



CHICAGO PUBLIC SCHOOLS' DEBT BURDEN WORSENS

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THE FINANCIAL STATE OF CHICAGO PUBLIC SCHOOLS

A new analysis of the latest available audited financial reports found Chicago Public Schools (CPS) has a Taxpayer Burden™ of \$17,690, earning it a “D” grade from Truth in Accounting.

CPS officials have made repeated financial decisions that have left the school district with a debt burden of \$16 billion. That burden equates to \$17,690 for every Chicago taxpayer. The school district’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$25.4 billion in retirement benefits promised, the district has not funded \$12.4 billion in pension and \$2.2 billion in retiree health care benefits.

THE TRUTH:

\$16 billion

Money needed to
pay bills

-\$17,690

Taxpayer
Burden

D

Financial
grade

Data included in this report is derived from the Chicago Public Schools’ 2017 audited Comprehensive Annual Financial Report and retirement plans’ reports.

CHICAGO PUBLIC SCHOOLS FINANCIAL BREAKDOWN

FAST FACTS

- CPS has \$2.8 billion available to pay \$18.8 billion worth of bills.
- The outcome is a \$16 billion shortfall, which breaks down to a burden of \$17,690 per Chicago taxpayer.
- If retirement benefits or other costs are not reduced, then taxpayers could have to pay \$17,690 in future taxes without receiving any related services or benefits to fund the school district’s debts.

THE DISTRICT’S BILLS EXCEED ITS ASSETS

Total assets	\$9,633,195,000
<i>Minus:</i> Capital assets	-\$5,994,362,000
Restricted assets	-\$835,455,000
Assets available to pay bills	\$2,803,378,000
<i>Minus:</i> Total bills	-\$18,755,812,000
Money needed to pay bills	-\$15,952,434,000
Each taxpayer’s share of this debt	-\$17,690

BILLS THE DISTRICT HAS ACCUMULATED

Bonds	\$7,928,314,000
Other liabilities	\$2,881,351,000
<i>Minus:</i> Debt related to capital assets	-\$6,638,586,000
Unfunded pension benefits	\$12,382,417,000
Unfunded retiree health care	\$2,202,316,000
Total bills	\$18,755,812,000

GRADE: D

Bottom line: Chicago Public Schools would need \$17,690 from each Chicago taxpayer to pay all of its bills. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D” grade.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.