



# FY2026 Budget Update

July 24, 2025

# Public Engagement on Budget Strategies

To ensure transparency into our current financial situation and gather feedback on priorities of our stakeholders, we launched a public engagement process to hear directly from stakeholders about the tough budget decisions ahead.

## Our process has included:

- 5 community feedback sessions
- A public learning session with a panel of experts in local, state, and federal context
- An all-stakeholder survey for additional opportunities to provide feedback (survey closes Friday, 7/25)

## COMMUNITY FEEDBACK SESSION DATES:

**Monday, July 14**

Dyett High School

**Tuesday, July 15**

Westinghouse High School

**Thursday, July 17**

Roosevelt High School

**Saturday, July 19**

Back of the Yards College  
Prep High School

**Monday, July 21**

Virtual

**Each community feedback session began with a short presentation that highlighted:**

- **Context** around CPS budget and funding sources
- **Overview** of the District's \$734 million deficit and
- **Revenue, cost pressures, and debt** contributing to the District's financial challenges
- **Options** CPS has to solve the budget shortfall for the coming year

**Our goal was to provide a clear and transparent overview of the District's current situation to set context for roundtable discussions that followed.**

# Community Feedback Sessions

Roundtable discussions among community members made up the majority of each feedback session.

Participants shared feedback, priorities, and ideas on what is important to them from their perspective as a student, parent, teacher, LSC member, or other CPS stakeholder.

CPS staff at each roundtable discussion captured real-time feedback, allowing us to compile the notes from over 60 round table discussions with over 650 participants.

Participants from each roundtable shared with the room key takeaways from their discussions at the completion of each session.



# Community Feedback Sessions

Our five community feedback sessions were attended by over 650 participants, including students, parents, teachers, principals, Board members, elected officials, and other community members.

Location	Date	Attendees
Dyett HS	Monday, 7/14	101
Westinghouse HS	Tuesday, 7/15	84
Roosevelt HS	Thursday, 7/17	88
Back of the Yards College Prep HS	Saturday, 7/19	95
Virtual	Monday, 7/21	287
<b>Total</b>		<b>655</b>

# What We've Heard

## Key takeaways:



Work with the State and City to secure additional dedicated revenue



Avoid cuts to schools or programs that would hurt students' education, wrap-around services, or social and emotional well-being



Ensure a more equitable distribution of resources



Continue engagement with communities

# Major Themes from Community Feedback

## 1. Revenue + Available District Resources



The need for **more revenue** was the most agreed-upon theme:

**77%**

of conversations stated this need specifically

Participants believe elected officials should be partners in finding revenue:

**71%**

of tables believed CPS needs to engage with elected officials on additional revenue options

**37%**

of tables wanted officials to be part of the feedback sessions

**23%**

of tables were concerned about the impact of federal cuts

# Major Themes from Community Feedback

## 1. Revenue + Available District Resources

Among potential major revenue sources discussed were:



Additional state  
revenue



Community resources,  
such as local  
businesses,  
non-profits, and  
neighborhood groups  
**(40% recommended  
exploring)**



Recouping funds that  
have been diverted to  
City TIFs **(37%)**



Equitable revenue  
sources, such as a  
progressive income  
tax **(27%)**



## 1. Revenue + Available District Resources



**37%**

of participants stated the  
need for creative new  
sources of revenue

Participants (**37%**) stated the need for creative new sources of revenue; some of the ideas included:

- Advertising revenue
- Digital ad taxes
- Proceeds from local festivals and other events
- Sale of energy generated through CPS' green energy projects

## 1. Revenue + Available District Resources

Of the 13 (21%) tables that discussed borrowing:

- **77%**  
stated the district should avoid borrowing
- **23%**  
were open to borrowing to avoid cuts to student services

Of the 15 (24%) tables that discussed the MEABF payment:

- **100%**  
of these tables had participants opposed to CPS making the payment
- **12%**  
of these tables had participants propose making the payment only in return for additional local revenue

## 2. Budget Cuts



**66%**

of tables urged CPS  
to avoid further cuts to  
classrooms

**39%**

mentioned a preference for cuts to central  
office departments over cuts to classrooms

**32%**

specifically urged the district to focus on the  
needs of students, not adults, when  
considering cuts

## 2. Budget Cuts

Many tables named specific services and programs to prioritize, including:

**68%**

Services for students with disabilities

**48%**

Wrap-around services, including social-emotional learning and mental healthcare

**34%**

Before- and after-school programs

**29%**

Services for English learners

**23%**

Career and technical education

**21%**

Arts programs

## 2. Budget Cuts

Out of the **56%** of tables that mentioned school utilization:

- **71%** were open to conversations about closures or consolidation; while
- **29%** believed CPS should not consider closures or consolidations.
- **35%** of conversations included mentions of capital needs at current CPS schools.
- **32%** of tables were concerned about the cost of maintaining already-closed schools still owned by CPS.

