

APPENDIX D 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' (CPS) fiscal year starts July 1 and ends June 30.

The budget process and calendar for CPS is consistent with legal requirements in the Illinois School Code:

- A proposed budget must be prepared and made available for public review at least 15 days prior to its finalization.
- The Board is required to hold at least two public hearings at least five days after copies of the proposed budget are made available for review.
- Notice of budget hearing dates must be published in 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 and online at www.cps.edu.

Budget Calendar and Process Development

In November 2011, the Office of Budget and Grants Management (OBGM) prepared a preliminary budget calendar and by December, projected revenues and expenditures for FY2013. The office also prepared an analysis of the major types of District spending to identify areas for future reductions.

Budget Planning

January: The OBGM engaged in strategic planning with departments at the Central Office to develop preliminary FY2013 budgets based on critical initiatives identified by senior leadership and the Board. The goal was to shift discretionary funds to schools and networks, allowing principals and school communities more flexibility to make investments that drive student achievement. The funding was to be realized in part through targeted cuts and efficiencies to non-classroom operations and administrative spending, as well as re-prioritizing centrally directed programs.

March: Each CPS school develops a school improvement plan every two years. This plan –required by Illinois state law –establishes a school's mission, its strategic priorities for the next two years and the specific actions that the school will take to accomplish its goals. In March 2012, CPS introduced a new school improvement planning template called the Continuous Improvement Work Plan (CIWP). The CIWP replaces the prior template (SIPAAA) with a more streamlined planning process, providing better tools for monitoring the school's implementation of the plan, and making necessary adjustments.

April: OBGM, in conjunction with the School Support Centers and the Office of Network Support, held a series of briefing meetings for principals to provide an overview of the budget and key initiatives, as well as present individual school budgets. Central Office departments continued to refine their unit budgets to align with updated revenue projections.

Budget System Training and Submission

May: OBGM and Information Technology Services launched a new Hyperion budget planning tool in FY2012. The first phase of the implementation allowed Central Office users an easier tool to enter non-personnel budget information for the FY2013 budget development process. Schools used the old system

to enter their detailed budget line items and Chief Network Officers reviewed and approved the school budgets for adherence to their CIWPs by May 31.

Proposed Budget

June: Once the submissions were entered, the budget information was summarized and submitted to senior leadership for review beginning in June. Adjustments were made to incorporate into final recommendations.

Public Involvement

July: The proposed budget – in compliance with the Illinois School Code – was made available for review by the public, reform groups and the press before being presented in public hearings.

Board Adoption of the Budget

The Board is anticipated to act on the FY2013 Proposed Budget at their meeting on July 25, 2012.