



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Chicago Public Schools
Illinois**

For the Fiscal Year Beginning

July 1, 2005

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to Chicago Public Schools for its annual budget for the fiscal year beginning July 1, 2005. This is the eleventh consecutive year CPS has been presented with this award.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as policy document, as an operations guide, as a financial plan and as a communications device.

The award is valid for a period of one year only. We believe our document continues to conform to program requirements, and we are submitting it to the GFOA to determine its eligibility for another award.

**FY2007 Final Budget
Chicago Public Schools**

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Please visit the Chicago Public Schools website at www.cps.k12.il.us to view this document and for more information about CPS policies and programs.

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Chicago Public Schools**

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June, 2006

Dear Chicagoan:

Stretching limited dollars to provide more than 420,000 students with the education they deserve has always been a challenge, and it's no secret that this year was our toughest budget yet. However, thanks to the unflagging support of Mayor Daley, the City Council and the people of Chicago, as well as some cutting on our part, we are once again able to present a balanced budget.

We never like having to raise taxes to fund our schools, but the reality is that we find ourselves at a critical juncture. CPS is moving forward, our students and schools are improving, and organizations like the Bill and Melinda Gates Foundation are recognizing that progress. The Gates Foundation in particular has been supportive of our High School Transformation, which focuses on making every high school in the city an attractive choice for students. Without a tax increase, we would have had to increase high school class sizes, sorely jeopardizing that progress.

Having said that, we do recognize that the taxpayers of Chicago – and property-owners throughout Illinois -- have shouldered an unfair burden in regard to school funding. We applaud Gov. Blagojevich and the Illinois General Assembly for their increased funding for operational expenses and early childhood education, but we, along with other districts statewide, will continue to push for lasting education funding reform.

While we did have to make painful cuts, we tried to absorb as many of them as possible without touching the classroom. As always, we put our children first, and we always will.

Thank you again for your support, and for helping us in our efforts to become the best urban school district in the nation.

Sincerely,

Michael Scott
President



Arne Duncan
Chief Executive Officer

June 2006

Dear Friends of the Chicago Public Schools:

In so many ways, our school system is getting better each year. We continue to make progress on test scores, attendance and graduation rates. We continue to attract great new educators both local and from around the country to work in our schools and start new schools under Renaissance 2010. We are bringing more kids into the system early through expanded pre-school and sending more of them to college after they graduate. For schools that struggle we are providing a menu of ways to improve from more intensive educational supports to changing governance or changing staff.

We continue to invest in proven educational initiatives because of our commitment to put the needs of children and the classroom ahead of everyone else. As in other years when we have faced budget challenges, we look first at cutting administration. We have cut \$25 million from the central office by eliminating 70 jobs, reducing consultant expenses, and freezing salaries for all administrators earning over \$40,000 annually. Under this budget, central office administration will make up just 4.2% of our operating budget, down from 6% three years earlier. The rest of our operating budget goes where it does the most good – in schools and classrooms.

This budget was tougher than most because of a number of factors. Under our contract with the unions, salaries and benefits rose approximately 5.5% this year. Pension costs also climbed by \$55 million dollars. Meanwhile, declining enrollment forced us to eliminate 600 teaching positions. Due to federal and state underfunding of special education mandates and enrollment declines, we reexamined how we allocate special education resources and implemented a fair and equitable process that reduced \$26 million out of special education programs without jeopardizing the necessary services our students need. Even core initiatives like reading, math and science, and after-school programs faced reductions across the board.

On a more positive note, new grants for high school programs are helping prepare more kids for college and we expect to see an increase in the percentage of students attending next year.

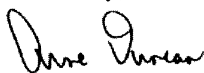
The State of Illinois helped close our \$328 million budget gap with \$100 million in new operational funding, as well as \$16 million in added dollars for early childhood programs. Although we will get no new money for capital next year, we are deeply grateful to the Governor and the Legislature for their support. We continue to believe, however, that Illinois does not adequately and equitably fund education and we are hopeful the Governor's recently announced education funding plan comes to pass.

Mayor Daley is also developing a plan to build or rebuild schools all across Chicago without specifically raising taxes for this purpose through combination of tax-increment financing dollars, bond funds and other sources.

Thanks to the Mayor's support, we are able to avoid increasing high school class size next year and we are able to meet our other classroom obligations. But to do so, we will raise taxes by \$55 million, which works out to \$11.50 for a home with a market value of \$100,000. While we would have liked to avoid raising taxes, we believe it is necessary to keep making progress in the classroom.

As always, we are deeply grateful for the support we have received from taxpayers and the input and involvement of parents, community leaders, elected officials, and educators. The improving state of the Chicago Public School system both reflects all of Chicago's collective efforts to provide the best education possible as well as our collective aspirations for a strong, secure and productive future.

Sincerely,


Arne Duncan

WHAT'S NEW/HOW TO READ THE BUDGET DOCUMENT

WHAT'S NEW/HOW TO READ THE BUDGET DOCUMENT

The Chicago Public Schools *FY2007 Budget* is the financial and policy plan adopted by the Chicago Board of Education for the fiscal year that begins July 1, 2006, and ends June 30, 2007. The fiscal year encompasses 12 months, as mandated by the 1995 Amendatory Act enacted by the Illinois legislature.

The full plan is presented in two distinct parts, each published as a separate public document:

1. Subsequent to Board approval (usually at the June Board meeting), the *FY2007 Budget* includes line-item expenditure detail, summary financial tables, and narrative overviews of Chicago Public Schools (CPS) programs, goals, and financial policies and procedures. This is detailed in the sections that follow.
2. The *Capital Improvement Program* (CIP) provides a detailed plan for capital improvement spending for the entire District over the next four years. The *FY2007 Budget* includes a graphic and brief narrative overview of the CIP. For a full examination of the CIP, refer to the CIP document.

The Budget Book:

This year, the budget book is different. In an effort to be efficient and user-friendly, the budget book is presented in two formats. The *hard copy* summarizes FY 2007 CPS budget information. Several sections have been consolidated or removed while others have been created or revised to allow for more transparency on how funds are allocated. Included in the *compact disc* is detailed information on school income statements, educational improvement programs, administrative units, school and school-based units, and positions. Together, both formats provide a detailed description of the FY 2007 CPS Budget.

Included in Hard Copy:

Budget Overview/Educational Initiatives – This section is a consolidation of the *Letter from the CPS Chief Executive Officer* and the *Budget Overview*. It provides a summary of how funds and positions are allocated to reflect specific educational goals. Educational goals are reflected through educational programs funded in the budget year, and operational goals are listed for the Board to provide services to schools in a more cost-effective and efficient manner. This section also provides a description for each educational program funded this year.

Summary Financial Tables – The proposed budget, a product of the policy outlined in the first section, is presented in this section. Included tables are: an estimated combined balance sheet; and revenue and expenditure summaries for the General, Special Revenue, and Debt-Service Funds. New this year, the operating funds have been separated from the capital projects funds to facilitate the review of this document. This section also shows a proposed budget table organized by funds, units, and expenditure groups.

Resources Analysis – The Resources Overview indicates how CPS is financed. Detailed tables, graphs, and narrative analyses are provided to illustrate where educational funds come from and how much they are affected by local, state and federal governments. Each revenue source is described in detail to give insight to how each generates funds. Toward the end, a revenue history table is attached to provide a historical perspective for all funds.

Expenditure Analysis – In order to show how the Board’s policy translates into actual spending plans, this section analyzes expenditures in a number of different ways: how funds are budgeted; which educational programs are budgeted; and how much is budgeted for salaries and benefits needed to offer educational programs. This section also provides an expenditure history table to offer historical information about each expenditure type. New this year, a year-to-year comparison of administrative units by positions and overall budget is included.

Debt Service Funds Analysis – This section provides detail on the Board’s total debt issues and presents current and long-term debt service requirements. In addition, it explains how the Board raises revenues to meet debt payments. Public Building Commission (PBC) lease payments, alternate General Obligation bonds, and Intergovernmental Agreement bonds in the Debt Service Funds are used to finance capital improvement projects for school facilities.

Capital Projects Funds Analysis – The Capital Projects Funds section analyzes revenues and expenditures regarding the Capital Improvement Fund. It explains the purpose of each fund and identifies their respective revenue sources. This section also explains the operating impact of new construction. For a specific listing of projects or for more information on CPS capital funds, please refer to the CIP document.

School Budget Development and Funding – A major component of the CPS budget is the school-based budget. This section describes how school allocations are determined using formulas unique to specific funding including local, state, and federal sources. This section also describes the process used to develop the CPS annual plan as it relates to goals, departmental plans and budgets, and their review process.

District-wide Report – New this year, this section provides a summary of how operational funds fall within specific educational and support services categories. The report serves as a district-wide snapshot of where funds are allocated in FY 2007 for salaries, benefits, commodities and utilities, non-personnel services, and other charges.

Student Profile – The Student Profile section provides statistics on CPS demographics, performance levels, staffing distribution, and infrastructure. Included are student average test scores and other statistics that illustrate the special needs of a school, such as family income levels and attendance. Charts and graphs illustrate CPS trends over time and comparisons to state statistics.

Budget Resolution – The resolution for adopting the FY2007 budget is documented here.

Glossary – The final section of the budget includes definitions of financial and educational terms used throughout the document.

Map – A map of the City of Chicago showing location of all CPS high schools and elementary schools is included at the end of the document.

Included in Compact Disc:

Budget Process – The Budget Process section provides an overview of the preparation and distribution of the CPS annual budget. Legal requirements that govern the budget process and the stages of budget development are discussed in this section.

Financial Policies – Policies and procedures that guide the fiscal responsibilities of CPS are discussed in this section. Accounting principles and internal control policies are reviewed in detail.

Additional Financial Tables – This section includes reports on the following: Distribution of appropriations by major fund categories and unit groups, appropriations by functions and organization level, a summary of appropriations by fund and organizational units, and a summary of appropriations by funds, units and object groups.

Administrative Unit Detail - *All Funds and By Fund* – This section identifies expenditures for every Administrative unit along with the line-item detail organized by fund and budgetary unit or department. Within each budgetary unit, a line-item budget and a detailed personnel listing are provided by fund. In addition to the FY2007 proposed budget, figures for the FY2006 adopted budget, FY2006 current budget, and FY2005 actual expenses are provided for comparative purposes. This level of summary is provided for every unit in each of the funds in which the unit is budgeted. For example, Specialized Services (unit 11610) is budgeted in 4 funds: the General Fund, the Federal Special Education IDEA Program, Miscellaneous Federal/State Grants, and the Public Building Commission Fund. A separate budget for each fund can be found in this document. Continued refinement of Administrative services results in changes in the line-item detail. Entire units may have been discontinued or transferred and therefore show no appropriations in the 2006-2007 column. Alternatively, newly created units for FY2007 will have no prior year information.

Schools and School-Based Programs Unit Detail - *All Funds and By Fund* – This section identifies expenditures for various types of schools and school-based programs, including general high schools, vocational high schools, elementary schools, and special education schools. Spending on specific items such as teacher salaries, school supplies, and transportation, is reported. Also included is a position analysis by job title. This section also divides spending in various types of schools by fund.

Legacy Unit Oracle Unit Conversion Table – Over the last year and a half, CPS has implemented a new budgeting system that uses different chart of account values. A translator is provided to assist in the review of unit numbers.

School Segment Report - New this year, this section provides a summary of how operational funds fall within instruction, administration, support services, and facilities support at the school level. It also serves as a snapshot of where funds are allocated in FY 2007 for salaries, benefits, commodities and utilities, non-personnel services, and other charges along with school information and demographic data. Individual school reports providing similar information will also be available on compact disc in the final book.

BUDGET OVERVIEW/EDUCATIONAL INITIATIVES

BUDGET OVERVIEW/EDUCATIONAL INITIATIVES

The Chicago Public Schools' FY2007 appropriations for Operating Funds total \$4,669.4 million, an increase of \$222.6 million, or 5%, from the FY2006 adopted budget of \$4,446.8 million. This includes the Debt Service Funds which has an appropriation of \$263.7 million

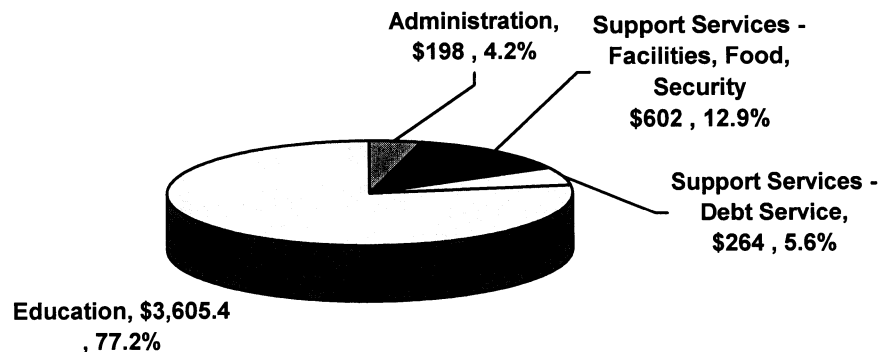
The FY2007 budget allocates \$625.6 million for capital improvement projects. This appropriation represents an increase of \$29.2 million, or 4.9%, from the FY2006 adopted budget of \$596.4 million.

All-Funds Appropriation Comparison FY2005 - FY2007

(In Millions)

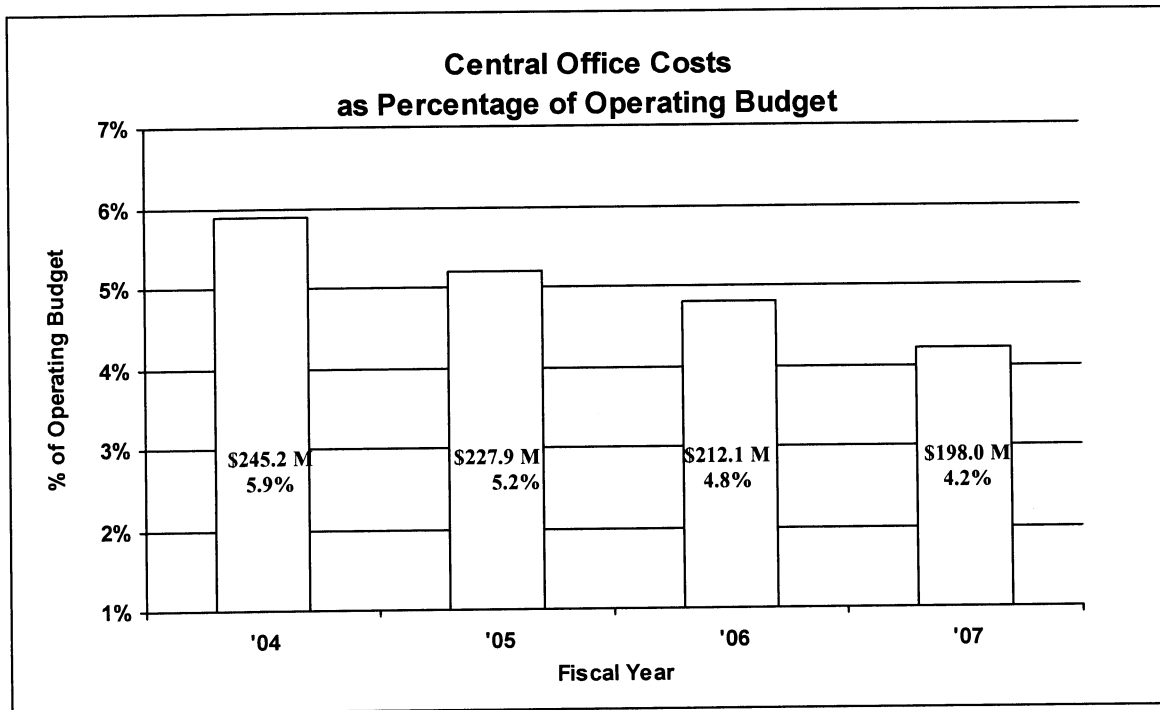
Fund Type	FY2005 Actual	FY2006 Adopted	FY2007 Proposed	07 vs. 06 \$ Change	% Change
General Operating Funds					
General Fund	\$2,549.0	\$2,661.0	\$2,798.5	\$137.5	5.2%
Special Revenue	1,499.0	1,546.0	1607.2	61.2	4.0%
Total Operating	\$4,048.0	\$4,207.0	\$4,405.7	\$198.7	4.7%
Debt-Service Funds	338.0	239.8	263.7	23.9	10.0%
Total Appropriation	\$4,386.0	\$4,446.8	\$4,669.4	222.6	5.0%
Capital Projects Funds	389.4	596.4	625.6	29.2	4.9%

FY2007 Appropriations for General Operating and Debt Services Funds - \$4,669.4 M



We continued to use our budget process to manage and align resources with educational priorities. Additional dollars were allocated toward classrooms by aligning grant funding with educational priorities that provided the highest support to classrooms. Throughout FY2007, the budget will continue to be used as both a monitoring and management tool.

Despite the reductions we had to make to balance the budget, we have been able to preserve core programs. Overall, the increase of \$222.6 million in operating costs between FY2006 and FY2007 was directed to schools, educational programs and support services. Support services include the cost of maintaining and operating our buildings, providing food services to schools and debt services. As a percentage of all operating funds, school-based educational activities and support services will remain at approximately 96% of the FY2007 budget (central office administration therefore representing just over 4%). Administrative costs were reduced by approximately \$25 million.



Please note that the proposed budget includes two new to provide more transparency to the budget:

1. The District-Wide report is intended to detail functional spending of the operating budget. This report can be found within its own section.
2. The School Budget Development and Funding section describes how schools are funded with respect to discretionary funding, board policies, collective bargaining agreements and other programmatic needs.

FY2007 Description of Education Improvement Programs

CMSI

The *Chicago Mathematics and Science Initiative (CMSI)* is the comprehensive CPS plan to improve mathematics and science instruction in all schools. The CMSI plan, which was unveiled in February 2003, addresses all school-based components that impact the teaching and learning of mathematics and science and is built around the premise that a combination of better prepared teachers, coherent programs and policies, and high-quality support for instruction will lead to better teaching and increased student achievement. Implementation of CPS-supported mathematics and science curricular materials will be supported at schools through a variety of roles, including Area-based math/science coaches, Central Office Facilitators, and Citywide specialists.

Literacy

The *Chicago Reading Initiative/Office of Literacy* programs will continue to support all Chicago Public Schools, both elementary and secondary. Additional support will be given to the lowest performing schools. The support system will provide Literacy Lead Teachers (LLT) for all Probation/Challenge schools. Intensive literacy focused professional development surrounding curriculum and instruction will be given throughout the year. This will assist schools in the development and implementation of a standards-based curriculum, targeting the use of best practice instructional models.

New Teacher Professional Development

The Department of Human Resources will provide various professional development activities to teachers and principals in the system. The department will continue the GOLDEN Program (Guidance, Orientation, and Leadership Development Empowering New Teachers), which provides instruction services to new teachers in the system and monitors teachers that are currently in the recertification process.

The *Alternative Certification* program will recruit, train, mentor and monitor career-changing individuals to provide teachers in areas of greatest need. The program will be administered in-house by consultants including Teach for America and Golden Apple Teacher Education.

Early Childhood

Child-Parent Centers (CPC) provide services to children age cycle three and four and their parents who live in targeted low income areas designated as *Title I Neighborhoods*. Centers are located in or near 13 CPS elementary schools and function under the administrative leadership of the elementary school principal. Approximately 1,200 children were served through the Title I funded program during FY06 with the same number planned for FY07.

The ***Head Start Child Development (HS)*** program is funded through the Chicago Department of Children and Youth Services (CYS). CPS serves 6,000 Head Start income eligible children in 250 classrooms. Income guidelines are established on an annual basis by the Administration for Children, Youth, and Families.

The ***State Prekindergarten (SPK)*** program provided services to over 12,325 children for FY06 including more than 300 third shift slots. The program will continue to provide services through the half-day program model including the third shift in overcrowded and underserved communities. It is expected that the number served will increase by approximately 500 students for FY07. This program is funded through the Illinois State Early Childhood Block Grant (ECBG) which will be funded at \$118 million for FY07.

The ***Community Partnership – Subcontracting*** program provides services to children birth through age five in participating child care agencies who subcontract for educational enhancement services. The Subcontracting program increased educational services to an additional 2,000 children for the FY06 program year. The total enrollment for FY06 is 11,300 with an expected increase in educational slots of 2,000 for FY07. The Community Partnership program also provided services through the Parental Training and Prevention Initiative programs, which serve families of children ages birth through five who are not served by any other preschool program, by providing parenting skills and comprehensive case management services. Community Partnership programs are funded through the Illinois State Early Childhood Block Grant (ECBG).

The ***Tuition Based Preschool (TBP)*** program provides opportunities for children not eligible for grant funded preschool programs offered by CPS. The program is currently implemented in 24 classrooms with the capacity to serve 480 children. The program will be expanded for the FY07 school year to include two additional classrooms at two school locations and will increase the capacity to 520 children. The weekly tuition for FY 2007 will increase to \$200.

The ***Virtual Pre-K! and K!*** parent involvement programs provide technology-based resources for parents, children and teachers through the use of the Web site and production of CD ROMs and videos at both the preschool and kindergarten levels. Additionally, the project is expanding to include additional partner school districts. The project will use “profit” funds from partnerships to increase project production.

The ***Full Day Kindergarten*** program provides teacher positions to supplement district funded kindergarten teacher positions, thereby lowering class size and increasing time on task for kindergarten children. This program allows schools to offer a full-day kindergarten program where there is sufficient classroom space or a 4-hour kindergarten program model at overcrowded schools. For the 4-hour model, the school day is adjusted to allow for a 4-hour morning and a 4-hour afternoon session instead of the traditional 2.5-hour kindergarten program.

Support is provided to kindergarten programs through a variety of professional development offerings. DIBELS training was initiated during FY06 for all kindergarten classrooms located in

probation schools; implementation will begin with the assessment of kindergarteners in the fall of FY07.

Professional development opportunities were provided to staff in over 750 early childhood classrooms and offices throughout CPS and to staff in over 135 community based child care agencies. Regular activities including workshops, mentoring, coaching, focus groups, small group discussions, and presentations by local and nationally known experts were offered to early childhood staff.

After-School Programs

After-School All-Stars (ASAS) engages CPS students in structured academic, enrichment, and independent learning activities to create a comprehensive after-school program. Students participate in 4 hours of reading and math enhancement per week. Once they complete their academic instruction, they participate in various enrichment activities for an additional six hours per week. The ASAS program is conducted for a minimum of 20 weeks at approximately 140 schools, serving over 15,000 students in grades 3-8.

The ***After School Counts*** program provides after-school reading and math instruction at approximately 180 schools for over 32,000 students. The program serves students in grades K-8 and is offered for a minimum of 4 hours per week, 20 weeks per year.

After School Matters (ASM) is a partnership among CPS, the Chicago Park District, the Chicago Public Libraries and the City of Chicago, to provide apprenticeship opportunities and other creative and engaging activities to high school students. These activities are in the areas of cultural arts, technology, recreation and fitness, and literacy, serving students that would otherwise not be involved in athletic or academic after-school activities. ASM currently operates in 35 high schools serving over 6,300 students.

The ***Community Schools Initiative*** brings together the academic and social supports needed to ensure that all students succeed by offering programs before, during and after the school day for students and their families. The programs are designed to support the school's academic program and expand the services offered within the community. Programs offered at each community school vary, but most community schools in Chicago offer some combination of academic enrichment activities for students, adult education and English as a Second Language classes, student and adult technology training, art activities, recreation and health services. Over 100 schools currently participate, serving over 20,000 students.

Supplemental Educational Services (SES) is a component of Title I of the Elementary and Secondary Education Act (ESEA) as reauthorized by the *No Child Left Behind Act* (NCLB) that provides additional academic instruction, specifically reading and math, outside of the regular school day to increase the academic achievement of students in low-performing schools. These services may include academic assistance such as tutoring, remediation and other educational interventions. SES must be consistent with the content and instruction of Chicago Public

Schools and aligned with the Illinois State Board of Education's academic content standards. SES will be offered in over 300 schools 2006-07 school year.

Tuition-Based After-School programming addresses a common concern among working parents – the need for an extended school day. Tuition-based after-school programming provides a “one stop shop” for parents, offering daycare until at least 6:00 p.m. and the opportunity to enroll their children in enriching activities such as dance, music, and foreign language instruction on-site at the school instead of going elsewhere in the community for these classes. The tuition-based pilot program was offered at 11 schools during the 2005-06 school year and will expand to another 5 schools in FY07.

Tutors Initiative. The Office of After School and Community School Programs facilitates partnerships with three tutoring agencies: City Year Chicago, Working in the Schools (WITS), and the America Reads program (through DePaul University). The participating tutoring agencies recruit and train volunteers to provide instructional support that is tied to CPS curriculum; provide one-to-one or small group site based tutoring services to elementary and/or high school students; provide an organized support system for the tutoring program that insures professional planning; and provide a minimum of 4 hours per week of tutoring before or after school.

The ***Sports*** program contributes to the physical, mental, social and emotional development of students. Sports Administration conducts tutorials for its athletes, a Student-Athlete College Fair and requires a minimum of six hours of professional development annually for coaches.

Summer School Programs

Students unable to meet the requirements of the promotion policy in third, sixth, and eighth grades are required to attend the ***Summer Bridge*** program. This summer school program provides an intensive reading and math curriculum for summer 2006 that is designed to raise students' grade-level equivalent (as determined by standardized tests) so that they are prepared for the next academic year.

The High School program will include mandatory participation for under-performing 9th graders. This program is intended to help reduce the dropout rate and improve academic performance for students at the very beginning of the high school experience. High schools will offer 10th – 12th summer programs and the *Step Up* program for 8th graders transitioning into 9th grade.

Extended School Year (ESY) Summer School program will continue in FY06. All summer educational and recreational programs will continue in FY07.

Mayor Daley's Kid Start Summer Youth (Jobs) program annually provides part-time summer job opportunities for over 12,000 young people, ages 14-21, through a number of collaborating agencies. This program extends the academic learning for students and provides a forum in which they can use the career and technical skills they have learned in their Education To Careers courses. The Department of Education To Careers is responsible for

developing and maintaining the Internet-based student and corporate sponsor applications and an informational, public-access hotline. This year CPS will employ approximately 3,500 students through Kid Start funding.

High School Programs

The Student Development Initiative will provide support to high schools as they implement site-specific Student Development strategies that address post-secondary preparation, community and school leadership, and social/emotional growth and development. School based Student Development strategies focus on personalizing the high school experience to engage and support students in academic achievement and social well-being.

Additional honors programs and prospective or authorized ***International Baccalaureate*** programs will go into a number of middle schools and high schools to provide highly motivated students with accelerated academic options within the Chicago Public Schools.

