OFFICE OF THE MAYOR

CITY OF CHICAGO

FOR IMMEDIATE RELEASE
July 26, 2018

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

STATEMENT FROM MAYOR EMANUEL, CPS BOARD PRESIDENT CLARK AND CPS CEO JACKSON ON S&P'S BOND RATING UPGRADE

Mayor Rahm Emanuel, Chicago Board of Education President Frank Clark and CPS CEO Janice K. Jackson today released the following statement after S&P upgraded the district's bond rating from B stable to B+ stable:

"Following the passage of the district's latest budget, S&P's upgrade affirms that CPS is on firmer financial footing and reinforces the confidence to invest in priorities like universal free pre-K for all 4 year-olds. As a result of the historic funding reform that our families, educators and elected officials worked so hard to achieve, we can invest more in the programs that are driving the unprecedented academic progress our students are making, especially STEM, IB and universal science labs. Our students deserve the absolute best, and we are committed to further strengthening our finances and our schools so that all families in every Chicago neighborhood can benefit."

Background:

- S&P upgraded CPS bonds today from B stable to B+ stable.
- S&P attributed the upgrade to significant financial progress, noting that, "In April 2018, when we revised the outlook to positive, we said the rating could be raised by one notch after further evidence of increased state funding for fiscal 2018, fiscal 2018 estimates showing a surplus result and a positive fund balance, the board adopting a balanced fiscal 2019 budget, the state adopting a fiscal 2019 budget that included full EBF funding, and the cash flow continuing to show improvement in line with or better than projections—all of which have occurred."
- All the rating agencies have upgraded CPS over the last year, including a one notch upgrade by both Fitch and S&P, as well as a total of four outlook improvements by Fitch, S&P, and Kroll.
- In FY18, CPS reduced its short-term borrowing by $455M compared to FY17. In FY19, CPS expects to reduce its short term borrowing by another $100M to $994M. As a result of the improved cash position, CPS saved $68M in interest in FY18 and expects to save at least an additional $10M in FY19.

###