

Appendix C

Budget Process

The Chicago Board of Education (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. CPS' fiscal year starts July 1 and ends the following June 30.

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 proposed budget is available at cps.edu/budget. Copies of the budget are available from the Board Office at the CPS Loop Office, Garden Level, 42 W. Madison Street, Chicago, Illinois 60602.

Budget Planning

Budget planning consists of two main components: school budget planning and department budget planning.

In FY2025, the District implemented a new type of school funding that allocates positions for instructional and core administrative functions rather than tying dollars to enrollment. The District will continue this school funding strategy for the FY2026 budget, again ensuring that schools have an appropriate level of staffing to provide operational and instructional services for their students in an equitable manner and are able to staff teachers and educational support personnel without having to worry about their cost. Schools will receive both centrally allocated positions and flexible funding through enrollment and needs-based formulas so that all schools can meet the following instructional and school design priorities:

- Reasonable class sizes
- Limited splits
- Access to arts
- Intervention supports
- Local-level priorities

The FY2026 budget maintains these investment strategies and builds on the District's mission to move away from strict student-based budgeting and toward a more holistic, needs-based funding formula for District elementary and high schools. This approach provides a foundational level of resources for every school while building on the foundation for schools with greater need.

Foundational Resources for Every School	Additional Resources Based on Need
<ul style="list-style-type: none"> • Principal • Assistant Principal • Counselor • Clerk • Core classroom and holistic teachers • Professional development funding • Baseline discretionary funding • Centrally-managed positions (custodians, engineers, security, lunchroom, nurse, social worker) • Before- and after-school programming to support athletics, enrichment, and other activities 	<ul style="list-style-type: none"> • Additional teachers to reduce class sizes • Additional counselors • Instructional coaches • Tiered intervention supports • Tutoring • Advocates for Students in Temporary Living Situations • Special education positions • Supplemental English learner resources • Social and emotional supports • Additional discretionary funding for high-needs schools

For the sixth consecutive year, school budget allocations were based on the prior school year's (SY25) 20th day enrollment figures, rather than projected enrollment for the upcoming year.

Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. The FY2026 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 central values and commitments as outlined in the [five-year strategic plan](#).

In FY2023, CPS implemented a new budgeting tool named Enterprise Performance Management (EPM) for school and central office budgets. The EPM system maintained similar functionality to the Hyperion system used in prior years, but incorporated upgrades to user interface and functionality to support school users. FY2026 marks the fourth year of CPS' use of this budgeting system.

Budget Calendar

In the summer of 2024, the Office of Budget and Grants Management (OBGM) began the FY2026 budget planning process by developing revenue and expenditure assumptions for the upcoming fiscal year. OBGM released school budgets and guidance to principals in May 2025. Throughout the spring of 2025, OBGM worked closely with schools and departments to develop their budget proposals and integrate them into the FY2026 proposed budget.

Public Involvement

The FY2026 CPS budget, and specifically FY2026 individual school budgets, continue to be informed by stakeholder engagement and public feedback.

To ensure transparency into our current financial situation and gather feedback on the priorities of our stakeholders, we launched a citywide public engagement process in July 2025. Our process included five

community feedback sessions at Dyett High School, Westinghouse High School, Roosevelt High School, and Back of the Yards College Prep High School, and one virtual session. In addition, the District published an all-stakeholder survey and hosted a public learning session with a panel of budget experts who outlined the local, state, and federal context surrounding CPS's budget situation.

Over 650 people attended the five community feedback sessions, including students, parents, teachers, principals, Board members, elected officials, and other community members. After a short presentation providing context around and an overview of the District's \$734 million deficit, participants spent the majority of each session in roundtable discussions, sharing feedback, priorities, and ideas on what is important to them from their unique perspectives. CPS staff at each table captured notes, which were compiled and taken into account when developing the FY2026 budget.

CPS engaged stakeholders through other forums as well, providing specific opportunities for principals, Local School Council (LSC) members, Community Action Councils, and other key groups to provide input into FY2026 budget priorities.

Each year, before the school budget planning process is complete, the 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, the District shares school budget documentation and budget guidance resources 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 is required to hold 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 proposed FY2026 budget at the Board meeting scheduled for Thursday, August 28, 2025.