The ***College Board Advanced Placement (AP) Program*** provides students with an opportunity to pursue college-level studies while still in high school and to participate in advanced placement and/or receive credit once enrolled in college. The AP Program is offered at approximately 65 high schools.

The Evening High School Program will enable juniors and seniors who need additional credits to meet graduation requirements as well as offer increased accessibility as an alternative to day school. In addition, the program recovers dropouts and gives them the opportunity to earn the credits needed to be awarded a CPS high school diploma.

The ***Post-Secondary Office*** will continue to support all college preparatory programs such as College Bridge and College Excel in order to facilitate the linkage between CPS high school students and colleges and universities. Post-Secondary programs include the ***DeVry Advantage Academy*** which will provide CPS students the opportunity to obtain a Network Systems Administration (NSA) Associate Degree at the same time as their high school diploma. The program will be implemented through a partnership between DeVry University and the Chicago Public Schools Department of Education to Careers and will target 250 juniors and seniors this summer through citywide recruitment.

The ***Achievement Academies***, located in existing high schools, use the Johns Hopkins Talent Development High Schools model to help underachieving 8th grade students' transition to high school. Support for these students extends to the 10th grade and there are currently eight academies budgeted for fiscal year 2007.

Other Programs

The ***Magnet Cluster Program*** is similar to the specialized educational offerings of magnet schools; however, the schools retain their attendance boundaries and join with other neighborhood schools to form a "cluster." Cluster schools primarily focus on one of four

academic areas: math/science, fine and performing arts, world language, or the literature and writing Program. A total of approximately 200 schools participate in the program.

The State-mandated Transitional Bilingual Education (TBE) program serves over 55,000 English Language Learners in Kindergarten through grade 12. Area Bilingual Instructional Coaches are assigned to Areas with schools implementing TBE Programs to provide onsite instructional support. In addition, a Compliance Unit composed of six staff members is utilized to review and audit bilingual programs to ensure that they comply with all state and federal statutes and CPS policies.

The ***Alternative School*** program is being managed by the Department of Drop Out Prevention and Recovery that was created in FY04. The primary focus is to prevent students from dropping out of school prior to graduation and to recover those students who have dropped out prior to completing their graduation requirements and offer them alternative education options. The department will also be responsible for the three Education Correction sites, which provide transitional placement for students who are either on probation or parole. Additionally, The Department of Dropout Prevention and Recovery will collaborate with the Youth Connection Charter Schools to increase alternative placement options.

The ***Museums and Public Schools*** Program is a partnership with nine Chicago museums and the Chicago Public Schools. The program brings world-class resources that support curricula developed by the CPS teachers and museum educational personnel into the classroom. The program will continue to be integrated in the second through seventh grade.

Specialized Academies, using the school-within-a-school model, feature rigorous academics, technical skill training, and related work-based experiences. The Department of Education to Careers (ETC) maintains 11 academies providing instruction in Finance, Law and Public Safety, Medical, and Technology.

The ***Library Initiative*** sponsors a library matching grant program to encourage principals to invest in their school library collections and to host Librarian Learning Community meetings, which are focused professional development sessions that bring school librarians together by area with their Area Library Coordinator to learn from and share with each other. Quality school library programs have been proven to have a significant, measurable impact on student achievement (specifically, reading and writing test scores) at all grade levels. The correlation between libraries and student achievement, however, is dependent upon having strong library collections and trained library professionals in place.

The programs listed below are highlights of the major educational programs funded for fiscal year 2007:

Program	Amount
Achievement Academies	12,000,000
Advanced Placement	1,772,000
After School AIMS	5,000,000
After School Programs (e.g., Community Schools, All Stars, Sports)	36,200,000
After School SES Tutorial	50,000,000
Alternative Teacher Certification	1,200,000
Bilingual/Language Acquisition	42,900,000
Choice Transportation	5,000,000
Drop Out Recovery and Youth Connection	20,155,000
Early Childhood (e.g., State Pre-Kindergarten, Head Start, Tuition-Based, Child Parent Centers)	166,300,000
Enrichment & Learning Academies	5,000,000
Evening Schools	5,000,000
Full Day Kindergarten	7,884,000
GOLDEN	1,600,000
International Baccalaureate High School/Elementary	7,100,000
Library Initiative	952,300
Magnet Cluster Program	1,290,000
Museum and Public Schools (MAPS)	315,000
Post-Secondary Programs	5,327,000
Professional Development Schools	5,000,000
Reading and Math Initiatives	52,900,000
Specialized Academies	750,000
Summer Programs (e.g., Bridge, High School, Special Ed, Sports, Jobs)	46,743,000
Teen Parent Initiative	1,500,000
Truancy/Attendance Program	3,500,000
TOTAL	\$485,388,300

SUMMARY FINANCIAL TABLES

Chicago Public Schools
Chicago Board of Education

ESTIMATED COMBINED BALANCE SHEET: GOVERNMENTAL FUNDS
June 30, 2006

(Millions of Dollars)	GENERAL FUND	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	TOTAL Memorandum Only
CURRENT ASSETS:					
Cash and Investments	\$ 697.3	\$ 49.7	\$ -	\$ -	\$ 747.0
Cash and Investments in Escrow	5.3	-	560.8	304.6	870.7
Cash and Investment in School Accounts	28.7	-	-	-	28.7
Property Taxes Receivables	698.3	228.5	-	25.6	952.4
Replacement Taxes Receivables	27.3	-	-	-	27.3
State, Federal, & Other Receivables	357.7	145.1	-	-	502.8
Due from Other Funds	121.5	26.9	-	-	148.4
Other Assets	7.3	-	-	-	7.3
Total Assets	\$1,943.4	\$450.2	\$560.8	\$330.2	\$3,284.6
					-
CURRENT LIABILITIES:					
Accounts Payable	197.6	21.7	43.4	-	262.7
Accrued Payroll & Benefits	442.3	83.9	-	-	526.2
Amount Held for Student Activities	28.7	-	-	-	28.7
Deferred Property Taxes	698.3	228.5	-	25.6	952.4
Other Deferred Revenue	189.5	12.0	-	-	201.5
Due to Other Funds	22.4	4.5	121.5	-	148.4
Total Liabilities	\$1,578.8	\$350.6	\$164.9	\$25.6	\$2,119.9
FUND BALANCE:					
Reserved for Encumbrances & Other	\$ 71.2	\$ 69.6	\$ 129.6	\$ -	\$ 270.4
Reserved for Debt Service	-	-	-	304.6	304.6
Reserved for Specific Purposes	-	30.0	266.4	-	296.4
Designated for Operating Capital	218.4	-	-	-	218.4
Unreserved Fund Balance	75.0	-	-	-	75.0
Total Fund Balance	\$364.6	\$99.6	\$396.0	\$304.6	\$1,164.8
Total Liabilities and Fund Balance	\$1,943.4	\$450.2	\$560.9	\$330.2	\$3,284.7

Chicago Public Schools
FY2007 Budget for All Funds
Summary of Fund Balances, Revenues, and Appropriations
(In Millions)

	General Fund	Special Revenue Funds	Debt Service Funds	Total All Funds
RESOURCES:				
Estimated Fund Balance at 6/30/2006:	\$ 293.4	\$ 30.0	\$ 304.6	\$ 628.0
Reserved for Debt Service	-	-	(304.6)	(304.6)
Designated Fund Balance	(218.4)	-	-	(218.4)
Fund Balance Appropriated	\$ 75.0	\$ 30.0	\$ -	\$ 105.0
REVENUE:				
Local	\$ 1,379.8	\$ 502.0	\$ 129.0	\$ 2,010.8
State	1,284.9	299.1	134.7	1,718.7
Federal	58.9	776.0	-	834.9
Total Revenues	\$ 2,723.6	\$ 1,577.1	\$ 263.7	\$ 4,564.4
Non-Revenue Source - Bonds	0.0	0.0	0.0	\$ -
Total Resources Appropriated	\$ 2,798.6	\$ 1,607.1	\$ 263.7	\$ 4,669.4
APPROPRIATIONS:				
Teacher Salaries	\$ 1,602.7	\$ 386.7	\$ -	\$ 1,989.4
Ed Support Personnel Salaries	202.8	324.5	-	527.3
Other Employee Benefits	507.1	231.4	-	738.4
Total Compensation	\$ 2,312.6	\$ 942.6	\$ -	\$ 3,255.1
Commodities & Utilities	50.6	222.2	-	272.8
Services Other Than Personal	377.2	222.8	3.0	606.3
Equipment	6.5	8.8	-	15.2
Debt Service Payments	-	1.4	260.7	261.1
Other	51.6	209.4	-	258.9
Total Non-Compensation	\$ 486.0	\$ 664.6	\$ 263.7	\$ 1,414.3
Total Appropriations	\$ 2,798.6	\$ 1,607.2	\$ 263.7	\$ 4,669.4
Fund Balance: End of Year				
Reserved for Debt Service	-	-	-	-
Designated for Operating Needs	218.4	-	-	218.4
Total Fund Balance	\$ 218.4	\$ -	\$ -	\$ 218.4

All Funds Operating Funds and Debt Service
Summary of Resources and Appropriations
Budget Comparison: FY2005 - FY2007
(In Millions)

	FY2005 AUDITED ACTUAL	FY2006 ADOPTED BUDGET	FY2006 YEAR-END ESTIMATE	FY2007 PROPOSED BUDGET
Resources:				
Total Beginning Fund Balance:	\$ 238.5	\$ 240.0	\$ 292.2	\$ 323.4
Designated Fund Balance	(196.5)	(180.4)	(248.5)	(218.4)
Available for Appropriation	\$ 42.0	\$ 59.6	\$ 43.7	\$ 105.0
Property Taxes	1,639.2	1,678.4	1,678.4	1,748.3
Replacement Taxes	145.7	135.6	145.6	145.6
Misc. Revenue & Non-Revenue Sources	145.9	116.5	119.1	116.9
Total Local Revenue	\$ 1,930.8	\$ 1,930.5	\$ 1,943.1	\$ 2,010.8
General State Aid Basic (GSA)	647.3	701.5	701.5	762.9
GSA Chapter 1 Supplement	261.0	261.0	261.0	261.0
State Aid Pension	65.0	74.9	74.9	75.3
Other State Revenue	533.8	581.3	574.3	619.5
Total State Revenue	\$ 1,507.1	\$ 1,618.7	\$ 1,611.7	\$ 1,718.7
Federal Aid: ESEA Title I	277.6	326.0	281.5	330.0
Lunchroom, Medicaid, Other	172.6	196.0	185.0	187.6
Public Law: Special Education	106.1	114.9	102.1	100.5
Federal Revenue - Other	206.7	201.1	175.0	216.5
Total Federal Revenue	\$ 763.0	\$ 838.0	\$ 743.6	\$ 834.9
Total Revenue	\$ 4,200.9	\$ 4,387.2	\$ 4,298.4	\$ 4,564.4
Total Resources	\$ 4,242.9	\$ 4,446.8	\$ 4,342.1	\$ 4,669.4
APPROPRIATIONS:				
Teacher Salaries	1,850.4	1,932.2	1,955.4	1,989.4
Ed Support Personnel Salaries	515.4	530.4	530.4	527.3
Other Employee Benefits	563.1	643.4	645.0	738.4
Total Employee Compensation	\$ 2,928.9	\$ 3,106.0	\$ 3,130.8	\$ 3,255.1
Commodities & Utilities	280.5	251.4	255.0	272.8
Services other than Personal	555.7	573.8	574.0	606.3
Educational Equipment	44.1	18.5	15.4	15.2
Building and Sites	35.2	0.0	0.0	0.0
Other Charges / Interfund Cost	16.6	262.1	57.0	261.1
Debt Service	315.8	235.0	235.0	258.9
Total Non-Compensation	\$ 1,247.9	\$ 1,340.8	\$ 1,136.4	\$ 1,414.3
Total Appropriations	\$ 4,176.8	\$ 4,446.8	\$ 4,267.2	\$ 4,669.4
Transfer Out / Adjustments	\$ (29.5)	\$ -	\$ -	\$ -
Total Fund Balance: End of Year	\$ 292.2	\$ 190.0	\$ 323.4	\$ 218.4

*General Operating Funds include the General Fund and the Special Revenue Funds.

**Because of rounding, minimal differences may occur in totaling rows and columns.

General Fund
Summary of Resources and Appropriations
Budget Comparison: FY2005 - FY2007
(In Millions)

	FY2005 AUDITED ACTUAL	FY2006 ADOPTED BUDGET	FY2006 YEAR-END ESTIMATE	FY2007 PROPOSED BUDGET
RESOURCES:				
Total Beginning Fund Balance:	\$ 196.5	\$ 210.0	\$ 248.5	\$ 293.4
Designated Fund Balance	\$ (196.5)	\$ (190.0)	\$ (248.5)	\$ (218.4)
Fund Balance To Be Appropriated	\$ -	\$ 20.0	\$ -	\$ 75.0
Property Taxes	1,194.9	1,212.0	1,212.0	1,236.5
Replacement Taxes	94.5	82.1	91.5	91.5
Misc. Revenue & Non-Revenue Sources	87.1	79.6	85.0	52.0
Total Local Revenue	\$ 1,376.6	\$ 1,373.7	\$ 1,388.5	\$ 1,380.0
General State Aid	560.7	589.8	586.6	628.2
State Aid Pension	65.0	74.9	74.9	75.3
Flat Block Grant by ADA	10.9	12.9	12.8	14.7
Other State Revenue	500.5	540.8	540.0	566.8
Total State Revenue	\$ 1,137.2	\$ 1,218.4	\$ 1,214.3	\$ 1,284.9
Medicaid Reimbursement	27.0	38.0	38.0	38.0
Federal Revenue - Other	3.9	10.9	10.9	20.9
Total Federal Revenue	\$ 30.9	\$ 48.9	\$ 48.9	\$ 58.9
Total Revenue	\$ 2,544.7	\$ 2,641.0	\$ 2,651.7	\$ 2,723.7
Total Resources	\$ 2,544.7	\$ 2,661.0	\$ 2,651.7	\$ 2,798.7
APPROPRIATIONS:				
Teacher Salaries	1,514.8	1,561.0	1,561.0	1,602.7
Ed Support Personnel Salaries	205.0	204.5	205.0	202.8
Other Employee Benefits	398.2	464.5	451.7	507.1
Total Employee Compensation	\$ 2,118.0	\$ 2,230.0	\$ 2,217.7	\$ 2,312.6
Commodities & Utilities	42.5	47.6	41.4	50.6
Services other than Personal	302.8	332.2	338.8	377.2
Educational Equipment	11.6	7.9	7.7	6.5
Building and Sites	6.8	-	0.0	-
Other Charges / Interfund Cost	(16.3)	43.3	1.2	51.6
Total Non-Compensation	\$ 347.4	\$ 431.0	\$ 389.1	\$ 486.0
Total Appropriations	\$ 2,465.4	\$ 2,661.0	\$ 2,606.8	\$ 2,798.6
Transfer In /Adjustments	\$ (27.6)	\$ -	\$ -	\$ -
Total Fund Balance: End of Year	\$ 248.5	\$ 190.0	\$ 293.4	\$ 218.5

**FY2007 RESOURCE SUMMARY
BY MAJOR CATEGORY
ON AN ACCRUAL BASIS
(IN THOUSANDS OF DOLLARS)**

RESOURCES FOR ALL OPERATING FUNDS AND DEBT SERVICE

	A	B	C	A+B+C		
	General Operating Funds		Debt	FY07 Total	FY06 Total	Variance
	General Fund	Special Revenue	Service			(FY07-FY06)
Fund Balance To Be Appropriated	\$ 75,000	\$ 30,000	\$ -	\$ 105,000	59,601	45,399
LOCAL REVENUE:						
PROPERTY TAXES	1,236,464	460,098	51,766	1,748,328	1,678,328	70,000
REPLACEMENT TAXES	91,494	-	54,106	145,600	135,600	10,000
INTEREST ON INVESTMENTS	19,911	1,372	-	21,283	16,500	4,783
LUNCHROOM SALES	-	15,517	-	15,517	20,000	(4,483)
OTHER MISC.	31,927	25,000	23,125	80,052	80,052	-
TOTAL MISCELLANEOUS	51,838	41,889	23,125	116,852	116,552	300
TOTAL LOCAL REVENUE	1,379,796	501,987	128,997	2,010,780	1,930,480	80,300
STATE REVENUE:						
GENERAL STATE AID	628,230	261,000	134,680	1,023,910	962,483	61,427
STATE AID PENSION	75,287	-	-	75,287	74,922	365
FLAT BLOCK GRANT BY ADA	14,660	-	-	14,660	12,929	1,731
BLOCK GRANTS: ED SVC & GEN ED	539,419	10,394	-	549,813	516,844	32,969
VOCATIONAL EDUCATION	-	7,300	-	7,300	7,179	121
DRIVERS EDUCATION	3,000	-	-	3,000	3,000	-
ORPHANAGE - SEC. 18-3	-	7,000	-	7,000	7,000	-
OTHER / CDB Construction Grant	24,300	13,440	-	37,740	34,320	3,420
TOTAL OTHER STATE AID	27,300	27,740	-	55,040	51,499	3,541
TOTAL STATE REVENUE	1,284,896	299,134	134,680	1,718,710	1,618,677	100,033
FEDERAL REVENUE:						
TITLE I-A: LOW INCOME	-	300,000	-	300,000	300,000	-
TITLE I-A: SYSTEM OF SUPPORT	-	15,000	-	15,000	14,000	1,000
TITLE I-B: READING FIRST	-	13,000	-	13,000	10,000	3,000
TITLE I-D: NEGLECTED/DELINQUENT	-	2,000	-	2,000	2,000	-
TITLE II-A: IMPROVING TEACHER	-	48,000	-	48,000	46,000	2,000
TITLE II-D: ED TECHNOLOGY	-	3,500	-	3,500	7,000	(3,500)
TITLE III-A: LANGUAGE ACQUISITION	-	11,000	-	11,000	10,900	100
TITLE IV-A: SAFE AND DRUG-FREE	-	5,500	-	5,500	6,000	(500)
TITLE IV-B: 21ST CENTURY COMM	-	4,800	-	4,800	4,800	-
TITLE V-A: INNOVATIVE PROGRAMS	-	3,500	-	3,500	6,740	(3,240)
TITLE VII-A: INDIAN EDUCATION	-	600	-	600	600	-
TITLE VIII: IMPACT AID	363	-	-	363	363	-
TOTAL ESEA PROGRAMS	363	406,900	-	407,263	408,403	(1,140)
SCHOOL BREAKFAST PROGRAM	-	22,045	-	22,045	20,400	1,645
SCHOOL LUNCH PROGRAM	-	114,511	-	114,511	119,100	(4,589)
DONATED FOOD	-	10,500	-	10,500	10,700	(200)
CHILD CARE & ADULT FOOD PROGRAM	-	2,539	-	2,539	4,263	(1,724)
TOTAL CHILD NUTRITION PROGRAM	-	149,595	-	149,595	154,463	(4,868)
LEA FLOW THRU & DISCRETIONARY	-	91,367	-	91,367	105,983	(14,616)
PRE-SCHOOL GRANTS	-	1,400	-	1,400	1,932	(532)
PART B: ROOM AND BOARD	-	4,000	-	4,000	3,500	500
OTHER SPECIAL ED GRANTS	-	3,740	-	3,740	3,500	240
TOTAL SPECIAL EDUCATION: IDEA	-	100,507	-	100,507	114,915	(14,408)
MEDICAID	38,000	-	-	38,000	38,000	-
ROTC/NROTC REIMBURSEMENT	3,500	-	-	3,500	3,500	-
HEAD START	-	36,000	-	36,000	34,534	1,466
STRIVING READERS	-	8,000	-	8,000	-	8,000
VOCATIONAL ED & J.T.P.A	-	14,500	-	14,500	16,179	(1,679)
OTHER MISCELLANEOUS GRANTS	17,000	60,545	-	77,545	68,024	9,521
TOTAL OTHER FEDERAL AID	58,500	119,045	-	177,545	160,237	17,308
TOTAL FEDERAL REVENUE	58,863	776,047	-	834,910	838,018	(3,108)
TOTAL REVENUES	2,723,555	1,577,167	263,677	4,564,400	4,387,176	177,224
TOTAL RESOURCES	\$ 2,798,556	\$ 1,607,167	\$ 263,677	\$ 4,669,400	4,446,777	222,623

**FY2007 RESOURCE SUMMARY
BY MAJOR CATEGORY
ON AN ACCRUAL BASIS
(IN THOUSANDS OF DOLLARS)**

SPECIAL REVENUE PROGRAMS

	A	B	C	D	E	(A+B+C+D+E)
	Lunch- Room	Suppl Gen St Aid	Government Funded	PBC O & M	Work Comp Tort Liab	FY07 Total
Fund Balance To Be Appropriated	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000
LOCAL REVENUE:						
PROPERTY TAXES	-	-	-	343,744	116,354	\$ 460,098
REPLACEMENT TAXES	-	-	-	-	-	\$ -
INTEREST ON INVESTMENTS	-	-	-	1,372	-	\$ 1,372
LUNCHROOM SALES	15,517	-	-	-	-	\$ 15,517
OTHER MISCELLANEOUS	25,000	-	-	-	-	\$ 25,000
TOTAL MISCELLANEOUS	40,517	-	-	1,372	-	\$ 41,889
TOTAL LOCAL REVENUE	40,517	-	-	345,116	116,354	\$ 501,987
STATE REVENUE:						
GENERAL STATE AID	-	261,000	-	-	-	\$ 261,000
STATE AID PENSION	-	-	-	-	-	\$ -
FLAT BLOCK GRANT BY ADA	-	-	-	-	-	\$ -
BLOCK GRANTS: ED SVC & GEN ED	10,394	-	-	-	-	\$ 10,394
VOCATIONAL EDUCATION	-	-	7,300	-	-	\$ 7,300
DRIVERS EDUCATION	-	-	-	-	-	\$ -
ORPHANAGE - SEC. 18-3	-	-	7,000	-	-	\$ 7,000
OTHER MISCELLANEOUS	-	-	13,440	-	-	\$ 13,440
TOTAL OTHER STATE AID	-	-	27,740	-	-	\$ 27,740
TOTAL STATE REVENUE	10,394	261,000	27,740	-	-	\$ 299,134
FEDERAL REVENUE:						
TITLE I-A: LOW INCOME	-	-	300,000	-	-	\$ 300,000
TITLE I-A: SYSTEM OF SUPPORT	-	-	15,000	-	-	\$ 15,000
TITLE I-B: READING FIRST	-	-	13,000	-	-	\$ 13,000
TITLE I-D: NEGLECTED/DELINQUENT	-	-	2,000	-	-	\$ 2,000
TITLE II-A: IMPROVING TEACHER	-	-	48,000	-	-	\$ 48,000
TITLE II-D: ED TECHNOLOGY	-	-	3,500	-	-	\$ 3,500
TITLE III-A: LANGUAGE ACQUISITION	-	-	11,000	-	-	\$ 11,000
TITLE IV-A: SAFE AND DRUG-FREE	-	-	5,500	-	-	\$ 5,500
TITLE IV-B: 21ST CENTURY COMM	-	-	4,800	-	-	\$ 4,800
TITLE V-A: INNOVATIVE PROGRAMS	-	-	3,500	-	-	\$ 3,500
TITLE VII-A: INDIAN EDUCATION	-	-	600	-	-	\$ 600
TITLE VIII: IMPACT AID	-	-	-	-	-	\$ -
TOTAL IASA PROGRAMS	-	-	406,900	-	-	\$ 406,900
SCHOOL BREAKFAST PROGRAM	22,045	-	-	-	-	\$ 22,045
SCHOOL LUNCH PROGRAM	114,511	-	-	-	-	\$ 114,511
DONATED FOOD FROM THE USDA	10,500	-	-	-	-	\$ 10,500
CHILD CARE & ADULT FOOD PROGRAM	2,539	-	-	-	-	\$ 2,539
TOTAL LUNCHROOM/OTHER	149,595	-	-	-	-	\$ 149,595
LEA FLOW THRU & DISCRETIONARY	-	-	91,367	-	-	\$ 91,367
PRE-SCHOOL & DISCRETIONARY	-	-	1,400	-	-	\$ 1,400
IDEA PART B: ROOM AND BOARD	-	-	4,000	-	-	\$ 4,000
OTHER SPECIAL ED GRANTS	-	-	3,740	-	-	\$ 3,740
SPECIAL EDUCATION: IDEA	-	-	100,507	-	-	\$ 100,507
MEDICAID	-	-	-	-	-	\$ -
ROTC REIMBURSEMENT	-	-	-	-	-	\$ -
HEAD START	-	-	36,000	-	-	\$ 36,000
STRIVING READERS	-	-	8,000	-	-	\$ 8,000
VOCATIONAL ED & J.T.P.A	-	-	14,500	-	-	\$ 14,500
NATIONAL SCIENCE FOUNDATION	-	-	-	-	-	\$ -
OTHER MISCELLANEOUS GRANTS	-	-	60,545	-	-	\$ 60,545
TOTAL OTHER FEDERAL AID	-	-	119,045	-	-	\$ 119,045
TOTAL FEDERAL REVENUE	149,595	-	626,452	-	-	\$ 776,047
TOTAL REVENUES	200,506	261,000	654,192	345,116	116,354	1,577,167
TOTAL RESOURCES	\$ 200,506	\$ 291,000	\$ 654,192	\$ 345,116	\$ 116,354	\$ 1,607,167

**BUDGET APPROPRIATIONS
FY2007 BUDGET BY MAJOR CATEGORY
ON AN ACCRUAL BASIS
(IN THOUSANDS OF DOLLARS)**

APPROPRIATIONS FOR ALL FUNDS EXCLUDING CAPITAL FUNDS

APPROPRIATIONS BY TYPE	General Operating Funds		Debt Service	Total(FY07)	Total(FY06)	Difference
	Gen Funds	Special Revenue				
Teacher Salaries	1,602,724	386,701	0	1,989,425	1,932,144	57,281
Esp Salaries	202,817	324,461	0	527,279	530,450	-3,171
TOTAL SALARIES	1,805,541	711,162	0	2,516,704	2,462,594	54,110
Teachers Pension	257,016	34,882	0	291,897	235,586	56,311
Education Support Personnel Pension	38,047	46,706	0	84,753	81,966	2,787
Hospitalization/Other Comp	193,815	109,141	0	302,957	274,637	28,319
Workers Comp/Other Comp	580	22,531	0	23,111	18,013	5,098
Unemployment Compensation	117	10,803	0	10,921	8,863	2,058
Medicare/Social Security	17,492	7,299	0	24,791	24,331	460
TOTAL EMPLOYEE BENEFITS	507,068	231,362	0	738,430	643,396	95,033
TOTAL EMPLOYEE COMPENSATION	2,312,609	942,524	0	3,255,133	3,105,990	149,144
Textbooks	39,347	22,654	0	62,001	58,326	3,675
Supplies And Postage	9,274	21,284	0	30,557	30,089	468
Energy	1,949	81,319	0	83,268	67,582	15,686
Food	60	92,394	0	92,454	91,546	909
Net Telephone And Telecommunications	0	4,508	0	4,508	3,820	688
TOTAL COMMODITIES & UTILITIES	50,630	222,159	0	272,789	251,363	21,426
Transportation	73,082	9,808	0	82,890	85,494	-2,604
Contractual Services	297,888	176,630	0	474,518	437,920	36,598
Equipment Rental	779	1,178	0	1,958	2,447	-489
Repair Contracts	3,857	31,335	0	35,192	35,984	-792
Printing	874	567	0	1,442	1,798	-356
Other	758	3,321	6,219	10,298	10,096	202
TOTAL NON-PERSONNEL SERVICES	377,239	222,839	6,219	606,297	573,739	32,558
Equipment	6,458	8,788	0	15,245	18,431	-3,186
EQUIPMENT	6,458	8,788	0	15,245	18,431	-3,186
Rent	949	9,222	0	10,171	10,848	-677
Insurance	5,293	12,435	0	17,728	14,008	3,720
Miscellaneous	53,079	182,866	0	235,945	240,215	-4,270
Other Interfund	-7,700	4,914	0	-2,786	-2,794	8
TOTAL OTHER CHARGES	51,620	209,437	0	261,058	262,276	-1,219
DEBT SERVICE AND PBC RENT	0	1,420	257,457	258,877	234,977	23,900
TOTAL APPROPRIATIONS	\$2,798,556	\$1,607,167	\$263,677	\$4,669,400	\$4,446,777	\$222,623

* Due to rounding, minimal differences may occur in totaling rows and columns.

