

## Ron Huberman June 28 Budget Press Conference Remarks

I want to begin by thanking the parents and others who are with us today and those throughout the city who have been working tirelessly, every day to do their part in improving our schools and the experiences we are able to offer to our kids.

The state's financial situation has caused great uncertainty and anxiety for all of us.

I sincerely *appreciate* and applaud the patience that parents, teachers, CPS staff, principals and students have shown during this very challenging time.

As I have stated – and it has been reported – when CPS began developing a budget for the upcoming fiscal year which begins this week, we were facing an expected budget deficit of approximately \$1 billion.

This projected deficit was reduced to \$600 million when the state passed a temporary pension relief bill in March. \$300 million of the \$600 million deficit was due to cuts in funding while the other \$300 million was due to salary increases mandated under the district's contract with the Chicago Teachers Union and other unions, as well as increased costs to health care, transportation, food services and paying CPS' debt on infrastructure construction and repairs.

Since the beginning of this year, CPS has joined with parents, the CTU, community and religious leaders, elected officials and students in a statewide campaign to restore level state funding in education.

We stood side-by-side in all corners of the city and rallied on the steps of the capitol in Springfield, calling on state legislators to *not* cut education funding.

We had hoped for level funding. And while the General Assembly-passed budget did not cut as deeply as projected, it did cut categorical funding by \$127 million in programs -- including early

childhood, bilingual and special education funding. That left the district facing a best case scenario \$427 million deficit.

Last week – to their credit – the State Board of Education and Governor further reduced state cuts to bilingual and special education program, resulting in what we believe will be an additional restoration of approximately \$57 million to CPS’ budget.

This will reduce our expected budget deficit to \$370 million, a number that could improve -- or worsen -- depending on the state’s final budget – which has yet to be signed into law.

Unfortunately, **none** of these numbers include the over \$352 million that the state still owes CPS for payments we have not yet received from the current fiscal year.

The state’s actions last week, and the district’s on-going efforts to cut programs allows me to announce today that CPS will be able to propose a budget that will fully restore teaching positions for board-funded full-day kindergarten programs and avoid class size increases in our kindergarten through 8<sup>th</sup> grade classrooms. We will also be able to limit class size increases in our high schools to no more than 33 students.

I am making this announcement today – *before* we have a final budget from Springfield – let me repeat that, before we have a final budget from Springfield -- because some Chicago kids go back to school in a handful of communities next week. As teachers report to those schools, they – along with principals and administrators – need to be able to plan accordingly.

I have said all along that the district will do whatever it takes to avoid laying off teachers and staff which will lead to increases in class size. And while I believe that our announcement today does much to answer the concerns of parents and teachers, we will not be able to avoid all layoffs and cuts to CPS programs.

Simply put, the additional \$57 million we will receive from the state is not enough to cover the full cost of keeping class sizes down. The additional cuts we have already made, and will

continue to make, to other district programs to keep class size down this school year are going to be deep and, at times, dramatic.

For example, by the middle of next week, I will have fulfilled my commitment to reduce the number of Central Office and citywide positions by a net 1,000 positions. This includes the 200 employee layoffs which occurred over the course of the last two weeks in June. These were individuals whose commitment to our students was second to none. But budgetary realities *forced* us to let good people go.

Non-union Central Office and citywide employees have received no merit pay raises for the last two years. Every Central Office CPS employee making over \$50,000 has been forced to take 15 unpaid days, equating to a six percent pay cut. This is in addition to the six unpaid days taken last year.

CPS has also been re-negotiating vendor and consultant contracts wherever possible to trim costs, and we have also eliminated CEO and CPS board discretionary accounts.

Closing the remaining deficit will have a painful impact at the school level. We will still be forced to make cuts that will impact our magnet and gifted school programs, bilingual education, enrichment and after school activities. Charter school funding, transportation and school maintenance—among other areas—will be impacted as well.

Altogether, over 1200 teachers will be laid off as a result of this deficit. Every one of these layoffs is incredibly painful. We are doing everything we can to avoid these layoffs.

Some of these cuts and layoffs can be avoided if the CTU and our other collective bargaining units agree to concessions to stave off teacher and staff layoffs.

By just eliminating these units' scheduled salary increases, including the four percent pay increase for CTU and for all unionized employees, we could save the district \$135 million – over

*one-third* of our expected deficit in the coming fiscal year. Additional potential concessions that could reduce the deficit, and reduce teacher layoffs, have also been proposed.

I am hopeful that we will be able to work with the CTU and our other bargaining units to do what it takes to avoid harming our kids.

Teachers are the heart and soul of our schools. They are our front line in improving the futures of our children. And I am committed to providing teachers with every resource at our disposal to help them be successful and educate our children--but we have to be realistic about our current financial state.

Two weeks ago we asked for board approval for an up to \$800 million line of credit to cover payments from the state which we have not yet received. The decisions we have reached and are making today are based on the assumption that the state will pay us the \$352 million that it owes us and will pay its bills in the future. If the state does not do those things, we will be forced to revisit the decisions we are making today during the school year.

CPS is doing everything it can – and calling on our partners to do what they can – to get through this challenging time. Our shared responsibility is our children. We owe it to them to do whatever it takes to put them in the best position possible to be successful.