

Chicago Board of Education:

*Bond Issue Notification Act (BINA) Hearing
August 28, 2019*



Bond Authorization - Process

- **The Purpose of today's hearing is to discuss CPS' request to authorize the issuance of up to \$1.9B in General Obligation Alternate Revenue Source Bonds**
- **Since 1988, Illinois State Statute prescribes the process for authorizing General Obligation Alternate Revenue Source Bonds for all school districts**
 - There are currently three steps in this process
 - The first two steps are being taken today
 - CPS must seek additional Board approval to take the third step

Step 1: Bond Issue Notification Act (BINA) Hearing

Public hearing to explain the proposed issuance and receive comments on the sale of the bonds.

Step 2: Bond Authorization

Board approves bond authorization that is good for 3-years and caps the amount of bonds

Step 3: Approval of Actual Bond Resolution

CPS must seek additional Board approval for specific bonds to be issued



Bond Authorization - Request

- **CPS is requesting approval of not to exceed \$1.9 billion in General Obligation Alternate Revenue Bond authorization**
- CPS must seek additional Board approval for specific series of bonds to be sold
 - No bonds can be sold until passing a bond resolution is completed
- All of the \$1.9 billion in authorization is not required to be used
- This authorization will cover future issuances of bonds for a period up to 3-years
- The next series of bonds (when issued) will finance capital projects from the FY19 Capital Plan that remain to be financed and the proposed FY20 Capital Plan

Estimated Authorization Use Breakdown	
2019 Capital Plan Completion	\$650M
2020 Capital Plan	\$553M
2021 and Beyond Capital Plans	\$697M
Total FY2019 Authorization	\$1.9B



CPS Capital Budgets - Overview

- **CPS Capital Budgets fund long-term investment in the District, such as the repairs and renovations to existing schools, and other major projects**
- CPS Capital Budgets are primarily funded through bonds issued by the District
- **Improvements in CPS' financial health and a stronger overall financial position are what provide greater access to capital and the ability to issue bonds**
- CPS's FY20 Capital Budget alone will provide capital projects at over 300 Schools
- Prioritized critical building needs that support academic initiatives will be financed
 - Mechanical Systems (HVAC & Controls)
 - Building Envelope (Roof, Masonry, Windows)
 - Safety, ADA & Other
- **Education investment highlights from the FY20 Plan also being financed include:**
 - State-of-the-Art High School Science Labs
 - High Speed Internet Access and Devices
 - Expansion of Full Day Pre-K
 - Accessibility Improvements
 - IB, Stem, Magnet and Classical Expansion

