

APPENDIX C BUDGET PROCESS

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

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

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

Budget Calendar and Process Development

Governor Rauner's veto of Senate Bill 1 has created widespread uncertainty for every school district in Illinois. Senate Bill 1 accomplishes long-debated and much-needed education funding reform in the state with the worst funding system in the nation. As this process was unfurling in Springfield, many districts – including CPS – waited to move forward with budgets until the last possible moment. For CPS, this included delaying budget guidance for schools and the release of this budget book until the last possible moment. Guidance to schools about their budgets was issued on July 20, 2017, and school budgets were received for review and incorporation by CPS on July 27.

Budget Planning

The FY2018 school budgets are in the fourth year of implementation using the Student-Based Budgeting ("SBB") model. In addition, OMB engaged in strategic planning with departments to develop preliminary FY18 budgets based on critical initiatives identified by senior leadership and the Board. As in previous years, the goal was to identify and implement efficiencies to direct as many resources as possible to the classroom. With reduced federal revenues and increased costs, CPS increased the SBB rate by 5 percent to ensure that schools could continue to make investments that drive student achievement.

This fiscal year is also the third year using the Hyperion budgeting tool for both schools and central office. The application continues to enable better fiscal reporting and coordination across the District.

Public Involvement

The Board makes the proposed budget available to review for stakeholders and the press before it is presented in public hearings.

Board Adoption of the Budget

The Board is anticipated to act on the FY18 Proposed Budget at their meeting on August 28, 2017.