**BUDGET APPROPRIATIONS
FY2007 BUDGET BY MAJOR CATEGORY
ON AN ACCRUAL BASIS
(IN THOUSANDS OF DOLLARS)**

APPROPRIATIONS BY TYPE	SPECIAL REVENUE PROGRAMS					TOTAL
	Lunch- room	Suppl Gen St Aid	Government Funded	PBC O&M	Workers' Comp Tort Liab	
Teacher Salaries	0	102,669	284,032	0	0	386,701
Esp Salaries	61,856	70,890	67,162	78,749	45,804	324,461
TOTAL SALARIES	61,856	173,558	351,195	78,749	45,804	711,162
Teachers Pension	0	6,285	28,597	0	0	34,882
Education Support Personnel Pension	10,900	4,566	10,583	13,664	6,992	46,706
Hospitalization/Other Comp	27,690	26,089	33,003	11,217	11,142	109,141
Workers Comp/Other Comp	426	1,088	1,696	543	18,778	22,531
Unemployment Compensation	243	622	969	310	8,659	10,803
Medicare/Social Security	787	2,186	3,149	574	603	7,299
TOTAL EMPLOYEE BENEFITS	40,047	40,837	77,996	26,307	46,175	231,362
TOTAL EMPLOYEE COMPENSATION	101,903	214,395	429,191	105,056	91,979	942,524
Textbooks	0	5,980	16,430	244	1	22,654
Supplies And Postage	600	6,477	7,674	6,202	331	21,284
Energy	0	0	0	81,319	0	81,319
Food	91,830	27	537	0	0	92,394
Net Telephone And Telecommunications	0	0	0	4,508	0	4,508
TOTAL COMMODITIES & UTILITIES	92,430	12,484	24,640	92,273	331	222,159
Transportation	604	1,426	7,690	57	30	9,808
Contractual Services	3,208	6,130	55,709	102,484	9,099	176,630
Equipment Rental	42	405	513	139	80	1,178
Repair Contracts	0	2,070	930	28,309	26	31,335
Printing	69	20	427	45	7	567
Other	0	1,266	2,051	0	3	3,321
TOTAL NON-PERSONNEL SERVICES	3,923	11,317	67,321	131,034	9,244	222,839
Equipment	1,400	2,087	2,409	2,779	112	8,788
EDUCATIONAL EQUIPMENT	1,400	2,087	2,409	2,779	112	8,788
Rent	0	0	148	9,074	0	9,222
Insurance	122	355	524	155	11,279	12,435
Miscellaneous	729	50,361	129,945	124	1,708	182,866
Other Interfund	0	0	14	3,200	1,700	4,914
TOTAL OTHER CHARGES	851	50,716	130,630	12,554	14,687	209,437
DEBT SERVICE AND PBC RENT	0	0	0	1,420	0	1,420
TOTAL APPROPRIATIONS	\$200,506	\$291,000	\$654,192	\$345,116	\$116,354	\$1,607,167

* Due to rounding, minimal differences may occur in totaling rows and columns.

**CAPITAL RESOURCES AND APPROPRIATIONS
FY2007 BUDGET BY MAJOR CATEGORY
ON AN ACCRUAL BASIS
(IN THOUSANDS OF DOLLARS)**

RESOURCES BY SOURCE	FY2005 Actual	FY2006 Budget	FY2007 Budget	Variance (FY07-FY06)
Fund Balance (committed projects)	426,715	314,700	266,369	(48,331)
LOCAL				
Proposed Bond	278,100	250,000	350,000	100,000
Tax Increment Financing (TIF)		1,300	1,300	-
Interest Income	13,181	8,000	8,000	-
Soundproofing & Energy Conservation	6,678	15,600	-	(15,600)
STATE		-	-	-
Construction Development Board (CDB)	3,061	-	-	-
FEDERAL				
Qualified Zone Academy Bond (QZAB)	16,552	6,800	-	(6,800)
FY2007 RESOURCES	317,572	281,700	359,300	77,600
TOTAL RESOURCES PLUS FUND BALANCE	744,287	596,400	625,669	29,269
APPROPRIATIONS BY TYPE				
TOTAL EMPLOYEE COMPENSATION	5,509	7,346	9,926	2,580
TOTAL SERVICES, COMMODITIES AND UTILITIES	10,176	691	10,074	9,383
TOTAL CAPITAL OUTLAY	384,586	596,348	616,154	19,806
Insurance	4,224	4,500	2,000	(2,500)
Other Interfund	(15,473)	(12,485)	(12,485)	-
TOTAL OTHER CHARGES	(11,249)	(7,985)	(10,485)	(2,500)
TOTAL APPROPRIATIONS	\$ 389,022	\$ 596,400	\$ 625,669	\$ 29,269

REVENUE HISTORY: ALL FUNDS EXCLUDING CAPITAL FUNDS

BY MAJOR CATEGORIES: FY2002-FY2007

(In Millions)

	ACTUAL				ESTIMATES	
	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
LOCAL REVENUE						
Property Taxes	\$ 1,480.0	\$ 1,546.3	\$ 1,571.1	\$ 1,639.2	\$ 1,678.4	\$ 1,748.3
Replacement Taxes	114.3	106.0	120.4	145.7	145.6	145.6
Investment Income	68.1	44.1	39.5	43.2	35.1	21.3
Lunchroom Sales	11.2	13.4	11.6	9.5	9.8	15.5
Miscellaneous Local Revenue	78.3	85.8	137.7	93.2	74.3	80.1
Sub-total	\$1,751.8	\$1,795.6	\$1,880.3	\$1,930.8	\$1,943.1	\$2,010.8
STATE REVENUE						
General State Aid - Regular	\$546.6	\$526.0	\$592.5	\$647.3	\$701.5	\$762.9
Supplemental General State Aid	261.0	261.0	261.0	261.0	261.0	261.0
Flat Grant by ADA	14.4	13.7	15.0	10.9	12.9	14.7
Teacher Pension	65.0	65.0	0.0	65.0	74.9	75.3
Other State Revenue	580.9	603.9	612.9	522.8	561.3	604.8
Sub-total	\$1,467.9	\$1,469.6	\$1,481.4	\$1,507.1	\$1,611.7	\$1,718.7
FEDERAL REVENUE						
ESEA/NCLB	\$177.8	\$210.0	\$244.1	\$277.6	\$378.4	\$407.3
Lunchroom	142.1	146.2	151.2	145.6	146.8	149.6
Medicaid Reimbursement	38.2	31.8	35.8	27.0	34.0	38.0
Federal Revenue - Other	196.7	220.9	299.4	312.8	184.4	240.0
Sub-total	\$554.8	\$608.9	\$730.5	\$763.0	\$743.6	\$834.9
GRAND TOTAL	\$ 3,774.5	\$ 3,874.1	\$ 4,092.2	\$ 4,200.9	\$ 4,298.4	\$ 4,564.4

* Due to rounding, minimal differences may occur in totaling rows and columns.

EXPENDITURE HISTORY: ALL FUNDS EXCLUDING CAPITAL
BY MAJOR CATEGORIES: FY2002-FY2007
(In Millions)

	ACTUAL				ESTIMATES	
	FY2002	FY2003	FY2004	FY 2005	FY 2006	FY 2007
EXPENDITURE						
Teacher Salaries	\$ 1,690.4	\$ 1,750.0	\$ 1,820.1	\$ 1,850.4	\$ 1,955.4	1,989.4
Career Service Salaries	495.1	495.2	520.3	515.4	530.4	527.3
Energy	53.5	62.4	63.2	64.6	67.5	83.3
Food	86.1	92.5	96.7	89.6	86.5	92.5
Textbooks	77.9	72.1	74.4	79.7	62.6	62.0
Supplies	40.7	40.7	42.4	45.2	33.5	30.6
Other Commodities	0.9	1.2	1.3	1.3	1.1	-
Professional & Contractual Svc	306.5	340.1	371.5	442.0	438.0	474.5
Transportation	95.5	98.9	96.8	93.6	85.8	82.9
Telephone	24.9	14.0	6.2	8.6	3.8	4.5
Other Services	21.4	26.5	19.4	11.5	14.1	13.7
Educational Equipment	51.9	42.4	43.3	44.1	15.4	15.2
Repairs and Replacements	58.7	48.7	45.4	35.2	36.1	35.2
Teachers' Pension	179.0	190.3	194.5	198.1	233.8	291.9
Career Service Pension	70.8	73.8	79.5	81.6	86.7	84.8
Hospital and Dental Insurance	192.3	196.5	229.0	230.2	264.7	303.0
Medicare & Social Security	22.2	23.4	25.5	26.7	24.3	24.8
Unemployment Compensation	2.3	3.4	4.7	8.6	10.8	10.9
Workers' Compensation	14.7	13.8	17.0	18.0	24.7	23.1
Space Rental	8.1	9.5	8.0	10.4	10.7	10.2
Debt Service and Other	219.9	255.2	259.6	315.8	235.0	258.9
Other Charges	(0.9)	(1.1)	(2.1)	6.2	46.3	250.9
TOTAL: All Funds	\$ 3,712.2	\$ 3,849.2	\$ 4,016.7	\$ 4,176.8	\$ 4,267.2	\$ 4,669.4

* Because of rounding, minimal differences may occur in totaling rows and columns.

EXPENDITURE HISTORY: GENERAL FUND

BY MAJOR CATEGORIES: FY2002-FY2007

(In Millions)

	ACTUAL		ESTIMATE		ESTIMATES	
	FY2002	FY2003	FY2004	FY 2005	FY 2006	FY 2007
Teacher Salaries	\$ 1,423.5	\$ 1,459.4	\$ 1,504.0	\$ 1,514.5	\$ 1,561.0	\$ 1,602.7
Ed Support Personnel Salaries	208.8	200.4	212.2	205.0	205.0	202.8
Energy	(0.0)	0.1	1.3	2.6	1.9	1.9
Food	0.3	0.5	0.4	0.4	0.1	0.1
Textbooks	38.8	30.3	29.5	25.1	31.0	39.3
Supplies	15.8	13.5	13.3	14.1	8.3	9.3
Other Commodities	0.2	0.2	0.2	0.3	0.1	-
Contractual Svc	175.6	172.0	194.6	211.2	253.8	297.9
Transportation	90.7	93.0	90.5	87.0	75.0	73.1
Telephone	0.1	1.9	4.5	0.1	-	-
Other Services	8.3	7.4	5.8	4.5	5.0	2.4
Educational Equipment	15.9	12.0	12.4	11.6	7.7	6.5
Repairs and Replacements	16.0	8.9	12.9	6.8	5.0	3.9
Teachers' Pension	154.2	161.0	164.4	172.6	201.9	257.0
Career Service Pension	49.5	50.8	55.4	56.4	58.7	38.0
Hospital and Dental Insurance	126.8	129.4	149.8	150.6	173.2	193.8
Medicare	0.1	5.3	17.2	18.0	17.3	17.5
Unemployment Compensation	-	-	0.6	(0.6)	0.1	0.1
Workers' Compensation	-	-	-	1.1	0.5	0.6
Space Rental	2.4	1.3	1.5	1.3	1.2	0.9
Debt Service and Other	-	-	-	0.0	-	0.0
Other Charges	(20.2)	(21.1)	(22.9)	(17.5)	-	50.7
GRAND TOTAL	\$ 2,306.7	\$ 2,326.4	\$ 2,447.6	\$ 2,465.1	\$ 2,606.8	\$ 2,798.6

* Because of rounding, minimal differences may occur in totaling rows and columns.

RESOURCES ANALYSIS

RESOURCES ANALYSIS

The Chicago Public Schools (CPS) is financed through a combination of federal, state, and local revenues. The single largest portion of revenue comes from local sources through property taxes; the state provides much of their support through General State Aid; and the federal government provides most of their resources to CPS for programs in the No Child Left Behind Act (NCLB).

Major Assumptions for FY2007 Resources

A number of assumptions, as detailed below, were used to formulate the final budget. These assumptions consider local economic conditions, state FY2007 K-12 appropriations contained in P.A. 94-798 and federal FY 2006 appropriations in P.L.109-149

LOCAL

- **Property Taxes:** The Board will increase the property tax extension to the tax-cap limit in 2006 and 2007. Property tax revenues are based on 3.3% inflation for the proposed 2006 extension and 3.4% for the 2007 extension. The assumed collection rate is 96.5%.
- **Personal Property Replacement Tax:** FY2007 replacement taxes are expected to increase by \$10 million over the FY2006 budgeted level based on the 7% increase in corporate profits projected by the State.

STATE

- **State Categorical Program Revenues:** Categorical funding depends on the Statewide K-12 FY2007 appropriations adopted by the legislature in P.A. 94-798. Statewide, this includes: a \$56.7 million increase for mandated categorical programs; \$45 million increase for the Early Childhood Block Grant; \$11.9 million increase for the After School Program; \$10 million increase for the ADA block grant, \$10 million for a new class size reduction program, \$5 million for a new school security program, \$5 million increase for the National Teacher Certification Program, and a \$4 million increase for bilingual education. The Chicago Public Schools will receive a portion of the above statewide increases.
- **General State Aid Claim:** The foundation level assumed for the FY2007 regular General State Aid claim is \$5,334 per student as adopted by the legislature in P.A. 94-835. This is an increase of \$170 per student over the FY2006 level. Supplemental General State Aid is based on the poverty formula adopted in 2003 (P.A. 93-21).
- **General State Aid EAV Adjustment:** This budget reflects the impact of P.A. 93-845, which will allow the CPS and other districts to file for a prior year Equalized Assessed Value (EAV) adjustment in FY2007. Out of the \$25.0 million that is available statewide, CPS expects to receive \$16.3 million in FY 2007.

- **State Pension Aid:** P.A. 94-798 appropriates \$75.3 million for state pension aid to the Chicago teacher pension fund for FY2007.
- **CDB School Maintenance Grant:** No state appropriations were approved for the CDB construction grant program for FY2007.

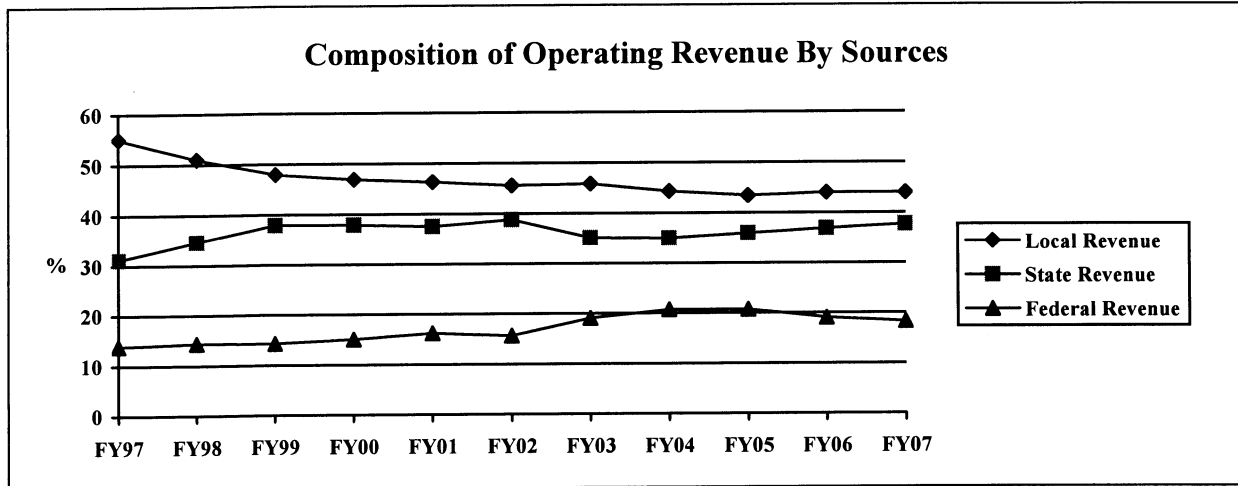
FEDERAL

- **Federal Revenue:** CPS FY2007 revenues are based on the federal fiscal year 2006 appropriations in P.L.109-149 plus carry over balances from the prior year. .

DISCUSSION OF RESOURCES

The FY2007 revenues budgeted for operating funds and debt service are \$4,564.4 million, an increase of \$177.3 million over the FY2006 budget of \$4,387.2 million. The total resources for FY2007 are estimated at \$4,669.4 million, including a prior-year fund balance of \$105.0 million.

The federal government will contribute 18.3% of all revenues to CPS in FY2007 and the state's contribution will reach 37.7% in FY2007. The remaining 44.0% of the revenue will be raised locally in Chicago. Local property taxes alone provide 38.0% of all operating revenues, or 86.9% of all local revenues. Other local revenues come from personal property replacement taxes, interest income, lunchroom fees, and miscellaneous items.



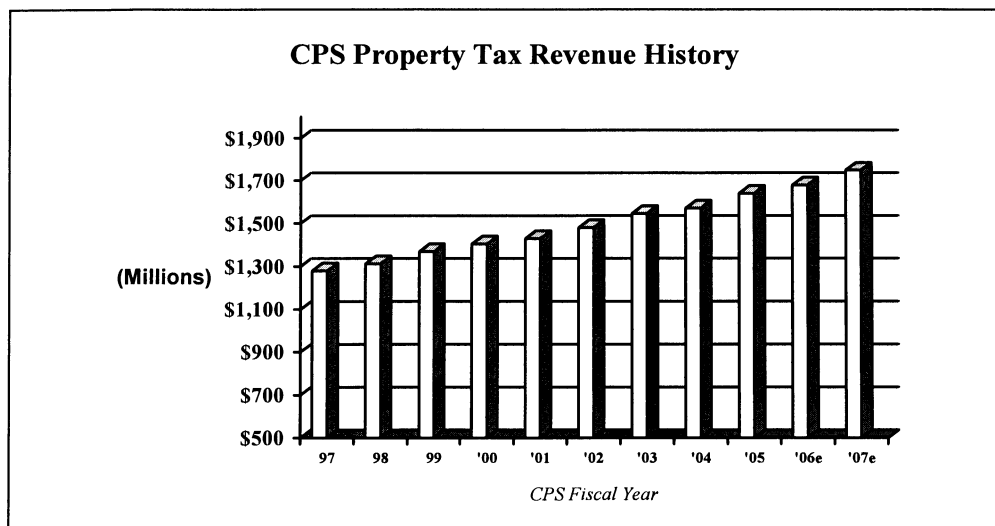
I. LOCAL RESOURCES

Total local revenues for FY07 are budgeted at \$2,010.5 million, an increase of \$80.0 or 4.1% over FY06.

A. Property Taxes

Property-tax revenues for all funds are projected at \$1,748.3 million in FY2007, an increase of \$70.0 million over the estimated FY2006 receipts. Of the \$70 million, \$15 million is generated by new construction in the City of Chicago and \$55 million is generated by increasing property taxes by 3.3%. Although property taxes provide 38.0% of all operating revenues for the Chicago Public Schools, the Board cannot rely on growth in property-tax revenues to pay for increasing financial needs. The property-tax cap, combined with statutory property-tax rates and the use of the prior-year EAV, restricts the growth in property-tax revenues. Specifically, the consolidated Education Fund tax levy cannot exceed \$3.07 per \$100 of EAV, plus the difference between \$0.50 per \$100 EAV and the rate of taxes extended for School Finance Authority Bonds. Property-tax rates for the Medicare Fund, Workers' & Unemployment Compensation/Tort Immunity Fund, and PBC Operation & Maintenance Fund are not limited by law, but are subject to the tax cap.

The chart below provides a history of the growth in property-tax revenue.



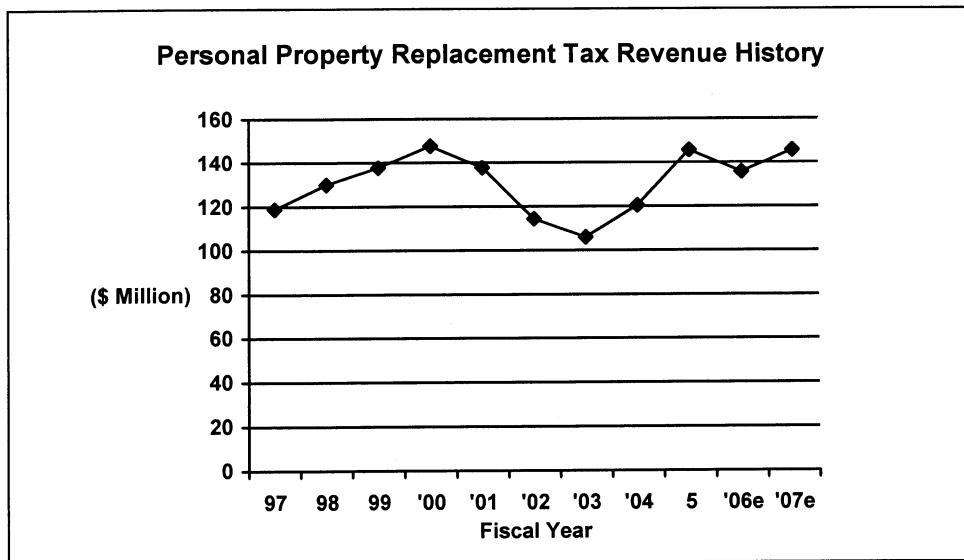
Property-tax revenues in the budget are equal to property-tax cash collections from September through the end of August in each fiscal year. These fiscal-year collections are different from calendar-year property-tax extensions because tax extensions are the total amount of property-tax bills sent to taxpayers each calendar year. Allocations of the revenues are as follows: the General Fund: \$1,236.5 million; PBC Operations & Maintenance: \$343.6 million; the Worker's & Unemployment Compensation Tort Immunity Fund: \$116.5 million; and PBC rental lease payment: \$51.8 million.

B. Personal Property Replacement Taxes

The growth in corporate profits will translate into a total of \$145.6 million personal property replacement tax (PPRT) revenues for FY2007, \$10.0 million higher than the FY2006 budgeted revenues of \$135.6 million. Out of \$145.6 million, \$54.1 million is pledged to make debt-

service payments for bonds, while the residual balance of \$91.5 million will be deposited into the General Fund.

The Personal Property Replacement Tax (PPRT) includes an additional state income tax on corporations and partnerships, a tax on businesses that sell gas or water, a 0.5% fee on all gross charges for telecommunications services excluding wireless services, and a per-kilowatt tax on electricity distributors.



The state collects and distributes the revenue to local taxing districts. Taxing districts in Cook County receive 51.7% of collections, which is divided among the County's taxing bodies based on each district's share of personal property collections in 1976. The Chicago Public Schools receives 27.1% of the total Cook County share, which is equivalent to 14.0% of the statewide total. Effective April 1996, a portion of the Board's revenue from the Replacement Taxes is pledged to the payments of debt service on some bonds for capital-improvement projects. The Board needs to allocate \$54.1 million of PPRT revenues to pay for debt services in FY2007.

C. Other Local Resources

Total miscellaneous local revenue is expected to stay relatively level at \$116.9 million in FY07. Included here is \$21.3 million of investment earnings, up by \$4.8 million from last year due to higher interest rates and better cash management; and \$80 million of on-behalf pension contribution by the City of Chicago, private foundation grants, donations and other intergovernmental revenues. The increase is offset by a decrease of \$4.5 million in lunchroom sales, which is largely due to lower student enrollment and less participation in the lunch programs provided.

II. STATE RESOURCES

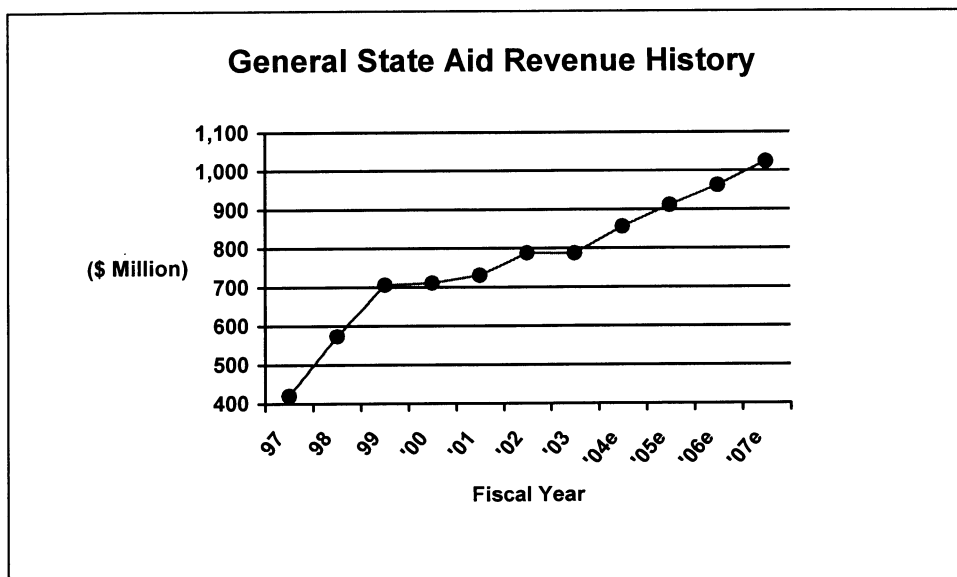
Total state revenues for FY07 are budgeted at \$1,718.7 million, up \$100.0 million from the FY06 budget of \$1,618.7 million. This represents an increase of 6.2% from the the previous year. The estimated FY2007 state share of operating revenues will increase from 36.9% to 37.7% of operating revenues.

