

APPENDIX C BUDGET PROCESS

The Board is required by the Illinois School Code to adopt an annual school 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 1 and ends the following June 30.

- 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.

Copies of the budget are made available for review at the Board office.

Budget Calendar and Process Development

With a projected budget deficit for FY16 of over \$1 billion, CPS leadership worked with State of Illinois leadership in an attempt to resolve funding issues before the end of the District's budget process. This included delaying budget guidance for schools and the release of this budget book until the latest possible moment, holding out hope for a budget resolution at the state level. No such resolution has emerged as of yet (at the issuance of this Budget, the State of Illinois is still without an FY 16 budget itself). Guidance to schools about their budgets was therefore issued on July 13, 2015, and school budgets were received for review and incorporation by CPS on July 24.

Budget Planning

The FY2016 school budgets are in the third year of implementation using the Student-Based Budgeting ("SBB") model. In addition, OMB engaged in strategic planning with departments to develop preliminary FY2016 budgets based on critical initiatives identified by senior leadership and the Board. As in previous years, the goal was to identify and implement administrative efficiencies to allow a continued prioritization of resources from the central office to schools, and to give principals greater flexibility to make investments that drive student achievement. For the sixth year in a row, efficiencies were identified and reductions to Central Office were made, including through contract renegotiations and outsourcing non-critical functions.

This fiscal year, OMB also introduced the new Hyperion budgeting tool for both schools and central office. The new application enables better fiscal reporting and coordination across the District.

Authorization of Two-Month Budget

As referenced above, CPS delayed the release of budget information to schools in order to work with state leadership in Springfield on a more comprehensive budget solution. This delay meant that the new fiscal year began without a finalized budget for CPS. In order to provide interim funding, the Board voted to authorize up to \$800 million in spending for the months of July and August, 2015, until a full budget could be finalized.

Public Involvement

The announcement of the availability of the proposed budget for review the Board, stakeholders and the press is made before being presented in public hearings.

Board Adoption of the Budget

The Board is anticipated to act on the FY2016 Proposed Budget at their meeting on August 26, 2015.