



Senate Bill 1947: Benefiting Chicago Students, Educators and Families and Improving Chicago Public Schools' Long-Term Financial Stability

For decades, education advocates from around the state have worked tirelessly to reform Illinois' inequitable funding system, and this hard-fought compromise puts every district in the state on a path toward equitable funding. As a result of this compromise, CPS' finances will improve significantly, allowing educators, students and families to focus on continued academic progress. While work remains to further improve CPS' long-term finances, this compromise will provide approximately \$450 million in additional resources in the coming year and put CPS on stronger financial footing in the years to come.

More Equitable Funding Formula:

SB1947 institutes the reforms made under SB1. Specifically:

- **\$76 million** in additional funding through the new, more equitable funding formula
 - The State will provide an additional \$361 million through the formula. CPS' share of the new formula will be approximately \$76 million more than the district received through the formula in FY17.
- **\$18.5 million** additional for early childhood education
- **\$13 million** additional for bilingual education
- **\$4 million net loss** from a series of increases and decreases in the state budget, including orphanage tuition, agricultural funding and state-commissioned charter schools

Additional Pension Funding Keeps More Dollars in the Classroom:

For FY18, CPS' total pension obligation is \$784 million. The additional pension funding from the state and authority to increase CPS' dedicated pension levy, more dollars will stay in the classroom.

- **\$221 million** in CPS' "normal" pension costs
 - In FY17, the State contributed only \$12 million to Chicago teacher pensions, or 1.6 percent of CPS' total pension costs
 - Beginning in FY18, the State will pay "normal" pension costs for the Chicago Teachers Pension Fund, with an annual continuing appropriation. This represents an 18-fold increase in contributions from the state.

SB 1947 also gives the Chicago Board of Education the authority to increase CPS' dedicated property tax pension levy outside the cap from a rate of 0.383 percent to 0.567 percent. This change is currently estimated to generate an additional \$125 million in FY18 for a total property tax levy of roughly \$2.9 billion. This represents a 5 percent increase in CPS' overall property tax levy, or a 2.5 percent increase for the average homeowner.

In total, CPS is expected to receive approximately \$450 million in additional funding through SB 1947.