPS pay more.

- This is a far cry from the way the teacher pension system in Chicago was supposed to work.
- Chicago Public Schools has one pension system for its teachers, while the State of Illinois has another for teachers statewide. The Chicago Teachers' Pension Fund is supported by two revenue streams: tax revenue from Chicago residents, and a contribution from the state of 20% to 30% of what the state provides other districts.
- For decades, this system worked well - with a higher percentage of the state's population, CPS could support more of its own costs. But over time, much like the state's approach to education funding, the pension systems became separate and unequal.

- As the economic performance of the fund changed and retirees began living longer, pension costs continued to rise. At the same time, the state contributed far less than it intended to, and the population of Chicago decreased, providing less income tax revenue. While trying to find funding solutions on both ends, no pension payments were made for nearly a decade.
- Then, in 2013, the state mandated CPS make pension payments in full each year - for both the amount owed annually, and the amount of the payments missed during the “pension holiday”. To make matters more difficult, CPS was forced to do this with little any contribution from the state.
- The consequences of this are real, and are felt in every school, by every student. The consequences are also felt by Chicago taxpayers. As they see higher state income tax rates, they should know the state is relying on them to pay for the cost of teacher pensions twice: to support the pensions of teachers in other districts, and for Chicago teachers.

# What's at stake?

- Without equal funding, CPS is forced to choose between classrooms and pensions, pitting students against teachers and jeopardizing our success. Hard-working principals and teachers will be asked to do more with even less, and our students will go for another year without all of the resources they need.
- There will be fewer teachers, higher class sizes, less after-school and summer programming, and fewer course choices for students.

# It's easy to cast blame, but the problem must be solved

- Springfield's partisan gridlock makes it hard to see a path forward, but luckily, there are leaders in the state who are proposing solutions, including Senate President John Cullerton, State Senator Andy Manar, and House Speaker Michael Madigan. We will work with our allies on any solution that improves CPS' financial standing, even as we continue to push for full equality.
- But there is one person standing in the way of true reform:
- Governor Rauner did not create this approach, but he is actively supporting a formula that discriminates against low income and minority children across the state -- including CPS students. In his education budget for next year, Gov. Rauner cuts another \$74 million from CPS and maintains the worst education funding system in the country.
- In doing this, he is sending a simple and infuriating message to our school communities: to our students, most of whom are minorities or come from a low-income household, you are worth less than other students in the state. And to our principals and teachers who commit to helping our students achieve a brighter future, your work does not matter.

# How can I help?

- As students, parents, educators, and community members it's critical your representatives know where you stand. Whether it's **sending an email, calling, or even tweeting at them**, make sure you let them know that you don't support another budget that cuts funding to CPS.