

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.