

Appendix C Budget Process

The Board is required by the Illinois School Code to adopt an annual 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 1st and ends the following June 30th.

Additionally, per 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.

The proposed budget is available at cps.edu/budget. Copies of the budget are available at the Board Office for review.

Budget Planning

Budget planning consists of two main components: school budget planning and department budget planning. School budgets are in the seventh year of implementing the Student-Based Budgeting ("SBB") model. In FY2020, CPS increased the SBB base rate by 2.5 percent, as was done in FY2019. For the second consecutive year, school budget allocations were based on prior year enrollment figures (FY2019 20th day), rather than projected fall enrollments (see Appendix B for more information on school funding).

Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. FY2020 department budget proposals prioritize critical initiatives, as identified by senior leadership and the Board, in an effort to direct as many resources as possible to schools and classrooms. Additionally, department budgets were developed with the goal of aligning with the district's three main commitments as outlined in the CPS Vision: academic progress, financial stability, and integrity.

FY2020 marks the fifth year of using the Hyperion budgeting tool, which brings consistency and ease of use to the budget process for schools and Central Office.

Budget Calendar

In the fall of 2018, the Office of Budget and Grants Management (OBGM) began the FY2020 budget planning process by developing revenue and expenditure assumptions for the upcoming fiscal year. Over several months, starting in early 2019, OBGM engaged with Central Office departments and senior leadership to develop school and department budgets. OBGM released school budgets and guidance to principals in March 2019. The early release of budgets provided school administrators with significantly more time to plan for the 2019-2020 school year. In May 2019, OBGM received and reviewed all school and department budgets and integrated them into the FY2020 proposed budget.

Public Involvement

Each year, before the school budget planning process is complete, Local School Councils (LSC) from each school must hold public meetings to discuss and cast an approval vote on their school's budget proposal. During the LSC approval process, school budget documentation, as well as budget guidance resources, are shared with each LSC.

As stated above, the Board is required by the Illinois School Code to make the proposed budget available for review by stakeholders and the press at least 15 days prior to its finalization. Additionally, CPS holds at least two public hearings before the budget is voted on by the Board.

Board Adoption of the Budget

The Board is anticipated to vote on the FY2020 proposed budget at their meeting in August 2019.