

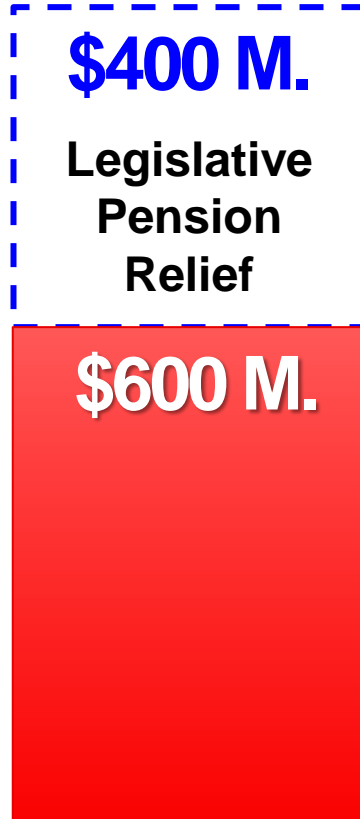
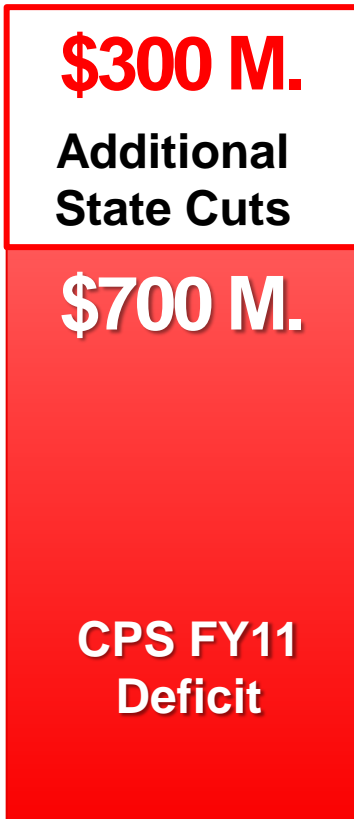
FY 2011 Budget Update



April 28, 2010

FY 2011 Budget Deficit Changes

\$1 Billion



If \$300M. In Late State Payments Aren't Paid, Deficit will Grow



20K Education Staff Cut Statewide

Rockford

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

Elgin

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

Peoria

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

Pontiac

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

Quincy

- Proposed layoff of 319 positions across the 9 county district

Decatur

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

DuQuoin

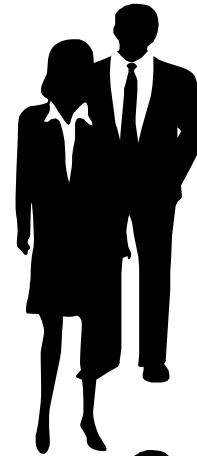
- \$1.9m deficit (19% of budget) due to reduced state funding



Before Touching Schools: Deep Cuts to CO/CW

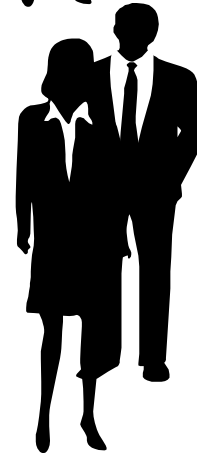
- 3 rounds of major cuts to Central Office and Citywide Services

\$100 Million



536

\$ 65 Million







~~500~~
300

\$ 45+ Million

200

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.~~
~~\$ 301 M.~~

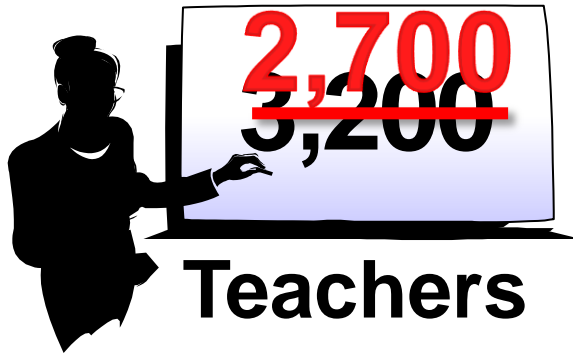
Central Office/

Citywide Services:

~~\$ 376 M.~~
~~\$ 398 M.~~

500 Teaching Jobs Saved

300 School-based Jobs Saved



Non-Teaching Staff

300
~~600+~~

600
~~\$ 700~~ Million

Reduction

SCHOOL-BASED ITEMS

		Amt. Restored
Increase class size to 22 ³⁵ students per class (HS & Elem.)	\$ 160 M.	35 M.
Reduce supplemental resources for magnet, magnet cluster, Montessori, gifted and IB programs	\$ 22 M.	
Reduce Early Childhood Education programs	\$ 34 M.	34 M.
Reduce Bilingual Education programs	\$ 27 M.	
Reduce District funded resources supporting full day kindergarten programs	\$ 16 M.	
Reduce discretionary funding at schools not eligible to receive Title I funding	\$ 3 M.	3 M.
Reduce positions not supported by student enrollment and formulas, including: ESP positions, quota positions, over-formula positions at small schools, clerks, assistant principals	\$ 27 M.	
Cancel plans to expand Academic Enhancement programs	\$ 2 M.	
Reduce operational support including: security, maintenance	\$ 10 M.	5 M.
TOTAL	\$224 M. \$301 M.	77 M.

