

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 1 and ends the following June 30.

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 proposed budget is available at cps.edu/budget. Copies of the budget are available at the Board Office for review.

Budget Planning

Budget planning consists of two main components: school budget planning and department budget planning. Schools receive funding allocations in the spring for the upcoming school year through Student-Based Budgeting (SBB) and other funding streams. For FY2023, CPS increased the SBB base rate by 3.5 percent to match the cost of living adjustments given to teachers as part of CPS' collective bargaining agreement. For the fifth consecutive year, school budget allocations were based on prior year enrollment figures (SY2022 20th day), rather than projected enrollments for the upcoming year. The FY2023 budget also includes significant new central investments to support schools, including instructional coaching, technology, curriculum, summer and out-of-school time funding, and other initiatives to support District- and school-level priorities.

Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. FY2023 department budget proposals prioritize critical initiatives, as identified by senior leadership and the Board, in an effort to direct as many resources as possible to schools and classrooms. Additionally, department budgets were developed with the goal of aligning with the District's three main commitments in the CPS Vision: academic progress, operational excellence, and integrity.

In FY2023, CPS implemented EPM, a new budgeting tool, for school and central office budgets. The EPM system maintained similar functionality to the Hyperion system used in prior years but incorporated upgrades to user interface and functionality to support school users.

Budget Calendar

In the fall of 2021, the Office of Budget and Grants Management (OBGM) began the FY2023 budget planning process by developing revenue and expenditure assumptions for the upcoming fiscal year. OBGM released school budgets and guidance to principals in April 2022. Throughout the spring, OBGM worked closely with schools and departments to develop their budget proposals and integrate them into the FY2023 proposed budget.

Public Involvement

Prior to the release of FY2023 school budgets, CPS engaged in a series of public workshops around school funding. These events, held virtually in December, provided attendees with background and context for how CPS funds schools and allowed for discussion and feedback that informed the proposed FY2023 budget.

This feedback built on the recommendations outlined in [this report](#), which was developed by a working group of various stakeholders, including parents; CTU members; principals; school funding experts; and District, city, and state leaders. As outlined in the recommendations within the report, the work to improve school funding will continue in FY2023 by the working group and through continued public engagement.

Each year, before the school budget planning process is complete, the Local School Council (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.

As stated above, 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 is required to hold at least two public hearings before the budget is voted on by the Board.

Due to the COVID-19 pandemic, all public engagement related to the FY2023 budget, including LSC meetings, public hearings, and Board approval, will take place virtually.

Board Adoption of the Budget

The Board is anticipated to vote on the proposed FY2023 budget at its June 2022 meeting.