A. General State Aid (GSA)

GSA increased by \$61.4 million, going from \$962.5 million in FY06 to \$1,023.9 million in FY07. The increase is the result of the \$170 increase in the foundation level from \$5,164 to \$5,334 and full-funding of poverty grants.

General State Aid (GSA) represents the major portion of state support for Illinois public elementary and secondary schools. Kindergarten through grade 12 and eligible prekindergarten students who receive public school educational services benefit from General State Aid.

In every other district in the state, GSA funds can be expended at the discretion of the local school districts. However, Chicago Public Schools is required by state law to dedicate a minimum of \$261.0 million from its General State Aid revenue to supplemental programs in the Supplemental General State Aid Fund (formerly State Chapter 1 Fund) for children from low-income families.



General State Aid utilizes a specified annual foundation level, no grade-level weightings, newly established tax rates for use in the calculations, and a separate calculation for poverty. In May, 2003, the General Assembly adopted a new poverty grant formula. Instead of the most recent federal census poverty data, a new poverty count prepared by the Department of Human Services is used, starting FY2004. The FY2007 count will use a three-year average of the 2003, 2004, and 2005 count of children who are eligible for any one of four low-income assistance programs: Medicaid, Kidcare, Food Stamps, and Temporary Assistance to Needy Families (TANF).

A district's GSA revenue is a combination of the poverty grant together with whatever amount is needed to bring total basic revenue per student up to the foundation level of \$5,334 for FY2007, given the property tax revenue per student available in the district. Based on the foundation level of \$5,334 per student and the new poverty formula, the Chicago Public Schools will receive a total of \$1,023.9 million for FY07, an increase of \$61.4 million over the final FY2006 allocation.

In addition, the Illinois legislature adopted P.A. 93-845 which allows school districts to continue to file claims for adjustments on prior-year GSA allocations which were initially based on property values not reduced by future property-tax refunds. These adjustments allow school districts to partially offset the negative impact of property-tax refunds. CPS expects to get a net adjustment of \$16.3 million for FY2007.

The allocation of General State Aid to Supplemental General State Aid (SGSA) programs will remain at \$261.0 million, which is consistent with the provisions of P.A. 89-15 that require a SGSA allocation of at least \$261.0 million. . In addition to payments to the SGSA Fund, \$134.7 million will support debt-service payments for bond issues for the Capital Improvement Program. The General Fund will receive the residual balance of \$628.2 million in FY2007.

B. General Education and Educational Services Block Grants

Based on the final state budget, the Board expects to receive a total of \$549.8 million of General Education and Educational Services block grants from the state for FY07, an increase of \$33.0 million over the FY2006 original allocation of \$516.8 million. From the Educational Services block grants, \$10.4 million of the Illinois Free Lunch grant will support the Lunchroom Fund.

Illinois Public Act 89-15 created a general education block grant and an educational services block grant to allow flexibility and efficiency in the distribution and use of certain grants to the Chicago Public Schools. The grant amounts are computed by multiplying the state fiscal-year appropriation for the programs included in the grant by the Board's percentage share of those programs in FY1995.

C. State Aid Pension

State FY07 appropriation for the Chicago Teachers Pension Fund is \$75.3 million. This is \$0.4 million greater than last year's amount of \$74.9 million. This increase reflects a small increase in the statutory requirement in Section 17-127 of the Pension Code that the State pay for a portion of the costs of the increase in annual pension credit to 2.2% whenever the funded ratio of the Chicago Teachers Pension Fund drops below 90% (which it has since FY 2004).

D. Other State Resources

The categorical funding is based on the statewide K-12 FY 2007 appropriations adopted by the legislature in P.A. 94-798. Statewide, this includes a \$45.0 million increase for the Early Childhood Block Grant, \$10.0 million increase for the ADA block grant, \$11.9 million increase for the afterschool program, \$10.0 million for a new class size reduction program, \$5.0 million for a new school security program, and \$4.0 million increase for bilingual.

The \$10.0 million growth in statewide appropriation for the School Safety and Educational Improvement Block Grant will generate \$14.7 million for CPS in FY2007, an increase of \$1.7 million over \$12.9 million in FY2006. The Charter School Transitional Aid Program, created to help local school districts that have charter schools in operation for their first three years, is expected to generate \$3.0 million. As a result of several new new programs created for FY2007, CPS expects to get a total of \$37.7 million of revenues for miscellaneous other state program in FY 2007 (which includes \$3.0 million for the CPS Health Kids–Health Minds Expanded vision program and \$3.7 million for the regional safe schools program). This is an increase of \$3.4 million over FY 2006. The Illinois Free Lunch and Breakfast block grant will also provide \$10.4 million, the same as FY06.

III. FEDERAL RESOURCES

Total federal revenues for FY07 are budgeted at \$834.9 million, a decrease of \$3.1 million from the FY06 budget of \$838.0 million. This decline occurs primarily in the NCLB and IDEA allocations as a result of a small decrease in the Chicago poverty count by the Census Bureau.

A. ESEA (Elementary and Secondary Education Act) NCLB

Total ESEA program revenue is projected at \$407.3 million for FY2007, down just over \$1.1 million from \$408.4 million in FY2 006.

1. **Title I-A: Low Income** – The largest entitlement grant received under NCLB, this grant allows the district to provide supplemental programs to improve the academic achievement of low performing students. For FY 2007, CPS is estimated to receive \$ 279 million, down 1% from FY 2006. However, with the expected carryover from FY 2006, the funding level for supplemental educational programs is expected to remain the same at \$300 million
2. **Title I-A: System of Support** – This grant provides services to school in school improvement to improve the overall academic achievement of the students. For FY 2007, funds are expected to increase by \$1 million from FY 2006 to a total of \$15 million for FY 2007.
3. **Title I-B: Reading First** – Funds from this grant are used to provide services in the area of reading to grades K through 3 at eligible schools. This grant supports reading specialists and coaches. For FY 2007, CPS is expected to receive \$13 million, a 30% increase from \$10 million in FY06.

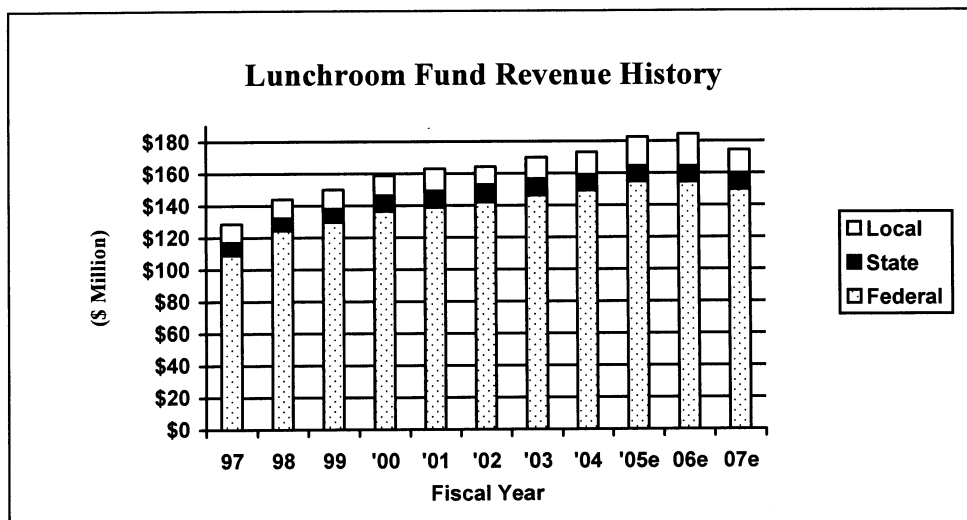
4. **Title I-D: Neglected/Delinquent** – The purpose of this grant is to improve the educational services for children and youth in local and state institutions for neglected or delinquent children and youth so that such children and youth have the opportunity to meet the same challenging State academic achievement standards. Programs include academic tutoring, counseling, and other curricular activities. For FY 2007, funds are expected to remain flat at \$2 million.
5. **Title II-A: Improving Teacher Quality** – Programs funded through this grant include reduced class size, recruitment and training, mentoring, and other support services to improve teacher quality. Funding for FY2007 is expected at \$ 48 million, a 4.3% increase over the FY 2006 \$46 million.
6. **Title II-D: Ed Technology** - A host of technology-related grants are consolidated into Educational Technology Grants. For FY2007, the estimated grant award of \$3.5 million decreased 50% from last year.
7. **Title III-A: Language Acquisition** – Funds are used to provide services to English language learners throughout CPS that meet the eligibility requirements. Funding levels for this grant are expected to remain almost constant at \$11.0 million for FY2007.
8. **Title IV-A: Safe and Drug-Free** – This grant supports programs that provide services to students in the areas of violence and violence prevention, safety and security, conflict resolution, and a host of other activities. Funding for FY 2007 is expected at \$5.5 million, an 8.3% decrease from the FY 2006 allocation of \$6.0 million.
9. **Title IV-B: 21st Century Comm** – The purpose of these funds is to provide opportunities for communities to establish or expand activities in community learning centers. For FY 2007, the grant allocation will stay flat at \$4.8 million.
10. **Title V-A: Innovative Programs** - The Innovative Program (ESEA V-A) supports local educational reform efforts to improve student achievement. As a result of a 47.8% decrease in the federal funding, this grant will decline from \$6.7 million to \$3.5 million
11. **Title VII-A: Indian Education** – Funds from this grant are used to support efforts in meeting the educational and culturally related academic needs of American Indian and Alaska Native students. Funds for FY 2007 are expected to be at level at \$600,000.
12. **Title VIII: Impact Aid** – Funds for this grant are used to help offset loss of revenue relating to federal acquisition of real property. Funds for FY 2007 are expected to remain level at \$0.4 million.

B. Total Child Nutrition Program

The Child Nutrition Program is expected to decrease from \$154.5 million in FY 2006 to \$149.6 million in FY 2007. Included in the program is food worth \$10.5 million from the U.S. Department of Agriculture, which will be used by vendors to reduce food costs.

The Lunchroom Funds account for school breakfasts and lunches for all children who participate in the programs during the school year. The federal government provides a basic level of reimbursement for all lunches and breakfasts plus supplemental reimbursement for free and reduced-price lunches and breakfasts. In addition to the reimbursement, the federal government also provides cash in lieu of commodities based on the number of meals served.

The Illinois Free Breakfast and Lunch Program also supports the program. Under the National School Lunch Program and the Child Care and Adult Food Programs, children must meet the federal income guidelines for free or reduced-price meals or be determined as categorically eligible for free meals as members of Food Stamp or AFDC households.



C. Individuals with Disabilities Education Act (IDEA)

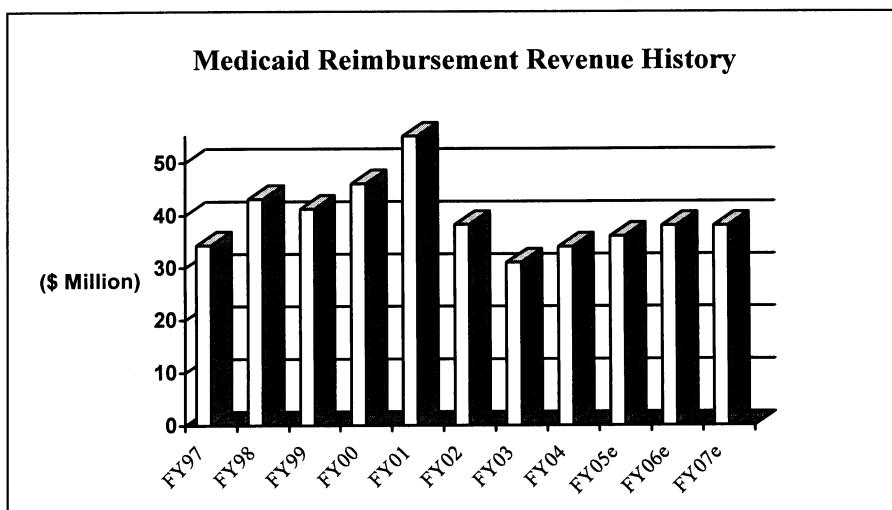
Total IDEA funding declines from \$114.9 million in FY2006 to \$100.5 million in FY 2007. This represents a decrease of \$14.4 million, or 12.5%.

IDEA grants provide supplemental funds for special education and related services to all children with disabilities from age 3 through age 21. The first priority of this program is to provide service to all children with disabilities who are not served. The second priority is to offer additional services to children who do not have adequate services or who have the most severe disabilities in each category of disabilities.

D. Medicaid Reimbursement under the Health Services Management Program

It is expected the the FY07 budgeted amount for Medicaid will remain the same as last fiscal year, \$38 million. The Individuals with Disabilities Education Act (IDEA) required school districts to provide health services to students with disabilities.

Through the Omnibus Budget Reconciliation Act (OBRA), and an interagency agreement was signed by the Illinois Department of Public Aid (IDPA) and the Illinois State Board of Education (ISBE), local education agencies were able to seek reimbursement from IDPA for services covered by IDPA's Medicaid program. An amendment later expanded the range of covered services (Illinois School Based Health Services Program).



Since 2001, the federal government has imposed many restrictions that have caused Medicaid claims to decline. A number of reimbursable service items were eliminated, while the rules for currently reimbursable activities were more narrowly re-defined and interpreted.

Board pursues many changes through the State that could result in higher revenues such as fair and equitable cost-based rates; the Chicago Public Schools expect minimal growth in this revenue for FY2007.

E. Other Federal Resources

The Chicago Public Schools (CPS) strives to increase supplemental funding for the development of innovative educational programs by generating and submitting written proposals for a variety of formula-driven and competitive grants which originate in federal and state agencies, foundations, and the corporate community. Various governmental agencies and private donors award funds to schools and districts based on formulas, the quality of written proposals, and the promise demonstrated by the proposed programs.

EXPENDITURE ANALYSIS

EXPENDITURE ANALYSIS

Below is a description and analysis of expenditures budgeted in FY2007 general operating and debt service funds. This section includes summary comparisons between costs in the FY2006 final budget and FY2007, as well as a summary of expenditures by educational programs.

Expenditure Analysis

FY2007 appropriations in the general operating and debt services funds totals \$4,669.4 million, an increase of \$222.6 million or 5% for these same funds in the final FY2006 budget. Over 65% of this increase was driven by higher teacher salaries and employee benefits costs, which is analyzed in more detail in the sections below.

The table below represents appropriations by expenditure type for FY2007:

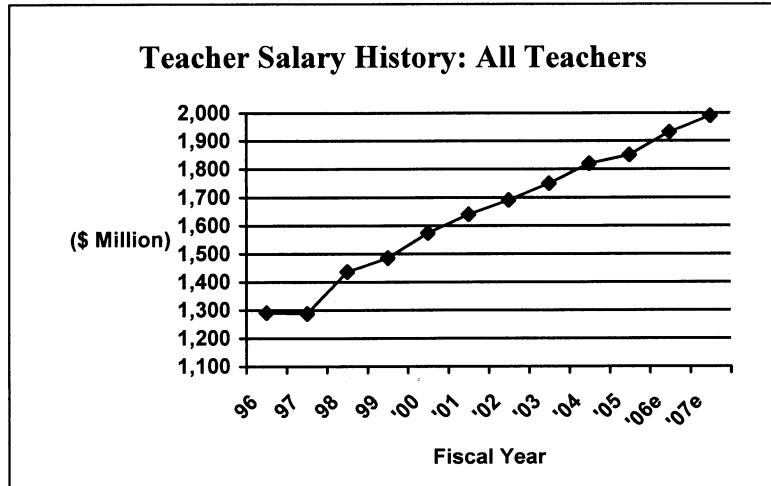
FY2007 All Funds (In Millions)	General Fund	Special Revenue	Debt Service	FY 07 Total*	FY 06 Total*	Variance
Teacher Salaries	1,602.7	386.7		1,989.4	1,932.1	57.3
Ed Supp. Personnel Salaries	202.8	324.5		527.3	530.4	(3.1)
Employee Benefits	507.1	231.3		738.4	643.4	95.0
Compensation Total	2,312.6	942.5		3,255.1	3,105.9	149.1
Commodities & Utilities	50.6	222.1		272.8	251.4	21.4
Non-personnel Services	377.2	222.8	6.2	606.3	573.7	32.6
Equipment	6.5	8.8		15.2	18.4	(3.2)
Other	51.6	209.5		261.1	262.3	(1.2)
Debt Service	0	1.4	257.5	258.9	235.0	23.9
Total Appropriations	2,798.5	1,607.1	263.7	4,669.4	4,446.7	222.6

*Small differences are due to rounding

Salaries

Teachers

For FY 2007, teacher salaries are budgeted at \$1,989.4 million, as compared to \$1,932.1 million in FY 2006, representing an increase of \$57.3 million. Over the last five fiscal years, teacher salaries have risen steadily from \$1,749.9 in FY 2003 for an increase of \$239.5 million due to negotiated union wage increases.

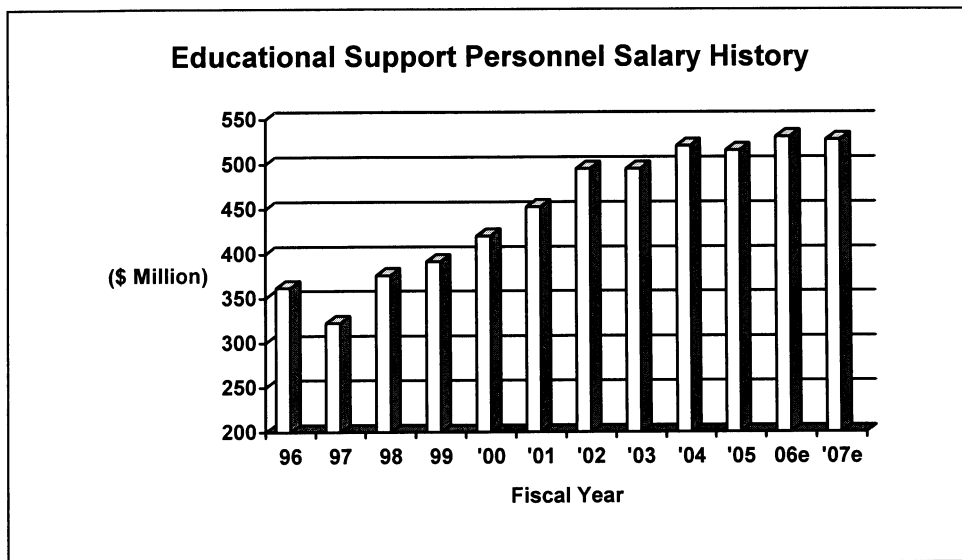


The “teacher salaries” category encompasses all employees who hold teacher certificates. This includes regular teachers, full-time basis teachers, substitute teachers, assistant principals, principals, and other administrators, all of whom are members of the Public School Teachers’ Pension and Retirement Fund of Chicago.

The number of all teacher positions budgeted for FY2007 is 27,868 a decrease of 1,062 from the 28,930 budgeted for FY2006. This decrease is primarily driven by declining student enrollment, which generates fewer teacher positions based on teacher formulas set forth in the Board’s collective bargaining agreement with the Chicago Teacher’s Union. Despite the decrease in the number of teachers, the average teacher salary increased by approximately 5.5% from FY2006 to FY2007 based on a 4% cost of living salary increase and step increases that are required by the union contract.

Educational Support Personnel (Non-Teachers)

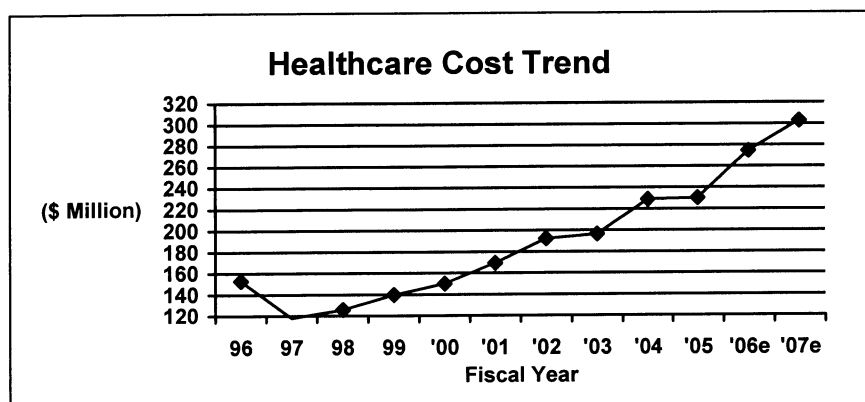
For FY 2007, educational support personnel (ESP) salaries are budgeted at \$527.3 million, as compared to \$530.4 million in FY 2006, resulting in a decrease of \$3.1 million. This decrease is largely attributable to enrollment declines and reductions in central office administrative salary costs. The total FY2007 salaries for school based and unionized ESP are budgeted to include a 4% salary increases and step increases, thereby increasing the average salary by approximately 5% from FY2006 to FY2007. For FY2007, administrative ESP working at the central office and within certain programmatic functions were excluded from receiving the traditional cost of living and step increases. The net decrease due to reductions in central office personnel costs has helped to maintain ESP salary costs level over the past few years relative to the increase in teacher salary cost.



Benefits

Healthcare Insurance

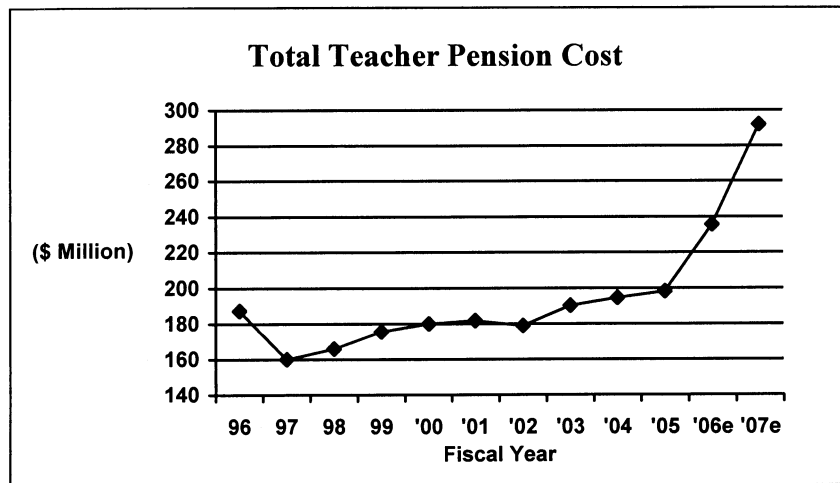
The FY2007 healthcare cost is budgeted at \$302.9 million, an increase of \$28.3 million or 9.1% over FY2006 appropriations. The CPS group health plan is self-insured, and the Board assumes the full risk for insuring employees. Since FY 2003, healthcare costs have risen significantly from \$196.5 for an average increase of approximately 11% per year. Nationwide, healthcare costs have seen similar increases with an inflation trend of approximately 12% expected for 2007.



Teacher Pension

For FY 2007, teacher pension costs are budgeted at \$291.9 million, as compared to \$235.6 million in FY 2006 for an increase of \$56 million. This cost includes both CPS' cost of the pension, and a pension benefit that is paid on behalf of employees. State statutes govern how the

Chicago Teachers' Pension Fund must be funded. This year, the funding ratios for the Chicago Teachers' Pension Fund require that CPS must allocate additional employer contributions totaling approximately \$69.4 million versus \$15.8 million in FY 2006, representing an increase of \$53.6 million, and thus the majority of the \$56 million increase. Over the last five fiscal years, teacher pension costs have risen steadily from \$190.3 in FY 2003, for an average increase of almost 11% per year.



Workers' and Unemployment Compensation and Medicare / Social Security Tax

The Unemployment Compensation is budgeted at \$10.9 million for FY2007, an increase of \$2.0 million due from FY2006. The increase is largely related to the continued reductions in staff. The Medicare and Social Security tax budget totals \$24.8 million, to pay for employees hired after March 30, 1986, and part-time employees who receive hourly wages.

The FY2007 Workers' Compensation expenditure is estimated at \$23.1 million, a \$5.1 million increase over the FY2006 budget due to an increase in claims. Workers' Compensation is a system of benefits provided by law to most workers who have job-related injuries or diseases; these benefits are paid regardless of fault.

Commodities

The commodities category includes textbooks, supplies and postage, energy, food and telephone/telecommunications costs. Energy costs (electricity and natural gas) are budgeted at \$83.3 million for FY2007. This is a \$15.7 million or 23.2% increase over the FY2006 budgeted amount, which is attributable to record nationwide cost increases for oil and gas. Food costs will increase to \$92.4 million from \$91.6 million budgeted for FY2006. The telecommunications budget will increase from \$3.8 million in FY2006 to \$4.5 million in FY2007. The total budget for textbooks, supplies, and software and postage amounts to \$92.6 million for FY2007 compared to \$88.4 million for FY 2006, an increase of \$4.2 million.

Non-Personnel

The FY2007 budget for Non-Personnel Services is \$606.3 million, or \$32.6 million higher than the FY2006 Non-Personnel Services. The increase is largely due to an increase in contractual services of \$36.6 million (detailed below), offset slightly by a \$4.2 million decrease in transportation, equipment rental, repair contract and printing costs.

This year, tuition, professional services and contractual services costs were consolidated in certain reports. For FY 2007, these costs are estimated at \$474.5 million compared to \$437.9 million in FY 2006 for an increase of approximately \$36.6 million. The table below shows the net change in the cost for contractual services between FY 2006 and FY 2007. The increase in contractual services is largely due to an increase in charter and alternative school capacity as approximately 5,400 additional charter and contract school students slots were made available in FY2007 from FY2006, amounting to an increase of almost \$33 million. The \$6.3 million increase associated with supplementary programs represents the net of an increase in early childhood subcontractors and a decrease in costs for SES private providers, as more of the SES services will be provided directly by CPS. The \$2.7 million reduction in facilities, food services and administration is a net reduction due to a decrease in central office administrative and property advisor subcontracting and an increase in costs for private custodians.

Contractual Services Appropriations

	FY07 Appropriation	Change from FY06
General and Special Education (i.e. charter, contract and private special ed schools)	\$226.9	\$33
Supplementary Education Programs (i.e. SES tutors, early childhood subcontractors)	108.3	6.3
Facilities, Food Services and Administration (i.e. private custodians and engineers, telecom/network providers)	139.4	(2.7)
	\$474.5	\$36.6

Equipment

The FY2007 budget for this category is proposed at \$15.2 million compared to \$18.4 million for FY 2006, a decrease of approximately \$3.2 million from the FY2006 level. Educational equipment includes expenditures on computers, printers, projectors, copiers, and fax machines.

Other Charges

The FY2007 cost for Other Charges totals \$261.1 million. Other charges include unallocated educational program costs, miscellaneous charges, unallocated appropriations for future grants that the Board may receive, inter-fund allocations, rental fees, and insurance and legal claims.

