

June 24, 2015

RESOLUTION AUTHORIZING EXPENDITURES AT BEGINNING OF FISCAL YEAR 2016

WHEREAS, pursuant to Section 34-43 of the Illinois School Code (the "Code"), the Chicago Board of Education (the "Board") is required to adopt an annual school budget for each fiscal year of the Board no later than 60 days after the beginning of the fiscal year of the Board to which such budget relates; and

WHEREAS, the Board is to bring educational stability to the system and is empowered and directed by the General Assembly pursuant to the provisions of Section 34-3.3 of the Code to: (i) increase the quality of educational services in the Chicago Public Schools; (ii) reduce the cost of non-educational services and implement cost-saving measures including the privatization of services where deemed appropriate; and (iii) streamline and strengthen the management of the system, including a responsible school-based budgeting process, in order to focus resources on student achievement; and

WHEREAS, the Board is also to bring financial stability to the system and is empowered and directed by the General Assembly pursuant to the provisions of Section 34-3.3 of the Code to develop a long-term financial plan that, to the maximum extent possible, reflects a balanced budget for each fiscal year; and

WHEREAS, prior to the formal adoption of the budget for fiscal year 2016, the Board will incur expenditures necessary for the operation of the school system at the beginning of said fiscal year; and

WHEREAS, in order to allow the orderly and efficient operation of the system for the benefit of the school children, it is appropriate for the Board to authorize expenditures prior to the adoption of the fiscal year 2016 annual school budget; and

WHEREAS, the Board's Debt Management Policy, Section 404.1 (Board Report 13-0724-PO1), authorizes the Board to use its operating funds to establish a reserve balance accounted for within the Debt Service funds to be used for any governmental purpose approved by the Board; and

WHEREAS, the Board's Debt Management Policy delegates authority to the Chief Financial Officer ("CFO") to authorize any transfer to or from Debt Service funds.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO THAT:

Section 1. Findings. It is found, declared and determined as follows.

- (a) Expenditures in fiscal year 2016 for educational and legal purposes, including school funding allocations based on a per pupil formula, which are necessary for the efficient operation of the Chicago Public School System prior to the adoption of the fiscal year 2016 annual school budget are authorized, subject to the limitations set forth in the next succeeding paragraph.
- (b) Such expenditures will not exceed the fiscal year 2015 appropriation levels, will be subject to the fiscal year 2015 budget's established standards and procedures and will be subject to appropriation in the fiscal year 2016 budget. No expenditures due and payable after September 1, 2015, may be incurred or paid without the written approval of the Chief Financial Officer ("CFO") of the Board.
- (c) The CFO is hereby authorized to approve expenditures in accordance with the provisions of paragraph (b) of this Resolution and the CFO is further authorized to transfer and use Debt Service funds not otherwise restricted under bond documents for the purpose of operating

and capital expenditures to support cash flow during the fiscal year. Transfers from the Debt Service funds for this purpose will be repaid from the next receipts of property tax revenues.

Section 2. Severability. To the extent that any prior resolution or policy of the Board (excluding Board Rules) is in conflict with the provisions of this Resolution, the provisions of this Resolution shall be controlling. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Resolution.

Section 3. Effectiveness. This Resolution is effective immediately upon its adoption and will remain in effect through August 29, 2015 or until the FY 2016 budget is adopted by the Board if that is prior to August 29, 2015.