



Board of Education

Office of the Board
1 North Dearborn Street
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Chicago, IL 60602

Board Report

25-0130-EX4

Agenda Date: 1/30/2025

REPORT OF THE CHIEF EXECUTIVE OFFICER PURSUANT TO BOARD RULE 5-4

[Scroll to next page for Board Report]



Report of the Chief Executive Officer pursuant to Board Rule 5-4

Board Rule 5-4 sets forth the requirements for financial reporting and forecasting.

Board Rule 5-4 recognizes the importance of forecasting revenues, other resources, and expenditures in order to understand the level of funding available for District operations. As trustees of the community, the Board believes that long-term financial planning is a key fiduciary duty and important to the process of being fiscally responsible stewards of public monies.

Board Rule 5-4 states that on a quarterly basis in a fiscal year, the CEO shall submit to the Board a Current Fiscal Year Revenues and Expenditures Report, which shall include current fiscal year revenues and expenditures by fund, the appropriation for each fund for the current fiscal year, and a forecast of revenues and expenditures by fund for the remainder of the fiscal year.

Reports pursuant to this Rule shall be filed with the Board on its public agenda at the first regular board meeting following the date of submission to the Board.

Table 1: FY2024 Q4 Budget to 12-month Actuals: Overview

| (\$ in millions) | FY2024 Budget | Actuals through 12/5/24 | Projected Variance to Budget |
|---|---------------|-------------------------|------------------------------|
| Revenues over/(under) | \$ 8,489.5 | \$ 8,359.2 | \$ (130.3) |
| Expenditures over/(under) | \$ 8,489.5 | \$ 8,352.9 | \$ (136.7) |
| Revenues and reserves over/(under) expenditures | - | \$ 6.4 | \$ 6.4 |

Table 2: FY2024 Q4 Budget to 12-month Actuals: Revenue

| (\$ in millions) | FY2024 Budget | Actuals through 6/30/24 | Projected Variance to Budget over/(under) | Variance Explanation |
|---|----------------------|--------------------------------|--|---|
| Property taxes | \$ 3,640.9 | \$ 3,639.6 | \$ (1.3) | Lower than projected property value in final collections |
| Replacement taxes | \$ 538.7 | \$ 343.1 | \$ (195.6) | Decrease in funds collected by the state for distribution |
| State aid | \$ 1,971.3 | \$ 1,987.8 | \$ 16.5 | Outperformance in state categorical funding |
| Federal aid | \$ 1,670.6 | \$ 1,681.6 | \$ 11.0 | Increased ESSER claims to account for additional expenses |
| Interest and investment earnings | \$ 7.0 | \$ 19.6 | \$ 12.6 | Outperformance due to higher than anticipated interest rates |
| TIF surplus | \$ 96.9 | \$ 225.6 | \$ 128.7 | Additional funding included in city 2024 budget |
| Other | \$ 564.1 | \$ 462.0 | \$ (102.1) | Budget neutral variance reflecting unused grant contingencies |
| Total | \$ 8,489.5 | \$ 8,359.2 | \$ (130.3) | |

Table 3: FY2024 Q4 Budget to 12-month Actuals: Expenditures

| (\$ in millions) | FY2024 Budget | Actuals through 6/30/24 | Projected Variance to Budget over/(under) | Variance Explanation |
|-------------------------|----------------------|--------------------------------|--|--|
| Salaries | \$ 3,512.3 | \$ 3,594.8 | \$ 82.5 | Additional school-based staff primarily for special education needs supported by federal ESSER funding |
| Benefits | \$ 631.4 | \$ 603.5 | \$ (27.9) | Lower than expected benefit spending |
| Pension | \$ 1,480.6 | \$ 1,474.1 | \$ (6.5) | Lower than expected contributions on behalf of CPS employees |

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|---------------------|-------------------|-------------------|-------------------|---|
| Commodities | \$ 358.1 | \$ 430.7 | \$ 72.7 | Additional supplies and utility spending supported by federal funding |
| Services | \$ 1,679.0 | \$ 2,008.1 | \$ 329.0 | Additional spending on building maintenance and services and student transportation; federal funding for charter schools budgeted in "other" accounts |
| Equipment | \$ 73.3 | \$ 166.3 | \$ 92.9 | Additional spending on student devices and school-based equipment needs supported by federal funding |
| Rent | \$ 23.4 | \$ 5.8 | \$ (17.6) | Lower expenditures due to reclassification of expenses per GASB 87 |
| Debt service | \$ 19.5 | \$ 54.3 | \$ 34.8 | Higher expenditures due to reclassification of expenses per GASB 87 and GASB 96, and interest payments to CTPF |
| Other | \$ 711.8 | \$ 16.2 | \$ (695.6) | Funds transferred throughout year to other accounts aligned with FY24 federal funding strategy and underspend in grant contingencies |
| Total | \$ 8,489.5 | \$ 8,352.9 | \$ (136.7) | |

*Totals may not foot due to rounding

This report is filed with the Secretary of the Board this 24 day of December, 2024.