The FY2007 budget allocates inter-fund charges of \$4.9 million in Special Revenue Funds. Certain Central Office operating costs in the General Fund are allocated to special revenue funds using cost accounting methods. The Board reduces General Fund appropriations by the amount of the inter-fund costs incurred for the benefit of other funds, and increases appropriations in the other funds by an equal amount.

Total costs budgeted for property, liability insurance, tort, and non-tort claims amount to \$17.7 million compared to \$14.0 million for FY 2006 an increase of \$3.6 million due to increasing insurance premiums.

For FY 2007, miscellaneous costs are estimated at \$235.9 million compared to \$240.2 million for FY 2006, for a decrease of \$4.3 million. Many schools often keep their non-compensation allocations in miscellaneous appropriation lines at the beginning of a fiscal year. During the school year, schools transfer these funds to various expenditure types, reflecting Local School Council decisions. Also budgeted in contingent expenditure lines are spending plans awaiting Board approval, prior-year fund balance, and anticipated grants from federal, state, and private foundations.

The Board appropriates funds for many educational programs, such as after-school and high school improvement programs, as miscellaneous charges at the beginning of a fiscal year. As spending plans are finalized, funds are reallocated to appropriate expenditure codes at the school units.

Debt Services

Debt service costs increased by \$23.9 million from FY2006 to FY2007 to issue a new bond to finance the 2007 capital program. More details are included in the Debt Services section of the budget book.

DEBT SERVICE FUNDS ANALYSIS

DEBT SERVICE FUNDS ANALYSIS

The Board is authorized by state law to issue notes and bonds and to enter into lease agreements for capital improvement projects and cash requirements. Debt Service Funds are established to account for annual property tax levies, Personal Property Replacement Taxes, General State Aid, and other revenues that are used for principal, interest, and lease payments.

The FY2007 debt service obligation will require a total appropriation of \$263.7 million, an increase of \$23.9 million over the FY2006 adopted budget of \$239.8 million. This increase results primarily from the proposed appropriation of \$23.0 million for a \$350.0 million new bond issue so that the Chicago Public Schools can continue its capital improvement programs in FY2007.

Summary of Debt Service Funds FY2007 Budget (In Millions)

	Alternate G.O. Bonds	PBC Leases	Total Debt Service
Beginning-Year			
Total Fund Balance	\$270.6	\$34.0	\$304.6
Reserved Balance	(270.6)	(34.0)	(304.6)
Fund Balance to be Appropriated	\$0.0	\$0.0	\$0.0
Revenues:			
Local	\$77.2	\$51.8	\$129.0
State	134.7	0.0	134.7
Total Revenue	211.9	51.8	263.7
Total Resources	\$211.9	\$51.8	\$263.7
Appropriation:			
Principal & Interest	\$211.9	\$51.8	\$263.7
Fund Balance:			
End of Year	\$270.6	\$34.0	\$304.6

Debt service in FY2007 includes appropriation of \$189.0 million for existing Alternate General Obligation bonds such as Series 1996, 1997, 1997A, 1999A, 2000A, 2000B, 2000C, 2000D, 2001A, 2001C, 2002A, 2003A, a portion of the 2003D, 2004A, 2004CDE, 2004FGH, 2005AB, 2005C and 2005DE and swap payments related to the Series 2003B, a portion of the 2003D, 2004B and 2005DE issues.

In addition, the Board proposes to issue approximately \$350.0 million of Unlimited Tax General Obligation Bonds in one or more series for the capital improvement programs in FY2007. Debt service on the new bonds, estimated at \$23.9 million per year, will be funded primarily from General State Aid revenues.

The lease payments for the Public Building Commission (PBC) are for revenue bonds that the PBC sold to fund capital projects for schools that the Board is leasing from the PBC. The current lease payments relate to PBC bonds issued in 1992, 1993, and refunding bonds issued in 1999. Property tax revenues required to pay for these bonds are \$51.8 million in FY2007, an increase of \$0.4 million over the FY2006 level.

Not included in the debt service funds is the annual debt payment of \$1.3 million for the EPA Asbestos-in-Schools Abatement loans, which is appropriated in the PBC operation & Maintenance Fund.

Debt Management and Legal Debt Limit

The Chicago Public Schools periodically issues debt to support many projects throughout the school district. In doing so, it creates debt service requirements for these bonds. Debt service on Unlimited Tax General Obligation Bonds is funded primarily from Personal Property Replacement Taxes (PPRT), Intergovernmental Agreement revenues (IGA), or General State Aid revenues.

Since 1996, the Board has exercised its borrowing authority to construct new schools and renovate existing school buildings. The debt mechanism that the Board has utilized consists primarily of unlimited tax general obligation bonds (issued as alternate bonds). Since property tax levies are not extended to support these debt issues, the alternate bonds do not count against the legal debt limit imposed by the Illinois School Code.

The School Code imposes a statutory limit on the total outstanding debt that the Board may borrow. The rate is set at 13.8% of the total school district's equalized assessed value. At the end of FY2005, the Board's ratio of total outstanding debt to equalized assessed value was 1.05%, well below the legal debt limit of 13.8%, and the ratio is anticipated to stay at this level in FY2007.

The Debt Management Policy of CPS provides guidance for debt management and capital planning and enhances the Board's ability to manage its debt in a conservative and prudent manner.

One of the main goals of the policy is to ensure that CPS maintains the highest possible credit rating among the credit agencies. For FY2005, the credit rating was A+ by Standard & Poor's Rating Services and Fitch Investor Services. Another main goal of the policy is to say in compliance with various rules and regulations.

As part of the Debt Management Policy, CPS is authorized to use a number of tools to manage its portfolio of debt. Some of the tools and techniques employed are: refunding of existing debt, using derivative instruments, and issuing fixed or variable rate bonds, and issuing short-term or long-term debt. These tools are used to manage various types of risks, generate cost savings, and enhance capital asset planning.

A copy of the Debt Management Policy is available at the Board's website at <http://policy.cps.k12.us/documents/404.1.pdf>

The table below lists all the outstanding bonds issued since 1996:

Debt Type	Closing Date	Maturity Date	Original Issue Amount	Pledged Funding Source for Debt Service
Unlimited Tax G.O. Series 1996	4/25/1996	12/1/2026	\$350,000,000	PPRT
Unlimited Tax G.O. Series 1997	5/7/1997	12/1/2027	\$500,000,000	PPRT
Unlimited Tax G.O. Series 1997A	12/3/1997	12/1/1930	\$499,995,204	1997 IGA/PPRT
Qualified Zone Academy Bond	9/24/1998	9/23/2011	\$14,000,000	1997 IGA
Unlimited Tax G.O. Series 1998B-1	10/28/1998	12/1/1931	\$328,714,364	1997 IGA/PPRT
Unlimited Tax G.O. Series 1999A	2/25/1999	12/1/1931	\$532,553,136	1997 IGA/PPRT
PBC Series C of 1999	9/22/1999	2/1/2006	\$316,255,000	1997 IGA/PPRT
Qualified Zone Academy IDFA 1999A	12/22/1999	12/21/2011	\$12,000,000	State Aid
Unlimited Tax G.O. Series 2000A	7/20/2000	12/1/1931	\$106,960,000	State Aid
Unlimited Tax G.O. Series 2000B,C, D	9/7/2000	3/1/1932	\$303,000,000	State Aid
Qualified Zone Academy Series 2000E	12/19/2000	12/18/2013	\$13,390,000	State Aid
Unlimited Tax G.O. Series 2001A	3/1/2001	12/1/1931	\$45,110,000	State Aid
Qualified Zone Academy Series 2001B	10/24/2001	10/23/2015	\$9,440,000	State Aid
Unlimited Tax G.O. Series 2001C	12/11/2001	12/1/1931	\$217,260,000	State Aid
Unlimited Tax G.O. Series 2002A	9/24/2002	12/1/2022	\$48,970,000	IGA - TIF
Unlimited Tax G.O. Series 2003A,B	2/13/2003	3/1/1933	\$259,665,000	State Aid
Qualified Zone Academy Series 2003C	10/28/2003	10/27/2017	\$4,585,000	State Aid
Unlimited Tax G.O. Series 2003D	12/12/2003	3/1/1934	\$257,925,000	State Aid
Unlimited Tax G.O. Refunding, Series 2004AB	4/6/2004	3/1/1932	\$503,485,000	PPRT/State Aid
Unlimited Tax G.O. Bonds Series 2004CDE	11/10/2004	3/1/1935	\$222,080,000	State Aid
Unlimited Tax G.O. Bonds Series 2004FGH	12/1/2004	12/1/2024	\$56,000,000	IGA - TIF
Unlimited Tax G.O. Bonds Series 2005AB	6/27/2005	12/1/1931	\$246,180,000	PPRT/State Aid
Unlimited Tax G.O. Bonds Series 2005C	11/15/2005	12/1/2024	\$53,750,000	IGA - TIF
Unlimited Tax G.O. Bonds Series 2005DE	12/8/2005	3/1/1936	\$325,000,000	State Aid

* IGA – Inter-government Agreement

SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY

Fiscal Year Ending June 30	Total Existing G.O. Bond Debt Service	Estimated Fiscal Year 2007 Bond Issue (s)	PBC Leases	Asbestos Loan	TOTAL
2007	186,751,981	23,000,000	51,765,744	1,268,760	262,786,485
2008	193,406,046	23,000,000	51,800,356	1,138,719	269,345,121
2009	195,487,840	23,000,000	51,838,144	1,036,506	271,362,490
2010	275,001,523	23,000,000	51,830,300	871,947	350,703,770
2011	287,495,696	23,000,000	51,873,931	736,621	363,106,248
2012	277,424,964	23,000,000	51,925,950	736,621	353,087,535
2013	283,229,820	23,000,000	51,963,131	364,978	358,557,929
2014	277,782,701	23,000,000	51,981,594		352,764,295
2015	289,953,918	23,000,000	52,028,769		364,982,687
2016	282,721,456	23,000,000	51,996,831		357,718,287
2017	287,541,696	23,000,000	52,019,588		362,561,284
2018	282,718,111	23,000,000	52,069,113		357,787,224
2019	287,127,848	23,000,000	52,098,800		362,226,648
2020	310,481,277	23,000,000	30,635,500		364,116,777
2021	338,539,686	23,000,000	-		361,539,686
2022	336,825,069	23,000,000	-		359,825,069
2023	308,366,833	23,000,000	-		331,366,833
2024	330,009,604	23,000,000	-		353,009,604
2025	326,618,988	23,000,000	-		349,618,988
2026	323,861,772	23,000,000	-		346,861,772
2027	323,593,782	23,000,000	-		346,593,782
2028	294,011,387	23,000,000	-		317,011,387
2029	386,136,988	23,000,000	-		409,136,988
2030	324,103,523	23,000,000	-		347,103,523
2031	324,031,325	23,000,000	-		347,031,325
2032	306,819,183	23,000,000	-		329,819,183
2033	71,414,876	23,000,000			94,414,876
2034	47,157,196	23,000,000			70,157,196
2035	31,791,004	23,000,000			54,791,004
2036	18,344,828	23,000,000			41,344,828
	<u>\$ 7,808,750,924</u>	<u>\$ 690,000,000</u>	<u>\$ 705,827,751</u>	<u>\$ 6,154,152</u>	<u>\$ 9,210,732,827</u>

CAPITAL PROJECTS FUNDS ANALYSIS

CAPITAL PROJECT FUNDS ANALYSIS

Capital Projects Funds are established for the receipt and expenditure of bond proceeds and capital resources for Board-approved capital projects. The FY2007 total appropriation for all Capital Projects Funds is \$625.7 million, an increase of \$29.2 million from the FY2006 level of \$596.4 million.

The FY2007 Capital Improvement Program includes anticipated bond proceeds of \$350.0 million. For FY 2007, no funds were generated from a QZAB bond, a decrease of \$6.8 million. The table below summarizes the capital projects funds:

FY2007 Capital Projects Funds – \$625.7 Million (in millions)

Sources of New Funds (FY2007 projects):

Local	
FY2007 Proposed Bonds	\$350.0
Interest	8.0
Soundproofing & Energy Conservation	
State	
Construction Development Board	
Federal	
Qualified Zone Academy Bonds	
Sub total:	358.0

Sources of Additional Funds (prior-year projects):

Other Government Revenue	1.3
Sub total:	1.3

Re-appropriation of Existing Bond Funds	266.4
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Total Sources of All Funds:	\$625.7
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Note: The Chicago Board of Education determines specific project allocations.

Capital Improvement Program

Capital Project Funds are funded by three sources, Local, State and Federal. The majority of funding comes from bond proceeds, and has become an increasingly important source as other sources do not provide enough to sustain the needs of CPS. The Chicago Board of Education determines specific project allocations by need. All schools also go through an assessment every three years which aids in planning future projects.

In FY1996, CPS launched one of the most ambitious capital programs in the nation in response to problems of overcrowded and physically decaying school buildings. This intensive effort has resulted in more than 1,395 new permanent classrooms that can accommodate over 39,085 students.

In addition, many projects have been completed or are underway in a joint effort with the City, the Chicago Park District, and the Public Building Commission. The current Capital Improvement Program reflects the evolving needs of the school-rebuilding effort. It continues many of the most critical projects such as new construction, targeted to relieve overcrowding and additional renovation of school interiors and interiors.

The objectives of the Capital Improvement Program are as follows:

- Reduce student density, ideally to no more than 80% of each school's design capacity.
- Achieve a minimum standard of physical condition and operating efficiency, through renovation.
- Improve the overall learning environment quality through educational enhancements.

To accomplish these objectives, the Capital Improvement Program is organized into three general program areas: new construction, building renovation, and educational enhancements.

New Construction

New facility construction that has taken place already has reduced the degree of overcrowding that exists in CPS. FY2007 projects in this category include new schools and multi-story additions to existing schools.

Building Renovation

Renovation is the heart of the District's effort to stabilize building conditions throughout the system. A primary goal of renovation is to add at least 25 years to the useful life of every building. FY2007 Capital Renovations will repair and/or upgrade the exteriors and interiors of school buildings to ensure safe and efficient learning environments. The renovation program also provides for ADA accessibility projects. Additionally, through the renovation component the FY2007 Capital Improvement Program will replace or rehabilitate specific school facilities such as gymnasiums, washrooms, boilers, and doors.

Educational Enhancement

Projects in this category seek to enhance CPS student learning experiences. Educational enhancements include providing expanded information access in the form of Internet, local and wide area network (WAN) classroom hookups, as well as requisite electrical distribution upgrades. This category also provides for new and rehabilitated science labs,

health centers, early childhood and pre-K classroom development and parent-child center renovations, play lots and campus parks.

DESCRIPTION OF FUNDING SOURCES

LOCAL

General Obligation (Dedicated Tax Revenue) Bonds – These bonds are issued and backed by the taxing authority of the Board. It is anticipated the Board will issue \$350.0 million in General Obligation Bonds during FY2007.

Tax Increment Financing (TIF) – A TIF is the difference between the amount of property tax revenue generated before a TIF district is created and the amount of property tax revenue generated after the TIF is created. In FY2007, CPS is not expecting any resources from TIFs.

School Soundproofing Funds – The City of Chicago provides funds to implement sound proofing projects at schools adversely impacted by aircraft noise generated at O'Hare International and Midway Airports. In FY 2007, it is anticipated the Board will not receive any money from this program.

Energy Conservation Funds – In the past the Board received a grant from Commonwealth Edison Company (ComEd). The money from the grant was used to retrofit existing electrical infrastructure in schools for greater efficiency. The grant has expired and therefore CPS expects no funding from ComEd in FY2007.

STATE

Construction Development Board (CDB) – The CDB, construction management agency for Illinois state government, and ISBE, determine the amount of money distributed to school districts in Illinois. For this fiscal year, it is anticipated that no CDB funding will be available.

FEDERAL

Qualified Zone Academy Bonds (QZAB) – In FY1997, the U.S. Congress passed legislation establishing the Qualified Zone Academy Bond. This program was designed to relieve school districts of the obligation to pay interest on qualifying bonds. It targets low-income school districts, those districts located in a federal Empowerment Zone or Enterprise Community or that serve low-income students. The Board does not anticipate any QZAB funding in FY2007.

Specific project details are contained in the Capital Improvement Program plan. To learn more about the plan, contact the Department of Operations Capital Planning Unit at 773.553.2900, or visit the Capital Planning Website: www.csc.cps.k12.il.us/operations/cip.html.

SCHOOL BUDGET DEVELOPMENT AND FUNDING

SCHOOL BUDGET DEVELOPMENT AND FUNDING

Principals, teachers, and Local School Councils (LSC) work together to prepare a budget that reflects a school's needs for a specific school year. The budget represents school priorities in terms of educational expenditures and goals, and indicates how those priorities will be funded. Every school-based budget must conform to laws, contractual agreements, and Chicago Board of Education policies.

School Improvement Plan

Development of a school budget begins with creation of a School Improvement Plan, called the SIPAAA, which stands for "School Improvement Plan for Advancing Academic Achievement"; the School Reform Act requires every principal prepare a SIPAAA in partnership with the LSC. The SIPAAA is a blueprint for improving the school and enhancing student performance. The school budget mirrors the goals and programs outlined in the SIPAAA.

Allocation of Resources to Schools

To begin the budget process, schools obtain information detailing next school year's school specific allocations. The primary allocation classifications are: "enrollment based"; "special needs"; "operations and maintenance"; and "categorical programs."

Enrollment Based Allocations

A school's general education student enrollment projection determines the number of quota teachers, support staff, and the allocation of instructional equipment and supplies that is paid for by General Funds. These enrollment projections are calculated by the Office of School Planning and Demographics and are based on five years of enrollment trend data and the cohort survival ratio for each school. Non-personnel items such as textbooks, supplies, repairs and equipment are allocated on a per-pupil basis. To ensure equitable distribution, the number of quota teachers and support staff allocated to a school is calculated using staffing formulas that incorporate student enrollment projections and other inputs established by Board policy and the collective bargaining agreement. It is important to note that additional positions are allocated (based on formula) once the school year begins if actual school membership exceeds the projected enrollment.

Elementary School Position Overview:

The following ratios are used to calculate an elementary school's quota teacher allocation:

Grade Level	Target Pupil-Teacher Ratio
Intermediate/Upper (4-8)	31:1
Primary (1-3)	28:1
Kindergarten*	56:1

* Note that kindergarten is a half-day program with enrollment based on 56 students (28 x 2), with assigned teachers holding both a morning and afternoon class each day. Special funds may be used to provide a full-day program.

Elementary schools are granted quota or board-funded teaching positions based on the following step-by-step formulas:

Intermediate and Upper:

- 1) Total the number of projected Intermediate and Upper general education students.
- 2) Divide total by 31.
- 3) Round the result down to the nearest whole number.
- 4) **This is the number of Intermediate/Upper Teachers to which the school is entitled.**
- 5) Multiply the number of Intermediate/Upper teachers by 31.
- 6) Subtract this number from the total number of projected general education Intermediate/Upper students.
- 7) **This is the remainder of Intermediate/Upper students that will be used in the calculation of Primary teachers.**

Primary:

- 1) Total the number of projected Primary Students and add the remainder of Intermediate/Upper Students.
- 2) Divide this number by 28 and round up to the nearest whole number.
- 3) **This is the number of Primary Teachers to which a school is entitled.**

Kindergarten Teachers:

- 1) Divide number of projected general education Kindergarten students by 56.
- 2) Round the result up to the nearest .5.
- 3) **This is the number of Kindergarten Teachers to which the school is entitled.**

Together, the results total the number of general education classroom quota positions allocated to a school. Elementary school administrators may allocate the positions at their discretion across the categories listed above, but must abide by Board policies and contractual and legal requirements .

Ancillary elementary teaching positions, like library, art, physical education, music, counselors, plus support/administrative staff positions funded by General Funds are determined by formulas using enrollment projections and Board funded teacher data. These formulas are as follows:

Elementary PE and Librarian:

- The number of Physical Education and Library teacher positions is determined by the number of general and special education board-funded self-contained classroom teachers providing instruction to students in regular and self-contained special education classes.

- The number of general and special education board-funded self-contained classroom teachers is determined by the sum of
 - The special-ed provider count from the Office of Specialized Services.
 - The current allocation of Kindergarten, Primary and Intermediate/Upper positions to which a school is entitled.
- Based on the number of general and special education board-funded self-contained classroom teachers the number of authorized PE and Librarian teachers is as follows:

Number of General and Special Education Board Funded Self-Contained Classroom Teachers	PE/Library Teachers
< 15	1
16	1.5
17-30	2
31-37	2.5
38-45	3
46-52	3.5
53-60	4
61-67	4.5
68-75	5
76-82	5.5
83-90	6
91-97	6.5

Elementary Art and Music:

- The number of authorized Art or Music teacher positions is based on projected K – 8 membership as follows:

K – 8 Membership	Art/Music Entitlement
0 - 750	.5
751 +	1.0

Elementary Counselor:

- Counselor positions are allocated to each school based on projected K- 8 membership, as follows:

K – 8 Membership	Counselor Entitlement
Up to 349	.5
350 – 1,199	1.0
1,200 – 1,799	1.5
1,800 and above	2

Elementary Clerks:

- The number of quota clerk positions is based on the number of general education board-funded teacher certified staff, not including special ed teachers, as follows:

Number of Gen Ed Board Funded, Board Certified Teaching Staff	School Clerk Entitlement
1 – 45	1
46 – 75	2
76+	3

Elementary Teaching Assistant Principal :

Each elementary school is entitled to one general education board-funded teaching assistant principal. The teaching assistant principal position is included within the school's entitlement as one of the general education teaching quota positions.

High School Position Overview

Classroom Quota Teachers

The formulas used to allocate Board funded high school classroom teachers take into targeted student teacher classroom ratios and the typical school model for including students with special education needs in general education classrooms, according to least restrictive environment (LRE) classifications. For high school core and most elective subject courses targeted student-teacher ratio is 28:1. The target for Art is 31:1, Music is 34:1, and Physical Education is 40:1. Other factors included in the formulas are the standard number of subjects each students takes (7) and the standard number of classes each teacher must instruct (5).

<u>Category of Teachers</u>	<u>Formula</u>
Math	(Projected General Education students + projected students with LRE1 classification)/28/5
English	(Projected General Education students + projected students with LRE1 classification)/28/5
Science	(Projected General Ed Students + projected students with + LRE1 and LRE2 classifications)/28/5
Social Studies	(Projected General Ed Students + projected students with + LRE1 and LRE2 classifications)/28/5
PE, Music, Electives*	(Total School Membership*3)/31/5

* The PE, Music and Electives category formula uses as an average class size of 31 as determined by class size targets and student requirements for these courses, and thus is more generous than the actual targeted class size.

- The sum of all formula categories is rounded up to the nearest .2 position.

- This value equals the overall number of board-funded quota high school classroom teachers.
- Within the overall high school classroom quota teacher category, school administrators may allocate teachers at their discretion across the core subject areas. The categories simply allow for a standard design template in determining the appropriate allocation.

High School Librarians

High school librarian positions are allocated to each school based on membership as follows:

- All high schools receive 1 librarian position.
- Schools with a total membership greater than 1,500 students receive an additional quota librarian position.

High School Counselors

- Counselor positions are allocated to each school based on projected total high school student membership as follows:

High School Membership	Number of Counselors
Up to 360	1
361 – 720	2
721 – 1,080	3
1,081 – 1,440	4
1,441 – 1,800	5
1,801 – 2,160	6
2,161 – 2,520	7
2,521 – 2,880	8
2,881 – 3,240	9
3,241 – 3,600	10
3,601 – 3,960	11
3,961 and above	12

High School Assistant Principals

- General Education High Schools

Total school membership excluding pre-school	Number of Assistant Principals
501 – 1,500	1
1,501 – 2,500	2
2,501 – 3,500	3
3,501 and above	4

Allocations Based on the Special Needs of Students

In addition to the basic distributions described above, positions and funds are budgeted to schools based on the number of eligible students served in certain categories, such as “special education” and “students with limited English proficiency.” State regulations for class sizes determine the number of special education teachers and related service providers a school requires. These regulations are specific to the student disability identified as needing special education support. The number of Pupil Support Services personnel allocated to a school (nurses, social workers, psychologists, etc.) is determined by the number of special education students requiring individual services and the needs of regular education children in the school.

Special Education:

The formulas for special education services are as follows for each student:

- Based on 1500 minutes per week of total instructional time
- **Amount of Required Services (ARS)**
 C = Less than 750 minutes per week
 F = More than (or equal to) 750 minutes per Week
- **Location of Services (LRE = Least Restrictive Environment)**
 1 = Less than 20% of week removed from General Education Setting
 2 = 20-60% of week removed from General Education Setting
 3 = More than 60% of week removed from General Education Setting

Primary Disability Category	Least Restrictive Environment Code	Amount of Required Service Code	Teacher (minimum shown for first teacher)	+ Aide
Resource (All Disabilities) (z)	1,2	C or F	1-20	—
Cross-Categorical (z)	3	F	5-12	13-15
Autism	3	C or F	5-7	two per teacher
Severe Profound	3	C or F	4-8	one per teacher
Trainable Mentally Handicapped	3	C or F	13-15	one per teacher
Hearing Impaired (elementary school)	3	C or F	6-8	—
Hearing Impaired (high school)	3	C or F	6-10	—
Visually Impaired (elementary school)	3	C or F	6-8	—
Visually Impaired (high school)	3	C or F	9-12	one per teacher
Pre-School Blended - Under Age 6 (All Disabilities except HI and VI)	1,2	F	1-12** am/pm	—
Pre-School Instructional (all disabilities except HI, VI, and AUT)	3	C or F	1-20*** am/pm	one per teacher
HI and VI Pre-School Instructional	3	C or F	5-7 full day	one per teacher

Footnotes:

* Students not serviced by these formulas are serviced by itinerant staff.

** Not to exceed, 6 students per section.

*** Not to exceed 10 students per section.

(z) Cross Categorical includes the following categories: {LD, EBD, TBI, OHI, EMH} 3F, as well as low incidence disabilities that are not self-contained (i.e. "3F")

English language Learners:

The formulas for services to eligible students that limited English proficient are as follows:

Allocation of supplemental bilingual education teacher(s) is formula based. The formula is based on the adjusted number of English Language Learners (ELLs) in each school. The adjusted number is based on the number of years an ELL is in the program. Program years 0-3 count as **1.0** and any students beyond 4 years are counted as **0.5**. Half day kindergarten is also counted as **0.5**.

