



CHICAGO PUBLIC SCHOOLS RECEIVES 'D' GRADE FOR ITS FISCAL HEALTH

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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 \$18,900, 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 \$17.1 billion. That burden equates to \$18,900 for every Chicago taxpayer. The school district’s financial problems stem mostly from unfunded retirement obligations that have accumulated over the years. Of the \$26.8 billion in retirement benefits promised, the school district has not funded \$13.4 billion in pension and \$2.3 billion in retiree health care benefits.

These statistics are troubling, but what’s more troubling is that school district officials and city government officials continue to highlight general fund surpluses while not taking these large unfunded retirement promises into account. Residents and taxpayers are left with a false impression of their district’s overall financial health

THE TRUTH:



Data included in this report is derived from the Chicago Public School’s 2018 audited Comprehensive Annual Financial Report and retirement plans’ reports.

CHICAGO PUBLIC SCHOOLS FINANCIAL BREAKDOWN

FAST FACTS

- CPS has \$2.7 billion available to pay \$19.8 billion worth of bills.
- The outcome is a \$17.1 billion shortfall, which breaks down to \$18,900 per Chicago taxpayer.
- Not only are Chicago taxpayers responsible for the school district’s \$18,900 Taxpayer Burden, but also for Chicago’s Taxpayer Burden of \$38,100, Illinois’ Taxpayer Burden of \$52,600, and the debt of other local government units.

THE DISTRICT’S BILLS EXCEED ITS ASSETS

Total assets	\$9,598,922,000
<i>Minus:</i> Capital assets	-\$5,960,496,000
Restricted assets	-\$973,309,000
Assets available to pay bills	\$2,665,117,000
<i>Minus:</i> Total bills	-\$19,777,049,000
Money needed to pay bills	-\$17,111,932,000
Each taxpayer’s share of this debt	-\$18,900

BILLS THE DISTRICT HAS ACCUMULATED

Bonds	\$8,697,941,000
Other liabilities	\$2,069,402,000
<i>Minus:</i> Debt related to capital assets	-\$6,703,902,000
Unfunded pension benefits	\$13,442,717,000
Unfunded retiree health care benefits	\$2,270,891,000
Total bills	\$19,777,049,000

GRADE: D

Bottom line: CPS would need \$18,900 from each Chicago taxpayer to pay all of its bills, so it has received a “D” for its finances from Truth in Accounting. According to Truth in Accounting’s grading scale, any government with a Taxpayer Burden between \$5,000 and \$20,000 receives a “D.”

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.