

Appendix C Budget Process

The Board is required by the Illinois School Code to adopt an annual budget for each fiscal year no later than 60 days after the beginning of the fiscal year. The Chicago Public Schools' fiscal year starts July 1st and ends the following June 30th.

Additionally, per the Illinois School Code:

- A proposed budget must be prepared and made available for public review at least 15 days prior to its finalization.
- The Board is required to hold at least two public hearings at least five days after copies of the proposed budget are made available for review.
- Notice of budget hearing dates must be published in a City of Chicago newspaper at least five days prior to the time of the hearing.
- The Board must adopt a budget within the first 60 days of each fiscal year.

The district makes the proposed budget available at cps.edu/budget. Copies of the budget are also made available for review and at the Board office.

Budget Calendar and Process Development

In the fall of 2017, the Office of Management & Budget (OMB) began the FY2019 budget planning process by developing revenue and expenditure assumptions for the following fiscal year. Over several months in early 2018, OMB engaged with central office department and senior leadership to develop department and school budgets. OMB released school budgets and guidance to principals in April 2018, much earlier than in recent past years. The early release of budgets provided school administrators with significantly more time to plan for the following school year. In June 2018, OMB received, reviewed, and integrated all school and department budgets into the FY2019 proposed budget.

Budget Planning

Budget planning consists of two main components: school budget planning and department budget planning. School budgets are in the sixth year of implementation of the Student-Based Budgeting ("SBB") model. In FY2019, CPS increased the SBB base rate by 2.5 percent. Furthermore, for the first time, FY2019 school budget allocations were based on FY2018 20th day enrollment figures, rather than projected fall 2018 enrollments (See Appendix B for more information on school funding). Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. The FY2019 department budgets prioritize critical initiatives, as identified by senior leadership and the Board, in effort to direct as many resources as possible to schools and classrooms. Additionally, department budgets were developed with the goal of alignment with the district's three main commitments as outlined in the CPS Vision: academic progress, financial stability, and integrity.

This fiscal year is also the fourth year using the Hyperion budgeting tool for both schools and central office. The application continues to bring consistency and ease of use to the budget process for principals and central office staff.

Public Involvement

Before the school budget planning process is complete, local school councils (LSC) from each school must hold public meetings to discuss and cast an approval vote on their school's budget proposal.

During the LSC approval process, school budget documentation, as well as budget guidance resources, are shared with each LSC.

The Board is required by the Illinois School Code to make the proposed budget available for review by stakeholders and the press at least 15 days prior to its finalization. Additionally, CPS holds at least two public hearings before the budget is voted on by the Board.

Board Adoption of the Budget

The Board is anticipated to act on the FY19 Proposed Budget at their meeting on July 25, 2018.