		No. of ELLs (Same Language Background)	Supplemental Teacher Allocation
Transitional Bilingual Education (TBE)	Elementary School TBE Program	20 - 175*	1.0
		176* or more	2.0
	High School TBE Program	20 - 200*	1.0
		200* or more	2.0

		No. of ELLs	Supplemental Teacher Allocation
Transitional Program of Instruction** (TPI)	Elementary School TPI Program	1* - 15*	0.0
		16* - 35*	0.5
		36* or more	1.0
	High School TPI Program	1* - 40*	0.0
		41* or more	1.0

* = Number is adjusted based on number of years in the program
 ** = Fewer than 20 ELLs of the same language background

Operations and Maintenance

Schools are given allocations to support their building operation and maintenance costs. Both school square footage and enrollment determine needed repairs, custodial supplies and custodial staff. The Board funds an engineer at every school. Lunchroom staff is allocated by the number of meals per man-hour for various criteria. Additionally, schools are provided with custodial workers. The number of custodial workers is allocated based on cleanable square footage. Schools requiring capital improvements must go through a three year review process to which determinations are made based on priority. Security personnel are allocated per a formula including student membership and specific security issues.

Categorical Funds and Other Programs

Additional funding is provided for programs supported by special local, State, and Federal funds. These programs and projects are over and above the basic instructional programs available in all schools. Two significant funding sources allocated during the school budget process are Supplemental General State Aid (SGSA) and NCLB Federal Title I.

Supplemental General State Aid:

Supplemental General State Aid is part of the General State Aid that CPS receives from the State. SGSA funds are designed to supplement regular and basic programs supported by the General Education Fund. The amount of money a school receives depends on how many of its students are eligible to receive free or reduced-price meals, multiplied by the per-pupil allocation. CPS uses poverty data generated yearly by the number of students who are eligible to receive free or reduced lunch. The data is taken at one point in time for the entire school system (i.e. first Friday in December). Once data is collected, CPS establishes a flat rate per pupil amount and calculates the SGSA allocation based on the number of eligible students for each qualifying school. For FY 2007, the per pupil rate is \$716. The following table delineates estimated allocations:

Students on FRL	Allocation Rate	Total Allocation
1	\$716	\$716
100	\$716	\$7,160
1,000	\$716	\$71,600

NCLB Title I:

CPS allocates NCLB Federal Title I funds to schools with a high concentration of low-income children, to provide supplementary services for educationally disadvantaged students. The formula used to determine a school's eligibility for these funds is based on the ratio of TANF (Temporary Assistance to Needy Families) and free and reduced-price lunch school data as a percentage of enrollment. CPS uses poverty data generated yearly by the number of students, ages 5-17, who are eligible to receive free or reduced lunch (60% weight), and the number of children, ages 5-17, from families which receive financial assistance through TANF – Temporary Assistance for Needy Families (40% weight). The data is taken at one point in time for the entire school system (the first Friday in December). Once data is collected, CPS ranks schools and allocates additional funding to those schools serving a population greater than 40%. Distribution to schools is on a sliding scale basis per eligible pupil with higher poverty schools receiving a higher per pupil amount as indicated in the table below:

Poverty Index	Allocation Rate	Eligible Students	Total Allocation
<40%	\$0 (below threshold)	100	\$0
40-40.99%	\$430	100	\$43,000
41-41.99%	\$440	100	\$44,000
99-99.99%	\$1,020	100	\$102,000

Schools can budget Supplemental General State Aid and NCLB Title I funds at their discretion but must remain in compliance with regulations and guidelines, and adhere to the SIPAAA.

Additional Funds and Positions

During the budget process, schools receive additional positions and funds to support various demonstrated needs and initiatives. Additional programs are available to schools based on need and/or through the request for proposal (RFP) process. Some of these programs include Education to Careers, Safe and Drug Free Schools, and Community Schools.

DISTRICT-WIDE REPORT

DISTRICT-WIDE REPORT

To assist the public in reviewing the district-wide budget, CPS has created a new report. The district-wide report includes all operating costs and summarizes them by specific educational categories, support services, and administration as described below.

District-wide Report

Account Category

This report summarizes costs associated with salaries, employee benefits, commodities and utilities, non-personnel services, equipment, other charges, and dept service.

General Education

This column delineates funds budgeted to support the basic instructional program of the school. It includes quota teachers, principals and assistant principals, ancillary staff, and the allocation of instructional equipment and supplies to be paid for by general funds.

Special Education

This column details funds budgeted to address the needs of students with Individualized Education Plans (IEPs). It includes the local and federally funded programs offered through the Office of Specialized Services.

Supplemental Programs: Described below are categories that sort educational programs based on the services that are provided to students above and beyond the basic instructional program.

Discretionary/Supplementary – Includes the schools' discretionary funds, specifically Supplemental General State Aid and NCLB Title I building allocations. Also includes general supplemental funds provided to the schools for the specific programmatic and student needs.

Desegregation – Funds allocated for programs to support the desegregation consent decree as determined by the United States Department of Justice.

Bilingual – Funds budgeted to address the needs of eligible students with limited English proficiency. This includes the state bilingual grant and NCLB Title III funds.

Reading and Math – Funds allocated to support the Chicago Reading Initiative and the Chicago Math and Science Initiative.

After School Programs – Includes all instructional and extra-curricular extended day programs during the regular school year. This excludes the NCLB Title I mandated Supplemental Educational Services.

Early Childhood - Funds budgeted to support pre-school programs. This includes the state early childhood grants, Head Start, and NCLB Title I funded early childhood programs.

Other Programs – All other instructional support programs that do not fall within the aforementioned categories. Examples include IB Programs, Summer Programs, Achievement Academies, Evening Schools, Choice Transportation, and Full Day Kindergarten.

Support Services

This section includes allocations to support school, area, and central office building operation and maintenance costs.

Facility Support – Includes security, engineers, custodial workers, supplies, and other building maintenance needs.

Food Services – Allocations to support costs associated with food and nutrition services at schools.

Administration

This section includes costs associated with the administration of programs operated by central office departments.

Demographic Information

This section provides specific demographic information about CPS. The FY2007 enrollment is the projected school enrollment for September month end of the 2006-2007 school year. The FY2006 enrollment is the actual September month end enrollment of the 2005-2006 school year. This section also includes percentages in three areas: (1) the district-wide percent poverty based on the NCLB Title I formula; (2) the percent of students eligible for free and reduced priced lunch, and (3) the percent of students identified for Special Education services. Finally, this section details the number of total positions district-wide budgeted for FY2007 and FY2006, as well as the district-wide average classroom teacher salary. Together, this information provides a comprehensive snap shot of CPS.

DISTRICT REPORT (In Millions Of Dollars)
FY2007 Functional Expenditure Analysis

Account Category	Education											Support Services			Administration		Grand Total
	General Education	Special Education	Discretionary/Supplementary	Supplemental Programs					Early Childhood	Other Programs	Education Sub-Total	Support Services		Central Office Admin			
				Deseg	Bilingual	Reading & Math	After School Programs	Facility Support				Food Services	Support Svcs Sub-Total				
Teacher Salaries	1,136.3	371.9	174.0	60.1	31.0	27.9	47.5	49.5	54.8	1,952.9				36.5	1,989.4		
ESP Salaries	53.0	93.9	87.6	5.6	1.7		6.7	23.4	7.6	279.6	106.2	60.7	166.9	80.8	527.3		
Total Salaries	1,189.3	465.8	261.7	65.7	32.7	27.9	54.2	72.9	62.4	2,232.5	106.2	60.7	166.9	117.3	2,516.7		
Teachers Pension	189.8	55.7	14.0	7.5	4.7	3.7		7.5	3.7	286.6				5.3	291.9		
Education Support Personnel Pension	13.8	15.3	7.1	1.0	0.3		0.8	3.9	0.8	43.0	17.8	10.7	28.6	13.2	84.8		
Hospitalization/Other Comp	122.4	60.3	36.1	6.7	3.7	2.7		11.0	3.3	246.9	17.9	27.6	45.4	10.6	303.0		
Workers Comp/Other Comp	15.1	3.1	1.5	0.4	0.2	0.2		0.5	0.2	21.2	0.7	0.4	1.1	0.8	23.1		
Unemployment Compensation	6.3	1.8	0.9	0.2	0.1	0.1		0.3	0.1	9.8	0.4	0.2	0.6	0.4	10.9		
Medicare/Social Security	11.4	4.7	3.1	0.6	0.3	0.3	0.1	0.8	0.5	21.7	0.9	0.8	1.7	1.4	24.8		
Total Employee Benefits	358.9	140.9	62.7	16.4	9.4	6.9	1.6	23.9	8.7	629.3	37.7	39.7	77.4	31.7	738.4		
Total Employee Compensation	1,548.1	606.7	324.4	82.0	42.1	34.7	55.8	96.8	71.2	2,861.8	143.9	100.4	244.3	149.0	3,255.1		
Textbooks	26.9	0.9	12.4			5.2		0.3	14.5	60.3	0.2		0.2	1.5	62.0		
Supplies and Postage	5.8	1.1	11.8	0.1				1.8	1.2	21.8	5.9	0.6	6.5	2.2	30.6		
Energy	0.2									0.2	81.0		81.0	2.0	83.3		
Food									0.2	0.3		91.8	91.8	0.4	92.5		
Net Telephone and Telecommunications											4.1		4.1	0.4	4.5		
Total Commodities and Utilities	32.9	2.0	24.3	0.1	5.2	5.2		2.1	15.8	82.6	91.3	92.4	183.7	6.5	272.8		
Transportation	1.8	50.6	2.6	20.9				0.2	5.3	81.4	0.6		0.6	0.9	82.9		
Contractual Services	120.6	101.7	11.7	0.1	0.5	3.0	33.3	57.2	6.9	335.1	110.5	3.2	113.7	25.8	474.5		
Equipment Rental	0.4		0.9							1.3				0.6	2.0		
Repair Contracts	1.1	0.1	3.0							4.2	28.2		28.2	2.8	35.2		
Printing	0.1									0.2		0.1	0.1	1.4	1.4		
Other	0.1		2.7					0.2	0.3	3.3	6.2		6.2	0.8	10.3		
Non-Personnel Services Total	124.0	152.5	20.9	21.1	0.5	3.1	33.3	57.7	12.5	425.4	145.0	3.9	148.9	32.0	606.3		
Equipment	4.8	1.0	3.9					0.1	0.2	10.1	2.7	1.4	4.1	1.0	15.2		
Rent								0.7		0.7	7.4		7.4	2.0	10.2		
Insurance	15.4	0.9	0.5	0.1	0.1			0.1	0.1	17.2	0.2	0.1	0.3	0.2	17.7		
Miscellaneous	35.1	11.4	56.6	2.4		9.8	2.0	-0.3	109.1	226.2	1.7	0.7	2.4	7.3	235.9		
Other Interfund	-16.7							9.0		-7.7	4.9		4.9		-2.8		
Total Other Charges	33.7	12.3	57.1	2.6	0.1	9.9	2.0	9.6	109.2	236.4	14.3	0.8	15.1	9.5	261.1		
Debt Service and PBC Rent											258.9		258.9		258.9		
FY2007 Total Appropriations	1,743.6	774.5	430.5	105.7	42.7	52.9	91.2	166.3	208.9	3,616.3	656.0	199.0	855.0	198.0	4,669.4		
FY2006 Total Appropriations	1,627.3	758.6	429.8	101.0	40.3	40.3	81.8	147.1	207.7	3,434.0	616.0	184.7	800.6	212.1	4,446.8		
Difference in Appropriations	116.3	15.9	0.7	4.7	2.4	12.5	9.4	19.1	1.2	182.3	40.0	14.4	54.4	-14.1	222.6		

DEMOGRAPHICS

	FY2007	FY2006	FY2006
Enrollment	415,000	420,982	53.1%
Total Positions	44,417	46,211	85.6%
Average Teacher Salary	60,206	57,092	14.2%
			% of Poverty (NCLB)
			% of Free/Reduced Lunch
			% of Special Education
			14.4%

STUDENT PROFILE

STUDENT PROFILE

The following section provides a statistical and descriptive overview of the demographic, social, socioeconomic, and student performance levels of the Chicago Public Schools (CPS) student population. Additionally, it provides a trend analysis of staffing levels and school facilities inventory. The narrative is divided into the following subsections: student characteristics, student enrollment, average daily enrollment and attendance, student attendance trends, student test data, school facilities, distribution of staff positions, trend analysis of positions, and position data by fund and unit group.

STUDENT CHARACTERISTICS

It is important to note the concentration of minority, low-income, and English Language Learner (ELL) students in the CPS as compared to the rest of the state of Illinois. The proportion of low-income and ELL students in a school district is important because those students generally have greater educational and supportive needs that may require additional resources.

The following data is based on the 2004 – 2005 Fiscal Year

	Chicago	Illinois (including Chicago)	Illinois (except Chicago)
Low-Income Students	85.4%	40.0%	23.0%
Student Mobility Rate	24.0%	16.1%	14.1%
English Language Learner Students	14.0%	6.6%	3.9%
High School Graduation Rate	74.0%	87.4%	90.1%
Chronic Truancy Rate	3.9%	2.2%	1.4%
Dropout Rate	10.4%	4.0%	2.5%

Data source: [Department of Research, Evaluation and Accountability](#)

Low-income Students

“Low-income” students are pupils, aged 3 through 17, from families receiving public aid, living in institutions for neglected or delinquent children, being supported in foster homes with public funds, and/or eligible to receive free or reduced-price lunch. Overall, the number of low-income students increased by 0.2% from the previous year (2003-2004). Approximately 85.4% of CPS students came from low-income families, compared to 40.0% of students statewide. Excluding Chicago, 23.0% of Illinois public school students were classified as low-income.

Student Mobility Rate

The student mobility rate is based on the number of students that enroll in or leave school during the school year. Unlike socioeconomic status of the family, mobility is a secondary factor that negatively impacts a child’s academic achievement. In schools with high mobility rates, all children may be affected due to the continual readjustments of the school staff to accommodate the influx of new students. The mobility rate of students in the CPS was 24.0%, of which students that left more than once being counted multiple times.

English Language Learner Students

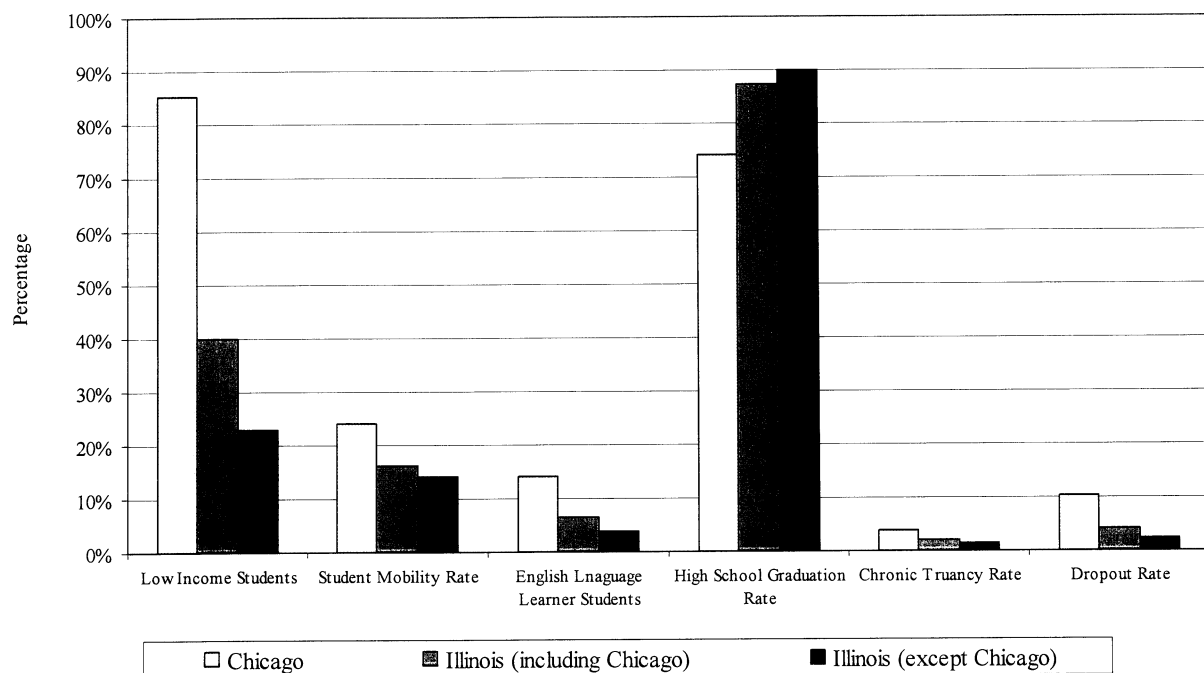
English Language Learner (ELL) students are those students that have been determined eligible for bilingual education, and for which English is not considered the student’s native language. Of

the students enrolled in the CPS, 14.0% were identified as ELLs. In the state of Illinois, 6.6% of the students in public schools were ELLs. When Chicago is excluded, the state's percentage of ELL students drops to 3.9%.

High School Graduation Rate (1 year)

The 2004-2005 CPS graduation rate was 74.0%, a 3.3% increase from 2003-2004. This was below the statewide percentage of 90.1%. CPS implemented various programs to promote graduation among its students. The High School Improvement Initiative was implemented in FY2004 to address program needs such as the 8th grade transition into 9th grade, extended summer support and post-secondary programs. The Evening School Program will continue to offer evening classes to decrease the dropout rate. Additionally, the Bill and Melinda Gates foundation has awarded CPS a grant to support a broad effort to improve Chicago public high schools and advance the Mayor's school reform program. The grant funds development of a comprehensive strategy to oversee district-wide high school reform, help create new high schools, and support principal development initiatives. Coupled with the continued support of other truancy initiatives, CPS anticipates an upward trend in the graduation rate.

Student Characteristics Fiscal Year 2004-2005



Chronic Truancy Rate

Chronically truant students are those students with low attendance. The CPS chronic truancy rate was 3.9%, which was higher than the Illinois rate of 2.2%. This data is used to help assess the need for special programs that target students with low attendance as these students have a tendency to drop out of school or fail courses.

Dropout Rate

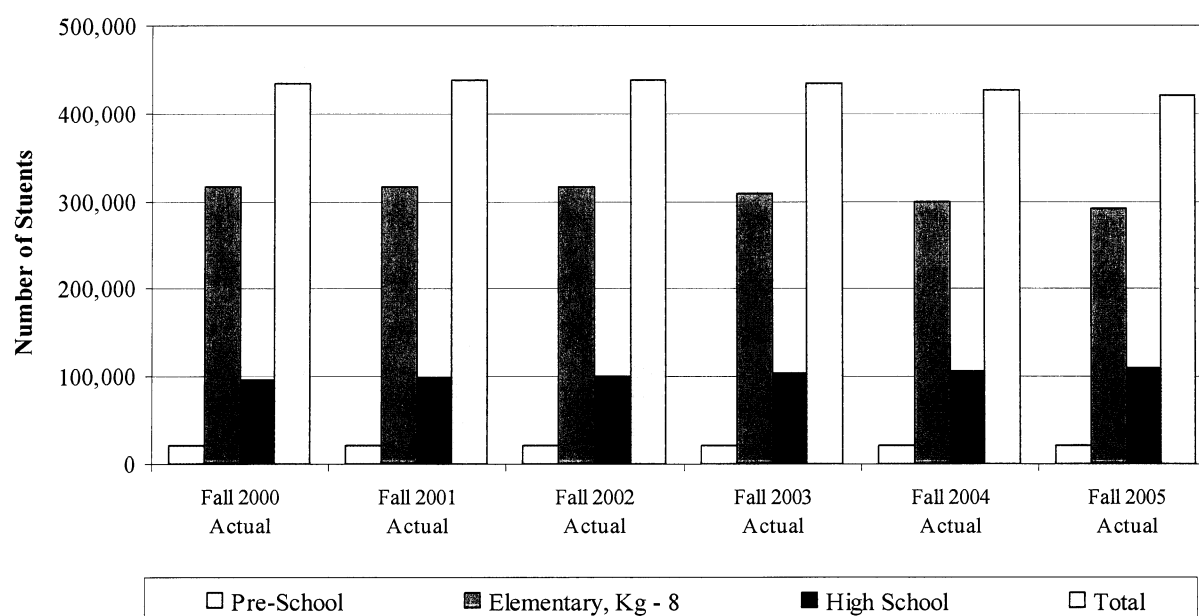
Dropouts include students in grades 9-12 whose names have been removed from the district-housed roster for any reason other than death, extended illness, graduation/completion of a program of study, transfer to another public/private school, or expulsion. The dropout rate for the CPS is 10.4%, a decrease of 1.5% from the previous year (2003-2004).

STUDENT MEMBERSHIP

Factors that may contribute to the changes in current membership trends include the following:

- Transfers from/to public and nonpublic schools
- Changes in Hispanic, Asian, and European migration rates
- Changes in birth rates
- Changes in administrative and educational policies that affect grade progression, retention, and graduation rates
- Public perception of school reform initiatives

Student Membership

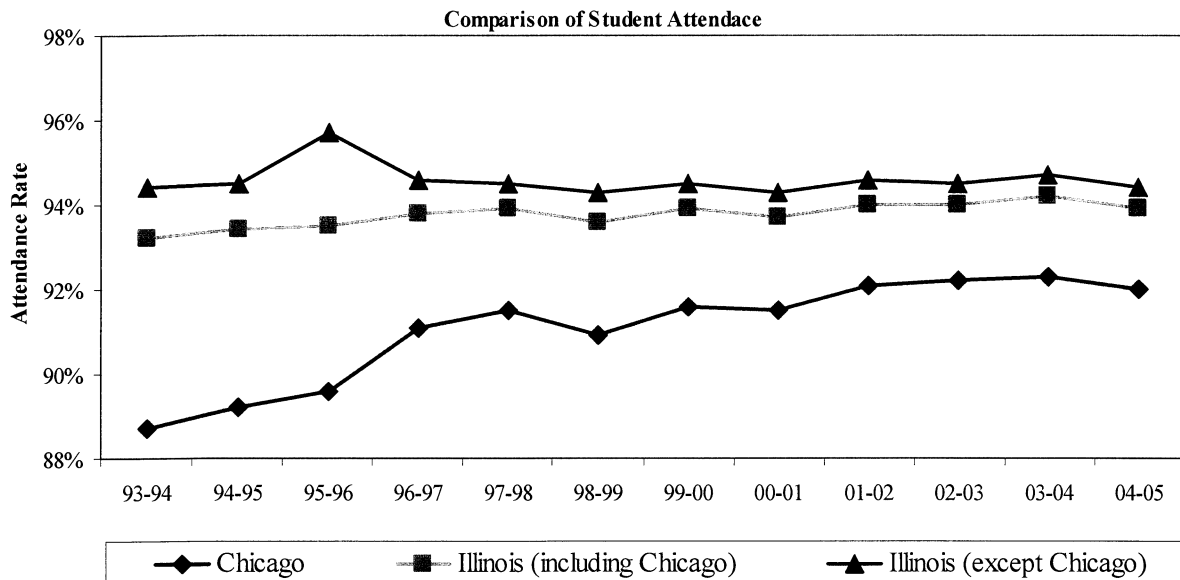


	Actual	Actual	Actual	Actual	Actual	Actual
	Fall 2000	Fall 2001	Fall 2002	Fall 2003	Fall 2004	Fall 2005
Preschool	21,793	21,109	21,788	22,085	21,712	21,205
Elementary, Kg - 8	317,488	317,336	315,671	308,111	299,007	290,645
High School	96,189	99,173	101,064	104,223	106,093	109,132
Total	435,618	437,618	438,523	434,419	426,812	420,982

STUDENT ATTENDANCE TRENDS

For the ninth time in 12 years, the CPS achieved an average student attendance rate of over 90%. The state's attendance rate remained relatively stable over the same period. These rates did not include students at preschools or special schools.

**Student Attendance Rates
School Years 1994 through 2005**



School Years 1994 through 2005

School Year	Chicago	Illinois (including Chicago)	Illinois (except Chicago)
93-94	88.7%	93.2%	94.4%
94-95	89.2%	93.4%	94.5%
95-96	89.6%	93.5%	95.7%
96-97	91.1%	93.8%	94.6%
97-98	91.5%	93.9%	94.5%
98-99	90.9%	93.6%	94.3%
99-00	91.6%	93.9%	94.5%
00-01	91.5%	93.7%	94.3%
01-02	92.1%	94.0%	94.6%
02-03	92.2%	94.0%	94.5%
03-04	92.3%	94.2%	94.7%
04-05	92.0%	93.9%	94.4%

**Percent of Chicago Students in Attendance
School Years 1999-00 to 2004-05**

	High School Students	Elementary Students
School Year 2004-05	86.0%	93.9%
School Year 2003-04	86.4%	94.1%
School Year 2002-03	86.6%	93.8%
School Year 2001-02	86.6%	93.7%
School Year 2000-01	85.3%	92.6%
School Year 1999-00	84.8%	92.8%

CHICAGO PUBLIC SCHOOLS STUDENT TEST DATA

Achievement tests provide a standard measure of performance in which academic goals may be formulated. The tests assist in evaluating the school system on an inter-school, statewide, and national basis. Additionally, the results determine the instructional materials used in schools, particularly in recommending textbooks and formulating curricula. These tests have evolved in content and in application over a span of 50 years.

The data below profiles the trend for CPS student performances on the Iowa Tests of Basic Skills (ITBS). These are scholastic tests administered to students in elementary schools (grades 3-8).

ITBS

The scores on the ITBS measure a student's ability to:

- understand factual information
- deduce the meanings of words and phrases
- draw conclusions, make inferences, or deduce meanings that are not explicitly stated in the text; infer the traits, feelings, or motivations of characters
- apply information from the text to a new situation or represent it in another form
- determine the main idea or topic of a passage; identify the author's viewpoint in a passage
- recognize aspects of the mood, tone, style or structure of a passage; and interpret non-literal language.

Students in grades three through eight are required to take the ITBS. The scores are used to determine those students in the third, sixth, and eighth grades that need to attend Summer Bridge programs¹. Those students will be required to attend six weeks of summer school before being promoted to the next grade. On the following page are the composite testing results for grades three through eight.

The median grade equivalent indicates the grade-level equivalent of how CPS students performed compared to their actual grade level in the system. Since testing occurs in the spring or at the end of the seventh month of instruction, a student in the third grade is expected to score at national norms for third grade students or at a grade equivalent of 3.7.

