

## **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' fiscal year starts July 1 and ends June 30.

The budget process and calendar for CPS is prepared 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 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**

Aware that the District was going to face a record-breaking budget deficit in FY2014, management began work immediately in FY2013 to identify solutions to the challenges of decreased funding and additional expenses. The school utilization crisis faced by CPS was draining resources, looming federal sequestration meant declining revenues, and without State intervention the pension liability would require a huge cash outlay.

### **Budget Planning**

Early in FY2013, the Office of Budget and Grants Management (OBGM) began working with a consultant to develop a per pupil funding model to bring parity and transparency to school budgets, termed "Student Based Budgeting." The FY2014 school budgets are the first to be implemented using this new model. In addition, OBGM engaged in strategic planning with departments to develop preliminary FY2014 budgets based on critical initiatives identified by senior leadership and the Board. As in the previous year, the goal was to shift discretionary funds to schools and networks to give principals and school communities more flexibility to make investments that drive student achievement. For the fourth year in a row, cuts were made to Central Office units and efficiencies were sought through contract renegotiations and outsourcing non-critical functions.

Individual school budgets were presented to principals through a series of briefing meetings in June 2013. Central Office departments continued to refine their unit budgets to align with updated revenue projections.

### **Budget Submission**

Central Office users and schools entered their detail budget line items, and Chief Network Officers reviewed and approved the school budgets for adherence to their CIWPs by June 26.

**Proposed Budget**

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 final recommendations during early July.

**Public Involvement**

The announcement of the availability of the proposed budget for review by the public, reform groups and the press was made in July according to the Illinois School Code, before being presented in public hearings.

**Board Adoption of the Budget**

The Board is anticipated to act on the FY2014 Proposed Budget at their meeting on August 28, 2013.