OFFICE OF THE MAYOR

CITY OF CHICAGO

FOR IMMEDIATE RELEASE
April 16, 2018

CONTACT:
Mayor's Press Office
312.744.3334
press@cityofchicago.org

Statements from Mayor Emanuel, CPS CEO Dr. Janice K. Jackson on S&P's Improved Outlook for CPS

Mayor Rahm Emanuel and CPS CEO Dr. Janice K. Jackson released the following statements after S&P revised the school district's GO Bond rating outlook to "positive":

"Seven years ago, we inherited a school district with shaky finances that struggled with legacy pension costs and today Chicago Public Schools is on much stronger financial ground because of our collective efforts – especially working with the General Assembly to pass historic school funding reform," said Mayor Emanuel. "More importantly, CPS' improved finances mean that Chicago's students can continue to make the kind of remarkable academic progress that Stanford University calls a national model."

"CPS is on much stronger footing both financially and academically, thanks to hard work from our leaders to achieve historic education funding reform and to invest in students' academic achievements," said CPS CEO Dr. Janice K. Jackson. "National academic experts at Stanford and the University of Chicago point to CPS as a national model for academic improvements, and we're gratified that S&P just acknowledged that our financial outlook has improved, too. Looking ahead, improved finances mean that we can focus on our most important work: giving every child in every neighborhood a great education."

Background:

- S&P has improved the outlook to "positive" from "stable" (B rating affirmed).
- According to S&P the outlook revision is based on recent evidence of the state's new funding formula "which improved the district's financial outlook," as well as the District's "improved cash position."
- All three rating agencies have improved CPS' ratings over the last year, including a one notch upgrade by Fitch and outlook improvements by S&P and Kroll.
- CPS reduced its short-term borrowing by $455M in FY18 vs FY17. This was a $200M improvement versus previous market expectations of $1.3B in maximum FY18 short-term borrowing.
- CPS interest rates have drastically declined due to its improved financial position and the new state funding. The 30-year bond went from a 7.65% in July to a 4.80% in November or 285 bps.

###