¹ Grades four, five, and seven were not reported, but if additional information is needed contact the Department of Research, Analysis, and Assessment in the Office of Research, Evaluation, and Accountability

ITBS Results

		READING		MATHEMATICS	
Grade	Year	Mean Standard Score	% At or Above National Norms	Mean Standard Score	% At or Above National Norms
3	2005	181.2	37.2	182.7	43.8
	2004	180.8	38.8	182.9	44.0
	2003	180.3	34.5	182.7	45.0
	2002	180.7	39.0	182.3	42.8
	2001	181.6	37.5	181.5	41.6
	2000	180.2	35.6	182.7	44.6
	1999	179.9	35.3	181.0	39.5
	1998	180.2	35.2	181.1	40.3

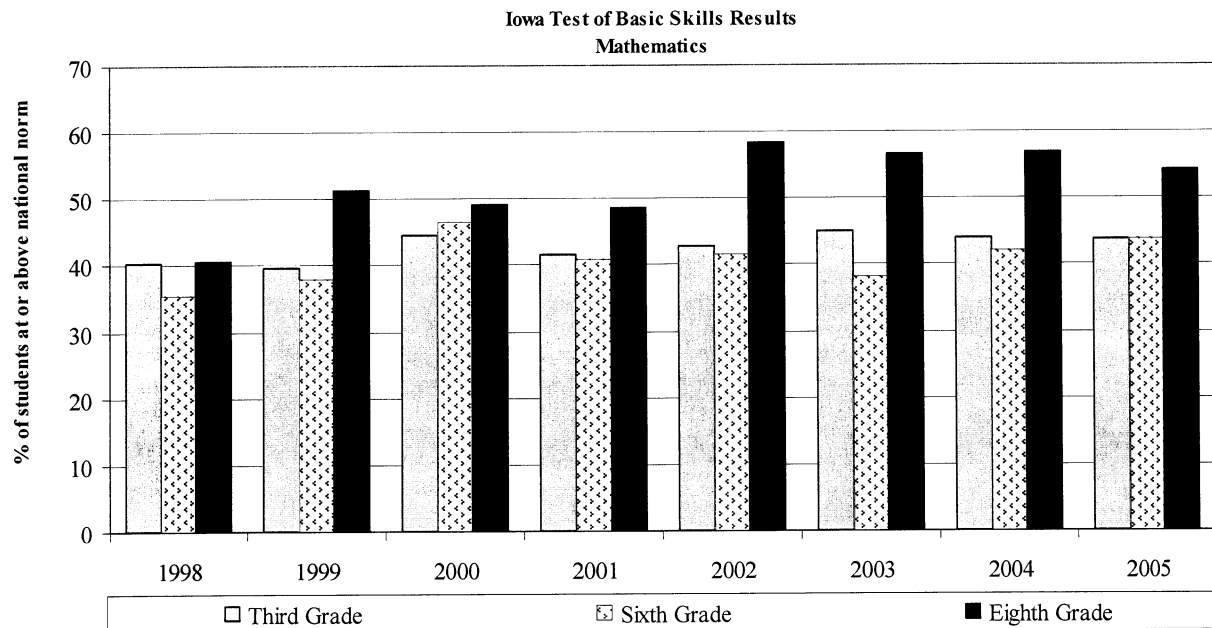
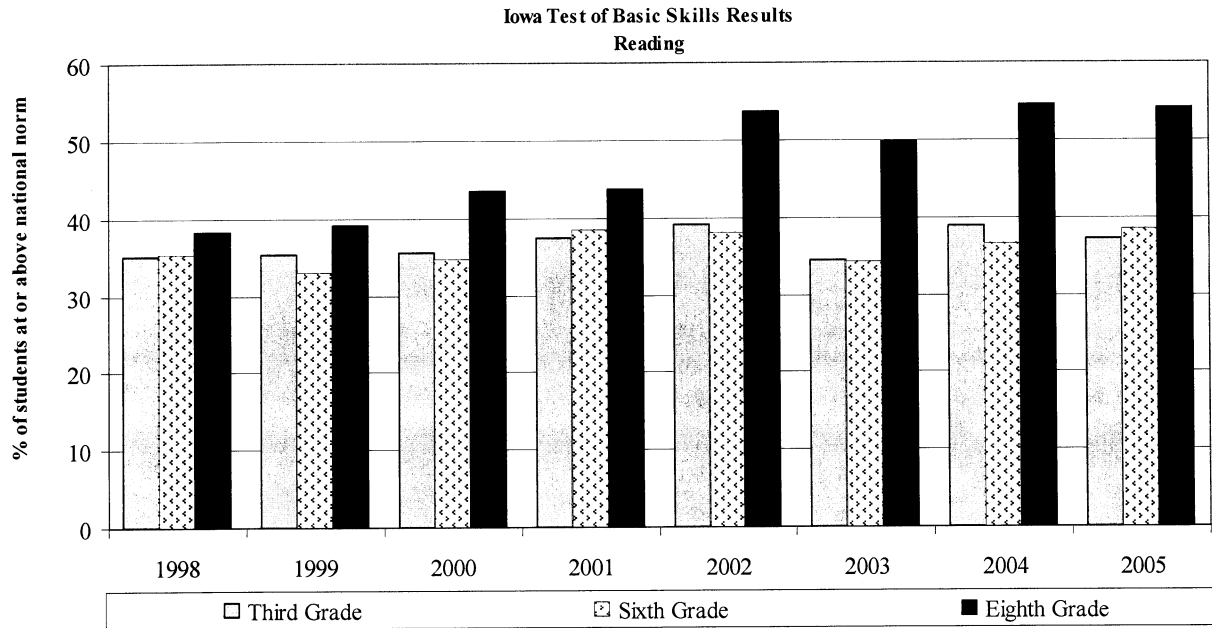
6	2005	218.5	38.4	226.5	43.7
	2004	219.3	36.6	225.0	42.1
	2003	217.8	34.2	222.4	38.2
	2002	220.5	38.0	224.9	41.6
	2001	219.2	38.4	224.3	40.8
	2000	216.5	34.6	227.3	46.4
	1999	213.7	33.1	222.1	37.8
	1998	215.6	35.3	220.1	35.5

8	2005	250.8	54.1	254.6	54.3
	2004	252.5	54.5	256.1	56.9
	2003	251.2	49.8	255.3	56.6
	2002	251.5	53.8	256.7	58.3
	2001	245.9	43.7	250.6	48.5
	2000	244.3	43.4	251.6	49.2
	1999	243.0	39.0	252.0	51.2
	1998	240.6	38.3	244.7	40.6

Third Grade: In FY2005, the data on the mathematics portion of the ITBS shows that 43.8% of CPS third graders scored at or above the national norm for the grade level, a decrease of 0.2 percentage points from the previous year. On the reading portion, 37.2% of third graders scored at or above the national norm, a decrease of 1.6 percentage points from FY2003.

Sixth Grade: On the mathematics portion of the ITBS, the data shows that 43.7% of all CPS sixth grade students scored at or above the national norm for sixth grade. This reflects an increase of 1.6 percentage points from last year. On the reading portion, 38.4% of sixth grade students scored at or above the national norm, a 1.8 percentage point increase.

Eighth Grade: The ITBS mathematics scores show that 54.3% of eighth grade students scored at or above the national norm for the grade level, which represents a decrease of 2.6 percentage points from the prior year. On the reading portion, 54.1% of eighth grade students scored at or above the national norm, a decrease of 0.4 percentage points when compared to the year before.



The State Assessment Program: ISAT and PSAE

CPS students participate in the state assessment program that measures students' performance against the Illinois Learning Standards. Most students take the Illinois Standards Achievement Test (ISAT) or the Prairie State Achievement Examination (PSAE), although some students with disabilities or students from non-English language backgrounds may take the Illinois Alternate Assessment (IAA) or the Illinois Measure of Annual Growth in English (IMAGE).

The state assessment scores are used to measure adequate yearly progress (AYP) for all public schools. All students' reading and math scores, including the scores of LEP students and students with disabilities, are part of the AYP measure. Students must score at the top two performance levels of an assessment to make AYP.

NCLB Title I schools that fail to make AYP for two consecutive years are identified for school improvement and are required to offer choice (students may transfer to a non-school improvement school). Schools that fail to meet state standards for more than two consecutive years face increasingly harsher sanctions that may include offering supplemental educational services to students, implementation of a specific curriculum, governance changes, or dismissal of staff.

ISAT

The ISAT measures elementary school students' performance against the Illinois Learning Standards. Students in grades 3, 5, and 8 take ISAT in reading, writing, and mathematics. Students in grades 4 and 7 take ISAT science and social studies². The ISAT includes both multiple-choice and open-ended items.

ISAT Results

Grade	Year	% Students Meeting or Exceeding State Standards		
		READING	MATHEMATICS	[†] WRITING
3	2005	42	55	
	2004	41	56	45
	2003	36	49	36
	2002	35	46	33
	2001	36	47	34
	2000	33	37	32
5	2005	40	50	
	2004	43	51	52
	2003	39	44	47
	2002	37	36	38
	2001	34	32	49
	2000	33	28	50
8	2005	59	32	
	2004	55	33	51
	2003	51	31	45
	2002	55	31	50
	2001	48	25	41
	2000	57	20	52

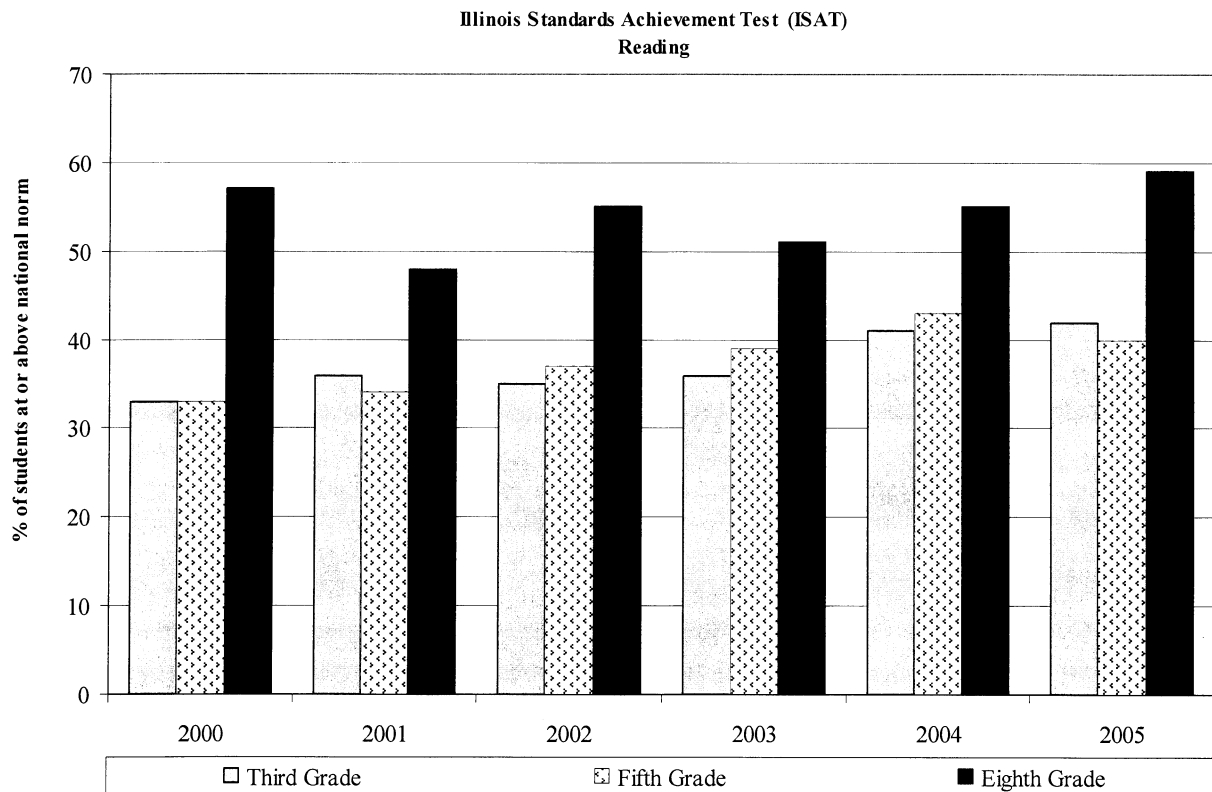
² Grades four and seven were not reported, but if additional information is needed contact the Department of Research, Analysis, and Assessment in the Office of Research, Evaluation, and Accountability.

† Beginning with the 2004-2005 school year, the Illinois State Board of Education, no longer administers the Writing section of the ISAT.

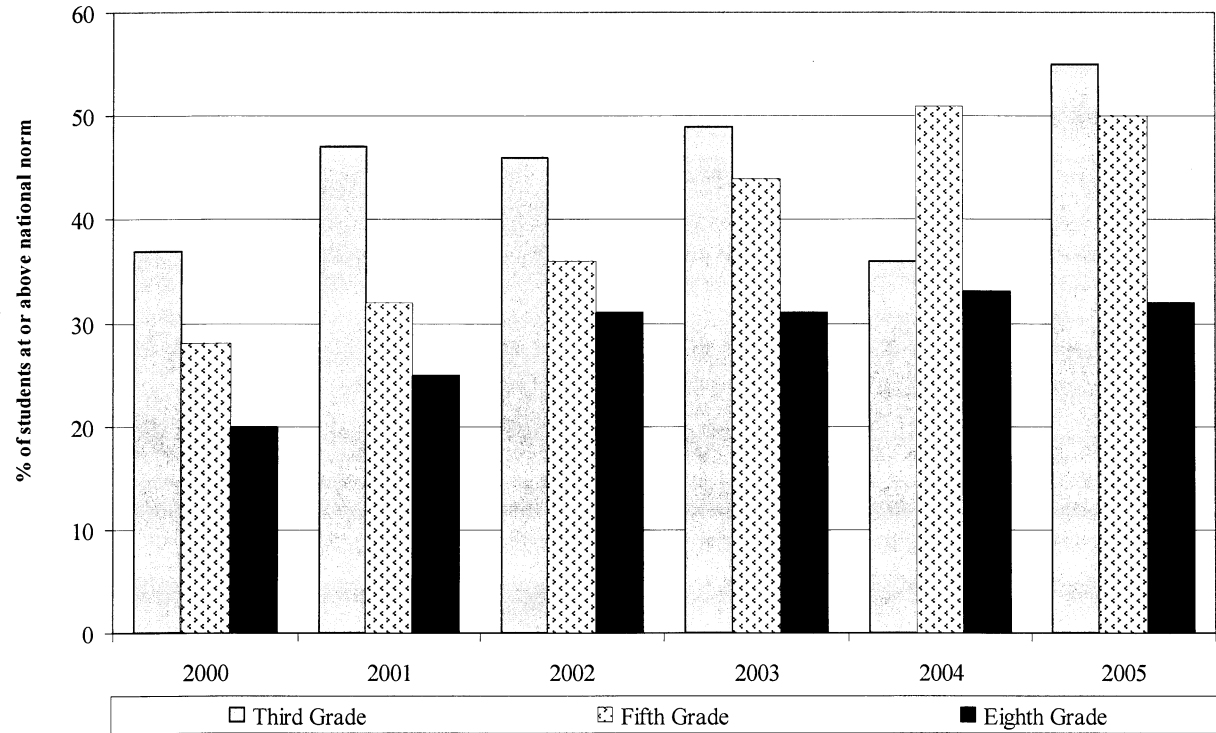
Third Grade: In FY 2005, the data on the mathematics portion of the ISAT shows that 55% of third graders met or exceeded standards, and on the reading portion, 42% met or exceeded standards.

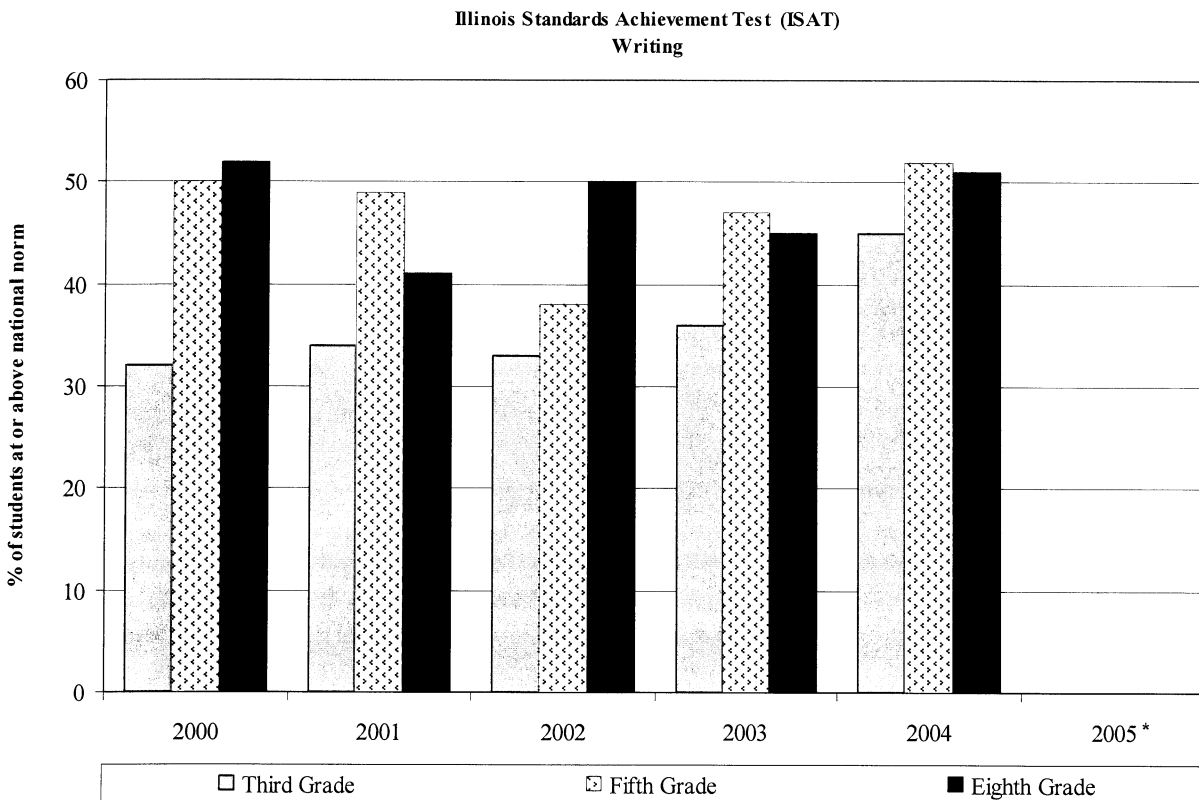
Fifth Grade: The fifth grade mathematics scores on the ISAT suggest steady improvement over the past five years, with 50% of students meeting or exceeding standards in FY2005. On the reading portion of the test, 40% of students met or exceeded standards.

Eighth Grade: In FY 2005, the data shows that 32% of students met or exceeded standards in math, 59% met or exceeded standards in reading.



Illinois Standards Achievement Test (ISAT)
Mathematics





PSAE

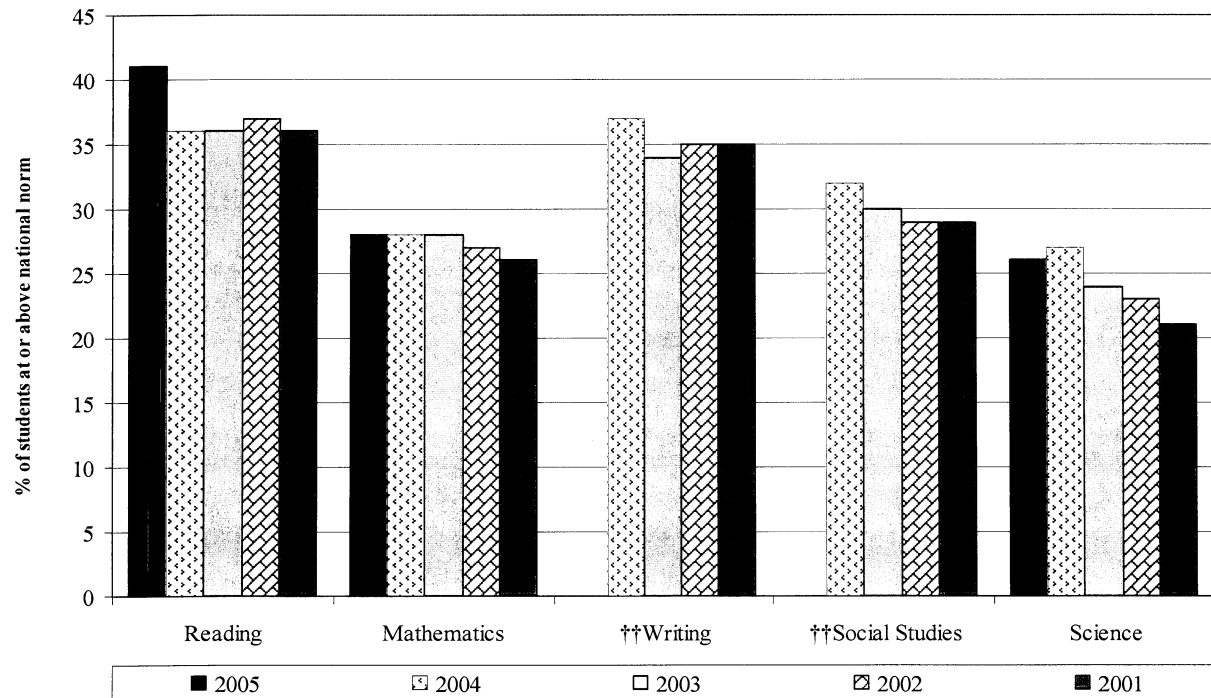
The PSAE measures the performance of grade 11 students in reading, writing, mathematics, science, and social studies. The PSAE includes three components:

- 1) The *ACT* assessment which covers reading, English, mathematics, and science reasoning
- 2) Two Work Keys assessments (*Reading for Information* and *Applied Mathematics*)
- 3) ISBE-developed writing, science, and social science assessments.

% Students Meeting or Exceeding State Standards					
Year	READING	MATHEMATICS	^{††} WRITING	^{††} SOCIAL STUDIES	SCIENCE
2005	41	28			26
2004	36	28	37	32	27
2003	36	28	34	30	24
2002	37	27	35	29	23
2001	36	26	35	29	21

In FY2005, the data on the PSAE shows a slight improvement over time in math, science, writing and social studies. In 2005, 28% of students met or exceeded standards in math, up two points from 2001. In science, 26% of students are meeting or exceeding norms, up from 21% in 2001. In reading, 41% of students meeting or exceeding standards in reading in 2005, up from 36% in 2004..

**Prairie State Achievement Examination
(PSAE)**



†† Beginning with the 2004-2005 school year, the Illinois State Board of Education, no longer administers the Writing and Social Studies section of the PSAE.

SCHOOL FACILITIES

Attendance centers include schools under the administration of a principal and a Local School Council (including all its branches and special programs), and charter schools (independently operated but receive public funds from CPS). With the advent of small schools, the number of schools exceeds the number of attendance centers.

As of June 2005, the school system is comprised of 625 attendance centers:

ELEMENTARY SCHOOLS		HIGH SCHOOLS		CHARTER SCHOOLS	
411	Regular Elementary Schools	35	General/Technical Schools	14	Elementary Charter Schools
40	Elementary Magnet Schools	12	Vocational Schools	8	High School Charters
8	Gifted Centers	14	Magnet Schools	22 Total Charter Schools	
16	Middle Schools	8	Math/Sci/Tech Academies		
9	Special Schools	4	Military Schools		
484	Total Elementary	25	Small Schools/CHSRI		
		9	Achievement Academies		
		3	Alternative Schools		
		9	Special Schools		
		119	Total High Schools		

GRAND TOTAL: 625

The Board has three support facilities: The Central Office at 125 South Clark; the Medill Training Facility at 1326 West 14th Place; and the Warehouse at 4720 South St. Louis Avenue.

TYPES OF SCHOOLS:

Magnet Schools offer a curriculum organized around a specific theme, such as math/science, fine arts, foreign language, or humanities, and enroll students from throughout the city.

Alternative Schools are for students with disruptive behavior who have been expelled and students who are re-enrolling in school.

Specialty Schools also offer specialized programs but admit students from outside their attendance areas if space is available.

Vocational Schools are regular high schools with specialized programs integrating academic and industrial training.

Charter Schools are independently operated public schools. They are open to all students, receive public funds from CPS, and are accountable to the Chicago Board of Education.

Achievement Academies offer intensive remedial curriculum in a small setting for students 15 years and older who do not yet demonstrate the skills needed to do high school-level work.

PER-PUPIL SPENDING INFORMATION

The standard per-pupil cost measures available for all districts in Illinois are the Operating Expenses Per-Pupil and the Per-Capita Tuition Charge. When comparing Chicago with other districts, a third measure, the Adjusted Per-Capita Tuition Charge, is also needed. Definitions and comparison of these costs are presented below:

Operating Expense Per-Pupil: Total operating cost of regular K-12 programs divided by the nine-month average daily attendance. This measure excludes expenditures related to preschool, summer school, adult education, capital expenditures, and bond principal and interest.

Per-Capita Tuition Charge: The amount a local school district charges as tuition to nonresident students. It is a reasonable measure of basic education program costs. Per-capita tuition is calculated by deducting the costs of supplemental programs from operating expenses and dividing the result by the nine-month average daily attendance.

Adjusted Per-Capita Tuition: The per-capita tuition charge is adjusted to exclude the costs of Supplemental General State Aid programs (which are not basic programs). Chicago is the only Illinois district for which this adjustment is necessary.

FY05 Illinois Public School Per Capita Cost for Actual Operating Expense by District						
Components of Operating Expenses Per Pupil	Chicago	Suburban Cook	State Average With CPS	Average Without CPS	Highest Per Capita District	Lowest Per Capita District
Operating Expense Per Pupil	\$ 9,758	\$ 10,555	\$ 9,099	\$ 8,933	\$ 22,508	\$ 4,281
Less Supplemental Programs	\$ (2,883)	\$ (1,067)	\$ (1,503)	\$ (1,156)	\$ 12	\$ (955)
Per Capita Tuition Charge	\$ 6,875	\$ 9,488	\$ 7,596	\$ 7,777	\$ 22,520	\$ 3,326
Less Supplemental General State Aid	\$ (697)	\$ -	\$ (140)	\$ -	\$ -	\$ -
=Basic Cost Per Pupil	\$ 6,178	\$ 9,488	\$ 7,456	\$ 7,777	\$ 22,520	\$ 3,326
(Adjusted Per Capita Tuition)						

Source: Illinois State Board of Education ILEARN website

Distribution of Staff Positions

	<u>FY06 Budget</u>	<u>FY07 Proposed</u>	<u>Difference</u>
Administrative Positions	1,650	1,582	(68)
School Based Positions	44,481	42,755	(1,726)
Subtotal Positions (Operating Funds)	46,131	44,337	(1,794)
Capital Funded Positions	80	80	0
Total Positions	46,211	44,417	(1,794)

The FY2007 budget shows a net decrease in full-time equivalent positions of 2,062. Although some teaching positions were reduced due to lower enrollment, the impact on our teachers is expected to be minimal as a result of new positions that were added, expected retirement and attrition.