\$77 MILLION RESTORED



Lack of Funds: \$~~700~~⁶⁰⁰ 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**



\$600 M. Deficit



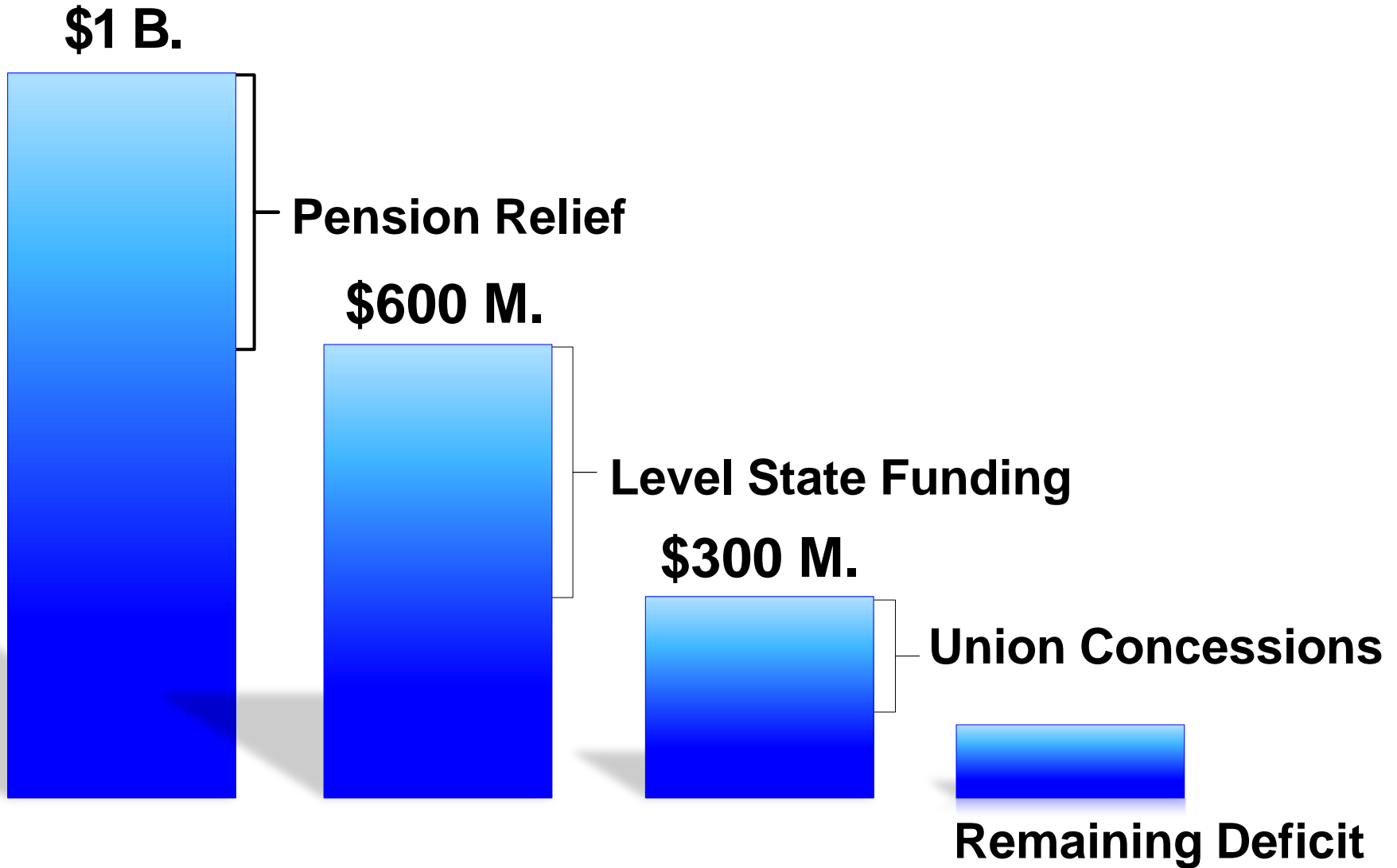
\$300 M.
State Cuts

1/2 of CPS Deficit



CPS Needs Level Funding

Key Elements for Reducing 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

Flexible

FY 2011 Budget Update



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