



DID YOU KNOW?



EXPLAINING FIGURES

REVEALING FACTS

DISPELLING MYTHS

CCPS BUDGET - FREQUENTLY ASKED QUESTIONS

as of September 2025

What is “deficit spending”?

Deficit spending happens when expenses exceed revenues — essentially, when more money is being spent than the District receives.

Is the District currently deficit spending?

Yes.

Why is the District deficit spending?

State funding has not kept pace with rising operational costs. Key drivers include increased expenses for salaries, health insurance, retirement contributions, utilities, instructional materials, contracted services, and the costs of opening and operating new schools.

How much did the District deficit spend last year (2024-25)?

\$9.3 million.

How much is the District projected to deficit spend this year (2025-26)?

\$42.2 million.

What is the difference between Operating and Capital funds?

Operating (General) funds pay for the District's day-to-day operations. This includes teacher and staff salaries, benefits, classroom supplies, instructional materials, software, utilities, transportation, contracted services, and other costs needed to run schools each year.

Capital funds are legally restricted for educational capital needs. They pay for construction of new schools, renovations and remodeling, furniture, buses, equipment, technology, and repayment of debt tied to capital projects.

Can capital funds be used to pay teacher salaries?

No. These funds are restricted by law for building and maintaining capital assets and therefore cannot be used to pay teacher salaries.

The District is expected to be debt-free in 2026. Can those funds then be used to pay teachers?

No. Debt payments are made from a transfer of restricted capital funds, and by law those funds cannot be used for teacher salaries.

Achieving a debt-free status in the capital fund helps the District sustain the tax-neutral referendum; without eliminating this debt, continuing the referendum at its current level would not have been possible.

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What is the “tax-neutral referendum”?

In 2024, voters approved a renewal of the tax-neutral referendum that shifts 0.35 mills from capital funding to operating funding without increasing the overall tax rate. In fiscal year 2025–26, this shift is expected to generate \$60.4 million for the operating fund while reducing the capital fund by the same amount. The 2025–26 fiscal year marks the first year of this four-year referendum.

What if the tax-neutral referendum had not been renewed?

Without the tax-neutral referendum, the District’s operating budget deficit would have grown by an additional \$60.4 million. In other words, instead of a projected \$42.2 million deficit, the shortfall would have exceeded \$100 million.

What is a “recurring” cost?

A recurring cost is an expense that continues year after year once it is added to the budget.

Are step increases or salary increases considered recurring costs?

Yes. Any step or salary increase provided this year must also be funded in future years.

Does the District have reserve funds balance to cover budget shortfalls?

Yes. The District established a Reserve for Future Budget Shortfalls to help withstand periods of reduced funding and times when per-student funding lags behind inflationary costs. This reserve has enabled the District to balance the budget for this school year despite a projected \$42.2 million deficit. However, it is projected to be nearly depleted and significantly reduced by the end of the fiscal year, excluding the impact of any proposed salary increases.

Is using reserve funds a sustainable way to fund salary increases?

No. Reserve funds are a one-time resource. Once they are used, they are gone. They are not a source of ongoing revenue.

What is the District doing to reduce spending?

The District established a Spending Reductions Work Group that regularly reviews operations for cost-saving opportunities while working to preserve student programs and services. Over the past three years, these efforts have saved more than \$20 million. However, savings have not kept pace with rising operational costs.