BUDGET RESOLUTION

RESOLUTION ADOPTING THE ANNUAL SCHOOL BUDGET FOR FISCAL YEAR 2007

WHEREAS, pursuant to Section 34-43 of The Illinois School Code (the "Code"), the Board of Education of the City of Chicago (the "Board") is required to adopt an annual school budget for each fiscal year of the Board no later than 60 days after the beginning of the fiscal year of the Board to which such budget relates; and

WHEREAS, the Board, as successor to the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, is to bring educational stability to the system and is empowered and directed by the General Assembly pursuant to the provisions of Section 34-3.3 of the Code to: (i) increase the quality of educational services in the Chicago Public Schools; (ii) reduce the cost of non-educational services and implement cost-saving measures including the privatization of services where deemed appropriate; and (iii) streamline and strengthen the management of the system, including a responsible school-based budgeting process, in order to focus resources on student achievement; and

WHEREAS, the Board is also to bring financial stability to the system and is empowered and directed by the General Assembly pursuant to the provisions of Section 34-3.3 of the Code to develop a long-term financial plan that, to the maximum extent possible, reflects a balanced budget for each fiscal year; and

WHEREAS, the Board is not required to balance its budget in accordance with an accounting system and procedure prescribed by the Chicago School Finance Authority because the financial oversight powers and responsibilities of the Chicago School Finance Authority have been suspended by Section 34A-411(c) of the Code until December 31, 2010, and

WHEREAS, the Board is directed by the provisions of Section 34-43 of the Code to balance its budget in each year within standards established by the Board; and

WHEREAS, Section 34-43 of the Code authorizes the Board's budget for any fiscal year to (i) provide for the accumulation of funds in the educational fund in order to achieve a balanced budget in a future year within the four-year period of the Board's financial plan to begin in that budget year or for capital improvements; and (ii) to provide for a reserve in the educational fund to ensure uninterrupted services in the event of unfavorable budget variances; and

WHEREAS, it is now appropriate for the Board to adopt its annual school budget for its Fiscal Year 2007 and related standards and policies.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO as follows:

Section 1. Findings. It is found, declared and determined as follows.

(a) Pursuant to section 34-43 of the Code, the Board has previously established standards by which its budgets shall be balanced in each fiscal year, consistent with the requirements of the Code. These standards provide that each budget of the Board shall cover a fiscal year of the Board and shall be developed and adopted in accordance with the requirements of the Code, including, but not limited to, Sections 34-42 through 34-51 thereof. These standards also provide that each budget shall be prepared in accordance with generally accepted accounting principles and shall be balanced such that, for each fund, the estimated sum of all revenues for the fiscal year from all sources and the amount of Fund Balance Available for appropriation in the fiscal year is greater than or equal to the estimated sum of all appropriations required to defray the amount of all expenditures and charges to be made or incurred during the fiscal year and the amount of all unpaid liabilities at the beginning of the fiscal year. The

standards further provide that in determining the amount of the Fund Balance Available for appropriation in the Educational Fund, there shall be deducted (i) the amount, if any, which the Board directs to be accumulated to achieve a balanced budget in a future year within the four-year period of the financial plan to begin in the budget year or for capital improvements, and (ii) any reserve to insure uninterrupted services in the event of unfavorable budget variances. The Board's goal is to have a balanced budget over the period of the four-year financial plan that is to be developed.

(b) In order to achieve a balanced budget in one or more future years within the four-year period of the Board's financial plan, beginning in Fiscal Year 2007, it is necessary that amounts be accumulated in the Educational Fund. To ensure uninterrupted services during Fiscal Year 2007 in the event of unfavorable budget variances, it is necessary to establish a reserve in the Educational Fund. The total amount of this accumulation and reserve is \$218,400,000 for Fiscal Year 2006. The total amount shall be treated as a reserved fund balance not available for appropriation in Fiscal Year 2007.

(c) The annual school budget for Fiscal Year 2007 was prepared in tentative form by the Board and was available for public inspection for at least fifteen days prior to adoption (to wit, since June 12, 2006) by having at least five copies of the tentative budget on file in the Office of the Board.

(d) On June 20, 2006, June 21, 2006, and June 22, 2006, public hearings were held concerning the adoption of the annual school budget for Fiscal Year 2007, notice of such hearings having been given by publication on June 12, 2006, in a newspaper of general circulation in the City of Chicago.

Section 2. Budget Approval. The Annual School Budget for Fiscal Year 2007 is adopted.

Section 3. Transfers Between Appropriations. The Office of Management and Budget may approve transfers within any Board fund and within an object group and purpose in accordance with this Section. Except for matters previously approved by the Board as being within the discretion of the Office of Management and Budget, transfers within a fund and between object groups and purposes must be recommended by the Office of Management and Budget and approved by the Board by a vote of two-thirds of the members, provided that such transfers shall not exceed 10% of the fund during the first half of the fiscal year, and no appropriation shall be reduced below an amount sufficient to cover all obligations that will be incurred against the appropriation. The Chief Executive Officer shall define object groups and purposes that are subject to these requirements.

Section 4. Capital Budgeting Process. Annually, the Board will prepare and approve a multi-year Capital Improvement Plan (the "CIP") consistent with the annual budget. Public hearings will be held to receive public comment on the proposed CIP each year.

Section 5. Grants. The Office of Management and Budget shall be responsible for the structure and accountability of the school district's grants management process and is designated as the managing fiscal agent for the Board for all grant applications received from governmental funding agencies. The Office of Management and Budget shall establish rules and procedures for all grant applications and for the acceptance of school-based grants and gifts.

The principal of a local school or unit head, serving as an agent of the Board, is responsible for the implementation and management of all school-based or unit-based grants from governmental and non-governmental agencies. The principal or unit head is responsible for implementing the program in a timely fashion, as approved by the funding agency, and for expending funds in accordance with the terms, budget, and liquidation requirements of the approved proposal.

Section 6. Personnel Policies. The appropriations herein made for personnel services shall be regarded as maximum amounts to be expended from such appropriations. Such expenditures shall be limited to personnel only as needed, or as may be required by law, not to exceed the maximum that may be employed for any position by title. Notwithstanding any item in the budget, one person may be employed or more than one person may be employed, upon recommendation of the Budget Director and

the Chief Executive Officer, whether such title is printed in the singular or plural. The salary or wage rate fixed shall be regarded as the maximum salary or wage rate for the respective positions, provided that salaries or wage rates are subject to change by the Board during the fiscal year in accordance with collective bargaining agreements approved by the Board. The salary or wage rates are expressed on a monthly basis and extended to annual amounts unless otherwise indicated.

Initial appointments to any positions shall be made at the entrance rate of the salary range prescribed for the class grade. Notwithstanding any item in the budget, in exceptional cases, upon recommendation by the hiring unit head, the Human Resources Director, the Budget Director and the Chief Executive Officer, initial appointments may be made at a rate above the normal entrance rate. Entrance above the normal entrance rate shall be based upon the outstanding and unusual character of the candidate's education, experience and training over and above the minimum qualifications specified for the class. An employee may be assigned to a title not appearing within the budget of the employee's organization unit, in lieu of a specific title appearing in the budget, upon the written recommendation of the hiring organization unit head, the Human Resources Director, the Budget Director and the Chief Executive Officer. Such assignment may be requested and approved when the title requested is appropriate to the function of the organization unit and reflects the skills, training, and experience of the employee. In no event shall the authority conferred herein be exercised in the violation of Section 34-18(32) of the Code.

All appointments of management level personnel, including chiefs, directors, officers and principals, and their respective salaries, shall be subject to approval by Board action prior to the appointment. For all other personnel, the Chief Executive Officer is required to submit to the Board a quarterly report (which shall be made public) that summarizes all personnel actions, including new hires, promotions, transfers, leaves of absence, resignations, retirements and separations for the previous quarter. All such salaries will be approved through the annual budget. Resignations shall be deemed irrevocable upon receipt by the Department of Human Resources.

The basic salary of a newly appointed administrator shall be established in the appropriate grade in the Administrative Compensation Plan either at the first salary step or on the next higher salary step that will provide a basic salary increase. No such placement shall exceed the maximum salary step provided for the grade to which the position has been assigned. The salary of an administrator shall only advance to the next step of the salary schedule if the administrator's last recorded efficiency rating or equivalent evaluation is satisfactory or better. The salary of any principal new to a public school operated by the Board (not previously employed as a principal or teacher by the Board) shall be recommended by the Local School Council to the Director of Human Resources on the salary schedule step deemed to be most appropriate to reflect the candidate's experience, skills, and knowledge, and which provides a salary increase, subject to prior approval by the Board. No such placement shall exceed the maximum salary step provided for the administrative grade to which the position has been assigned.

The unit head, the Director of Human Resources and the Budget Director, pursuant to procedures established by the Chief Executive Officer, must approve all salary increases of 10% or less. After approval of position salaries in the annual budget, salary increases in excess of 10% for an employee in their current position must be approved by Board action prior to the salary increase.

No employee shall have the right to demand continuous employment or compensation by reason of any appropriation if, upon the determination of the organization unit head, such employee's services are not needed or it becomes necessary to lay off the employee on account of lack of work or lack of funds. In case of a vacancy in any position, the head of the organization unit in which the vacancy occurs shall not be required to fill such vacant position, if, in the organization unit head's judgment and discretion, there is no necessity therefor.

Section 7. Settlement Agreements and Judgments. No expenditure may be made from any fund or line item account herein for the purpose of executing settlement agreements, entering into consent orders or paying judgments except upon the approval of the Board; provided, however, that this section shall not apply to judgments, settlement agreements or consent orders involving an amount up to \$50,000 or to

labor arbitrations. In those cases, the General Counsel is authorized to approve such documents and expend such funds without approval of the Board.

Section 8. Severability. To the extent that any prior resolution or policy of the Board (excluding Board Rules) is in conflict with the provisions of this Resolution, the provisions of this Resolution shall be controlling. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Resolution.

Section 9. Effectiveness. This Resolution is effective immediately upon its adoption.

GLOSSARY

GLOSSARY

Accomplishment: major positive changes, activities, and other achievements that have occurred during the current budget year.

Accrual Basis: the accounting technique under which transactions are recognized when they occur, regardless of the timing of estimated cash flow.

Accrued Expense: expense incurred and recorded on the books but not payable until a later date.

Adopted Budget: the financial plan ultimately approved and authorized by the Chicago Board of Education.

Appropriation: an authorization to make expenditures and incur obligations for a specific purpose granted by a legislative body for a specific time period.

Assessed Valuation (AV): the value placed on all taxable property for tax purposes. This amount is subject to the state equalization factor and the deduction of exemptions.

Average Daily Attendance: the aggregate number of pupil days of attendance divided by the number of days in the regular school session. A pupil who attends school for five or more clock hours while school is in session constitutes one pupil-day of attendance. The best three months average daily attendance of the prior year is used in calculating General State Aid for the current year.

Block Grant: a state or federal grant program that consolidates several previously separate categorical grant programs into one larger grant. Block grants usually allow the recipient agency more flexibility in the use of the resources than would be allowed with separate grants.

Bond: a written promise to pay a specified sum of money, called the face value or principal amount, at a specified date in the future (the maturity date), together with periodic interest at a specified rate.

Bonded Debt: that portion of indebtedness represented by outstanding bonds.

Bond Redemption and Interest Fund: a debt service fund for the receipt and disbursement of the proceeds of annual tax levies for the payment of the principal and interest on specific bond issues.

Budget Classification: series of numerical codes used to categorize items of appropriation by unit, fund, project, program, and object.

Budgetary Control: the control or management of a governmental or enterprise fund in accordance with an approved budget to keep expenditures within the limits of available revenue appropriations.

Capital Outlay: an expenditure which results in the acquisition of, or addition to, fixed assets and meets the following criteria: has an anticipated useful life of more than one year; can be permanently identified as an individual unit of property; belongs to one of the following categories: land, buildings, structures & improvements, equipment; constitutes a tangible, permanent addition to the value of city assets; does not constitute repair or maintenance; and is not readily susceptible to loss.

Capital Project: a specific and identifiable improvement or purpose for which expenditures are proposed within the capital budget or capital improvement program.

Capital Project Fund: a fund created to account for financial resources to be used for the acquisition or the construction of major capital facilities or equipment.

Categorical Revenue: funds from local, state, or federal sources which can, by law, only be used for specific purposes (e.g., federal No Child Left Behind revenue or Supplemental General State Aid revenue).

Chicago School Finance Authority (SFA): a separate government body created in 1980 to sell bonds for the working capital, operating, and capital needs of the Chicago Board of Education and to oversee the financial management of the Board. The Illinois legislature has permanently suspended the financial oversight powers of the SFA.

Corporate Personal Property Replacement Tax: a tax instituted in 1979 to replace the corporate personal property tax. It consists of a state income tax on corporations and partnerships and a tax on the invested capital of public utilities. The tax is collected by the Illinois Department of Revenue and distributed to over 6,000 local governments based on each government's share of Corporate Personal Property tax collections in a base year (1976 or 1977).

Contingency: a budgetary reserve set aside for emergencies or unforeseen expenditures.

Debt Service: the school system's obligation to pay the principal and interest on all bonds and other debt instruments according to a predetermined payment schedule.

Debt Service Fund: a fund established to account for the accumulation of resources for, and the payment of, principal and interest on long-term debt; also called a Sinking Fund.

Depreciation: that portion of the cost of a capital asset which is charged as an expense during a particular period. This is a process of estimating and recording the lost usefulness, expired useful life, or diminution of service from a fixed asset.

Distinguished Budget Presentation Award: a voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents and to provide peer recognition and technical assistance to the fiscal officers preparing them.

Effective Tax Rate: the ratio of taxes billed to the market value, generally expressed as a percentage.

Encumbrance: obligation in the form of a purchase order and/or contract which is chargeable to an appropriation and which reserves a part of the fund balance because the goods or services have not been received. When paid, the encumbrance is liquidated and recorded as an expenditure.

Enterprise Fund: a fund established to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Equalization: the application of a uniform percentage increase or decrease to assessed values of various areas or classes of property to bring assessment levels, on average, to a uniform level of market value.

Equalization Factor (multiplier): the factor that must be applied to local assessments to bring about the percentage increase that will result in an equalized assessed valuation equal to one-third of the market value of the taxable property in a jurisdiction.

Equalized Assessed Valuation (EAV): the assessed value multiplied by the State of Illinois equalization factor minus adjustments for exemptions. This gives the property value from which the tax rate is calculated.

Exemption: the removal of property from the tax base. An exemption may be partial, as a homestead exemption, or complete. An example of a complete exemption is a church building used exclusively for religious purposes.

Expenditure: the outflow of funds paid for an asset or service obtained. This term applies to all funds.

Extension: the actual dollar amount billed to the property taxpayers of a district. All taxes are extended by the County Clerk.

Federal No Child Left Behind Revenue: revenue from federal programs that support supplemental education programs.

Federal Special Education I.D.E.A. Program Fund Revenue: provides supplemental programs for all students with disabilities between the ages of three and 21.

Federal Lunchroom Revenue: revenue from the federal program that support free and reduced-price meals for children from low-income families.

Fiscal Year: the time period designated by the system signifying the beginning and ending period for recording financial transactions. The Chicago Public Schools fiscal year begins July 1 and ends June 30.

Fixed Asset: asset of a long-term character which is intended to continue to be held or used, such as land, buildings, machinery, and equipment.

Foundation Level: a dollar level of financial support per student representing the combined total of state and local resources available as a result of the general state aid formula. The foundation level is dependent upon the State of Illinois appropriation for general state aid.

Fund: resources set aside for specific purposes and activities in accordance with legal requirements. A school or department may have resources available from several funds. Examples include the General Fund, Worker's Compensation/Tort Fund and the Federal Title I Fund.

Fund Accounting: a governmental accounting system, which organizes its financial accounts into several distinct and separate sets of accounts designated by their different functions.

Fund Balance: the assets of a fund less liabilities, as determined at the end of each fiscal year. Any reservations of fund balance are deducted, leaving a remaining unreserved fund balance.

Generally Accepted Accounting Principles (GAAP): uniform minimum standard of, and guidelines to, financial accounting and reporting. They govern the form and content of the basic financial statements of an entity. They encompass the conventions, rules, and procedures necessary to define accepted accounting practice at a particular time. They include not only broad guidelines of general application but also detailed practices and procedures. They provide a standard by which to measure financial presentations.

General Fund: the primary operating fund used to account for all revenue and expenditures, except those related to specific programs which are accounted for separately in special purpose funds.

General Obligation Bonds: bonds that finance public projects, such as new school buildings. The repayment of the bonds is made from property taxes and is backed by the full faith and credit of the issuing entity.

General State Aid: state revenue provided to school districts to support the basic education programs. The amount each school district receives depends upon the educational needs of the school district (as measured by the Supplemental General State Aid weighted average daily attendance), the size of the local tax base, (in certain cases) the amount of tax effort by the local school district, and the foundation level. The general state aid formula works so that every child in the state has access to resources for his or her education at least equal to the foundation level.

Goals: specific plans a department has for the upcoming and future years. Goals identify intended end results but are often ongoing and may not be achieved in a single year.

Government-Funded Funds and Special Grant Funds: funds established by the Board to account for programs that are fully reimbursable by the state or federal government and special grants.

Governmental Accounting Standards Board Statement No. 24: Requires that on-behalf payments made by other governments should be included as revenues and expenditures as long as they are for employee benefits. By law, the City of Chicago has been contributing to the Municipal Employees' Annuity and Benefit Fund of Chicago on behalf of the Board's educational support personnel (ESP).

Grant: a contribution by a governmental or other type of organization to support a particular function. Typically, these contributions are made to the system from the state and federal governments and from private foundations.

Illinois School Based Health Services Program : In September 1994, IDPA submitted a Medicaid State Plan Amendment, which expanded the range of existing covered services, expanded the scope of covered services, and increased reimbursement rates. The new program is based on 42 CFR 440.13D(d) of the Social Security Act.

Individuals with Disabilities Education Act (IDEA) - PL 94-141: In 1974, despite a lack of adequate funding sources, school districts were required to comply with the federal mandate of providing health services to students with disabilities.

Inter-government Agreement (1997 IGA) with City of Chicago - October 1, 1997: The 1997 IGA represents a unique financing arrangement between the City of Chicago and the Chicago Public Schools to pay for the construction of new schools, school building additions, and renovation of existing schools and equipment. The Agreement provides that the City will help the Board to finance its Capital Improvement Program by providing the Board with funds to be used by the Board to pay debt service on bonds issued by the Board for such purpose. The amount to be provided by the City will be derived from the proceeds of ad valorem taxes levied in future years by the City on all taxable property within the City. The City will impose property tax levies when the current debt issued by the School Finance Authority and PBC expires. Property owners, therefore, will not see any net increase in their future property tax bills resulting from the 1997 IGA debt.

Inter-government Agreement using Tax Increment Financing (IGA-TIF) : This Agreement secures revenues from certain eligible Tax Increment Financing districts, which will be used by the Chicago Public Schools to pay for the construction of new schools

Interest Earnings: earnings from available funds invested during the year in U.S. Treasury Bonds, certificates of deposit, and other short-term securities.

Investments: securities and real estate held for the production of revenues in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

Levy: amount of money a taxing body certifies to be raised from the property tax.

Liabilities: debts or other legal obligations arising out of transactions in the past which must be liquidated, renewed, or refunded at some future date.

Long-term Debt: debt with a maturity of more than one year after the date of issuance.

Lunchroom Fund: a fund for the assets, liabilities, receipts, and disbursements of the School Lunchroom Program.

Maintenance: all materials or contract expenditures covering repair and upkeep of buildings, machinery and equipment, systems, and land.

Medicaid Revenue: revenue from the federal Medicaid program that the Board receives as reimbursement for the provision of Medicaid-eligible services to Medicaid-eligible children.

Medicare Fund: a fund for the receipt and disbursement of the proceeds of an annual tax levy for the payment of the required employer contribution for the Medicare program.

Miscellaneous Revenues: proceeds derived from notes and bonds sold by the Board and the SFA, interest on investments and undistributed property taxes, collections from food service sales, rental of property, gifts, donations, and sale of real estate owned by the Board.

Mission Statement: designation of a department's purpose or benefits and how the department supports the overall mission of the system.

Modified Accrual Basis: the accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under it, revenues are recognized when they become both "measurable" and "available" to finance expenditures of the current period. Expenditures are recognized when the related fund liability is incurred, except for: (1) inventories of materials and supplies which may be considered expenditures, either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger than normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

Project: an activity that usually has a given time period for its accomplishment and whose costs are generally reimbursed by the state or federal government.

Property Tax Revenue: revenue from a tax levied on the equalized assessed value of real property.

Proposed Budget: financial plan presented by the Chief Executive Officer for consideration by the Chicago Board of Education.

P.A. 87-17: Property Tax Extension Limitation Law that imposed tax caps in Lake County, Will County, DuPage County, McHenry County, and Kane County and the prior year's EAV on Cook County.

P.A. 88-593: Public Act that requires all five state pension funds and the Chicago Teacher Pension Fund to reach 90% funding by the year 2045.

P.A. 89-1: The property-tax cap imposed by Illinois Public Act 89-1 limits the annual growth in total property-tax extensions in the operating funds to either 5% or the percentage increase in the Consumer Price Index (CPI), whichever is less. In addition to using the tax cap, the Board is required to apply prior-year EAV to calculate the legally allowable levy increase into the Education Fund. The most that can be raised is the maximum tax rate multiplied by the prior-year EAV for all property currently in the district. The property-tax cap, combined with statutory property-tax rates and the use of the prior-year EAV, restricts the growth in property-tax revenues.

P.A. 89-15: Recent Public Act that changed the financial structure of the Chicago Board of Education.

Public Hearing: portions of open meetings held to present evidence and provide information on an issue.

Public Building Commission (PBC): municipal corporation from which local government taxing authorities lease facilities. The PBC issues bonds, acquires land, and contracts for construction for capital projects of other local governments associated with the facilities that are being leased. Annual payments on these leases are included in the local government's tax extensions. The Chicago Board of Education is currently leasing many facilities from the Chicago Public Building Commission.

Public Building Commission Lease/Rent Fund: debt service fund for the receipt and disbursement of the proceeds of an annual tax levy for the rental of school buildings from the PBC. Most of the rental payment is used by the PBC to make debt service payments on revenue bonds that were issued to finance capital projects in the schools that are leased from the PBC.

Public Building Commission Operation and Maintenance Fund: fund for the receipt and disbursement of the proceeds of an annual tax levy for operation and maintenance of buildings leased from the PBC.

Prior Year's EAV: provision of P.A. 87-17 that requires that extension limits for rate limited funds for Cook County governments be determined using the EAV one-year prior to the year of the levy.

Rate Limited Fund: fund to account for the accumulation and use of revenue generated by a rate limited tax levy. P.A. 89-15 collapsed all of the Board's rate limited funds into the Education Fund as of FY1996.

Reserve: account used to indicate that a portion of a fund balance is restricted for a specific purpose, or an account used to earmark a portion of a fund balance to indicate that it is not available for expenditure. A reserve may also be an account used to earmark a portion of fund balance as legally segregated for a specific future use.

Revenue Bonds: bonds whose principal and interest are payable exclusively from a revenue source pledged as the payment source before issuance.

Special Revenue Funds: a fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes.

State Aid Pension Revenue: revenue from an annual state appropriation to fund a portion of the employer contribution to the Chicago Teachers' Pension fund.

Sundry Charges: includes items that are not in the supply or maintenance category. These charges may be for services provided by private business organizations, by public utilities, for contract labor, for outside consultants, payment of claims and damages against the system, or services provided by some other department or activity.

Supplemental General State Aid Fund (formerly State Chapter I): fund for the receipt and disbursement of Supplemental General State Aid.

Supplemental General State Aid Revenue (formerly State Chapter I): portion of general state aid that the Chicago Board of Education receives that is attributable to the number of low-income children in the school district and must be used to supplement and not supplant the basic programs of the district.

Tax Base: the total value of all taxable real and personal property in the City as of January 1 of each year, as certified by the Appraisal Review Board. The tax base represents net value after all exemptions.

Multiplier: see Equalization Factor.

No Child Left Behind Act: On January 8, 2002, President Bush signed into law the No Child Left Behind Act of 2001. This law provides for the most significant reform to the Elementary and Secondary Education Act (ESEA) since its inception in 1965. Under the new law, States and school districts are required to develop strong accountability systems based on student performance and to test students in grades 3-8 on reading, math, and eventually science. Each State, school district, and school will be expected to make adequate yearly progress toward meeting State standards. Parents of children in failing schools have the option to transfer their child to a better performing school and/or obtain supplemental services such as tutoring paid for by Federal Title I funds. The new law also gives States and school districts increased local control and flexibility in the use of Federal education funds.

Object: specific nature or purpose of an expenditure. Object codes are common across all units, programs, and projects. Examples of objects include professional services and teacher salaries.

Operating Budget: financial plan outlining estimated revenues, expenditures, and other information for a specified period (usually a fiscal year).

Operating Expenses: proprietary fund expenses that are directly related to the fund's primary service activities.

Operating Expense Per Pupil: gross operating cost of a school district (excludes summer school, adult education, bond principal retired, and capital expenditures) divided by the average daily attendance for the regular school term.

Operations & Maintenance (O&M): represents the portion of taxes assessed for the maintenance and operations of the system's facilities. The O&M fund of the Public Building Commission covers O&M expenses for buildings leased by the school system from the Commission.

Penalty Date: date by which property tax bills are payable. In Cook County the penalty date for first-half tax bills is normally March 1, and the penalty date for second-half tax bills is August 1, but is usually delayed to September 1.

Performance Measures: specific measures of the workload and key outcomes of each department. These provide information about how effective and efficient the department is operating.

Program: instructional or functional activity.

Program Description: describes the nature of service delivery provided at this level of funding. The description includes department/bureau mission, goals, accomplishments, and performance measures, as well as total expenditures and staff counts.

Tax Caps: abbreviated method of referring to the tax increase limitations imposed by the Property Tax Extension Limitation Law (P.A. 87-17), which became effective October 1, 1991.

Tax Rate: amount of a tax stated in terms of a percentage of the tax base.

Tax Rate Limit: maximum tax rate that a county clerk can extend for a particular levy. Not all tax levies have a tax rate limit.

Tax Roll: official list showing the amount of taxes levied against each taxpayer or property in the county.

Turnover: anticipated savings resulting from the delay in staffing new positions and those positions that become vacant during the course of the school year.

Unit: each School, Central Office department, Area Office, or other special operating entity represented by a four-digit number. Examples of units include the Department of Human Resources and DuSable High School.

Unlimited Fund: a fund to account for the accumulation and use of revenue generated by a tax levy that is unlimited but which can be used only for specific purposes (e.g., PBC Operations and Maintenance Fund, Tort Liability Fund, Medicare Fund).

Worker's and Unemployment Compensation-Tort Immunity Fund: a fund for the receipt and disbursement of the annual tax levy proceeds for the payment of Workers' Compensation claims, Unemployment Compensation claims, Tort Liability expenses, loss prevention activities, and associated administrative expenses.

MAP

Chicago Public Schools & Instructional Areas

2005 - 2006