# Major Themes from Community Feedback

## 3. Stakeholder Engagement



Overall, **60%** of tables wanted CPS to do additional engagement with communities around budget decisions

Participants believed the following voices should be heard more:

32%	Students
31%	Politicians or policymakers
15%	Principals
6%	Teachers
6%	Parents
5%	Philanthropic organizations
3%	Community organizations

## 3. Stakeholder Engagement

### Participants wanted more information about:

**35%** The history of CPS' budget leading up to the current deficit

(35% were surprised at the size of the deficit while 23% were surprised at the amount of already-existing debt)

**34%**

Where potential cuts might fall

**18%**

Differences in law between CPS and other districts

**29%**

The district's current funding model

**18%**

The consequences of taking out more debt

## 4. Resource Equity



**60%**

of conversations expressed  
that CPS should prioritize  
equity when making  
resource decisions

**In these conversations:**

**30%**

want CPS to continue prioritizing supports  
for traditionally underserved students.

**27%**

showed concern that the deficit would  
most negatively affect students furthest  
from opportunity.

Additionally, **8%** of conversations expressed interest  
in inequities *between* districts/across the state.



## Learning Session

In addition to our community feedback sessions, CPS hosted a public learning session to engage local, state, and national experts on issues impacting CPS' financial situation.

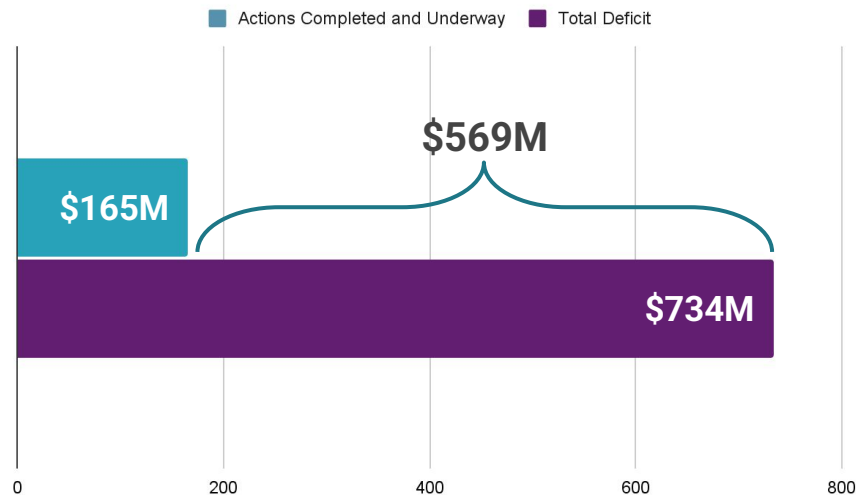
**This panel discussion – available on CPS' YouTube channel – included explorations of:**

- Historic challenges in state and local funding for Chicago Public Schools
- Context around how pension decisions in prior decades contribute to our challenges today
- Discussion of how the state's Evidence-Based Funding works and how it has improved state funding equity while remaining significantly underfunded
- Challenges facing school districts nationwide following the expiration of COVID-relief funding in the face of still-growing student needs
- How improvements in resource equity within CPS have driven gains for Chicago's students

# Current Progress on Solving \$734M Deficit

Over the previous months, **we have identified \$165M in deficit reducing actions** primarily related to departmental budget reductions. With these actions complete and underway, **we need to identify \$569M of additional strategies** to balance the budget.

The \$165M of actions to date includes cuts to administrative staff and expenses, vendor contracts, operational efficiencies and spending cuts, reductions in programmatic spending, and strategic utilization of existing grant funding.



# Making Progress on Solutions

Over the last few weeks, we have been working hard to find ways to close the budget gap and keep the impact off of our classrooms.

## Our work has included:



Ongoing conversations with the City and elected officials on revenue options



Aggressive analysis of the budget for structural budget reforms that include efficiencies, vendor savings, and cuts away from the classroom



Setting strategies with District leadership based on community feedback and a student-centered, equitable approach to structural budgetary solutions

# School-Level Changes in Resourcing

School budgets provided to Principals and LSCs in May and submitted in June maintained overall funding levels for schools.

Recent school-level employee impacts were part of our annual budget and workforce planning process.

**These annual changes are the result of changing needs, shifts in programming, and local-level decisions, and in line with the shifts we have seen in prior years based on school-level needs.**

Since the total amount of funding provided directly to school budgets remained the same, these impacts did not contribute to closing the deficit.

This budget has protected school funding and our priority is to continue to protect school funding heading into the new year.

# Working Toward a Final Budget

Over our remaining weeks, we will be working to put strategies into action to present a balanced budget to the Board for approval.



We will continue to engage with our state, city, and labor partners on **options for more revenue**



Our plan will lean heavily on feedback that we've received and prioritize options that **keep cuts away from our classrooms**



Our plan will be **student-centered and equitable**, aligning with the priorities of the District's strategic plan

Our proposed budget will be published by August 13, with two budget hearings to gather final feedback the week of August 18, and presentation of the budget for approval by the Board at the August 28 board meeting.