

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 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 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. Schools receive funding allocations in the spring for the upcoming school year through Student-Based Budgeting (SBB) and other funding streams. For FY2021, CPS increased the SBB base rate by 3 percent, a continued and higher increase from the previous two fiscal years. For the third consecutive year, school budget allocations were based on prior year enrollment figures (FY2020 20th day), rather than projected fall enrollments (see Appendix B for more information on school funding). FY2021 will also represent the second year of "equity grant" funding, which allocates additional dollars to schools with low and declining enrollment.

Department budgets were developed through rigorous engagement between CPS senior leadership and department leadership. FY2021 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.

FY2021 marks the sixth 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 2019, the Office of Budget and Grants Management (OBGM) began the FY2021 budget planning process by developing revenue and expenditure assumptions for the upcoming fiscal year. Over several months, starting in early 2020, OBGM engaged with central office departments and senior leadership to develop school and department budgets.

OBSM released school budgets and guidance to principals in April 2020. For the first time, the school budget process took place virtually due to the COVID-19 pandemic. Throughout the spring, OBSM worked closely with schools and departments to develop their budget proposals and integrate them into the FY2021 proposed budget.

Public Involvement

Prior to the release of FY2021 school budgets, CPS engaged in an inaugural series of public workshops around school funding. These events, held throughout the city in January and February 2020, provided attendees with background and context for how CPS funds schools, and allowed for table discussion and feedback that informed the proposed FY2021 budget.

Informed by the public feedback, a working group composed of parents, principals, and other CPS stakeholders published [this report](#) on the future of school funding. As outlined in the recommendations within the report, the work towards the described future state will continue in FY2021 with an ongoing commitment to phase two Working Group Sessions and Public Engagement Forums.

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.

Due to the COVID-19 pandemic, all public engagement related to the FY2021 budget, including LSC meetings, public hearings, and Board approval, will take place virtually.

Board Adoption of the Budget

The Board is anticipated to vote on the FY2021 proposed budget at its meeting in August 2020.