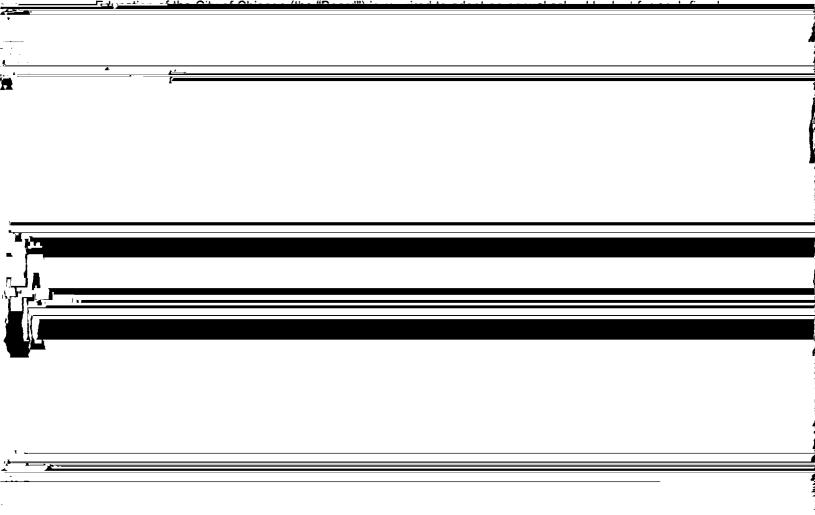
## **RESOLUTION ADOPTING THE ANNUAL SCHOOL BUDGET FOR FISCAL YEAR 2004**

WHEREAS, pursuant to Section 34-43 of The Illinois School Code (the "Code"), the Board of



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, as successor to the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, 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, the Board is not required to balance its budget in accordance with an accounting system and procedure prescribed by the Chicago School Finance Authority because the financial oversight powers and responsibilities of the Chicago School Finance Authority have been suspended by Section 34A-411(c) of the Code until July 1, 2004; and

**WHEREAS**, the Board is directed by the provisions of Section 34-43 of the Code to balance its budget in each year within standards established by the Board; and

subject to these requirements.

	(b) In order to achieve a balanced budget in one or more future years within the four-year period of the Board's financial plan, beginning in Fiscal Year 2004, it is necessary that amounts be
	accumulated in the Educational Fund. To ensure uninterrupted services during Fiscal Year 2004 in the
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	total amount of this accumulation and reserve is \$161,233,000 for Fiscal Year 2003. The total amount shall be treated as a reserved fund balance not available for appropriation in Fiscal Year 2004.
	(c) The annual school budget for Fiscal Year 2004 was prepared in tentative form by the Board and was available for public inspection for at least fifteen days prior to adoption (to wit, since June
-	10. 2003) by having at least five copies of the tentative budget on file in the Office of the Board.
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	(d) On June 17, 2003, June 18, 2003 and June 19, 2003, public hearings were held concerning the adoption of the annual school budget for Fiscal Year 2004, notice of such hearings having been given by publication on June 10, 2003 in a newspaper of general circulation in the City of Chicago.
	Section 2. Budget Approval. The Annual School Budget for Fiscal Year 2004 is adopted.
	Section 3. Transfers Between Appropriations. There shall be no transfers between funds. The Office

Section 4. Capital Budgeting Process. Annually, the Board will prepare and approve a multi-year

of Management and Budget must approve transfers within a fund and within an object group and purpose. Transfers within a fund and between object groups and purposes must be recommended by the Office of Management and Budget and approved by the Board by a vote of two-thirds of the members, provided that such transfers shall not exceed 10% of the fund during the first half of the fiscal year, and no appropriation shall be reduced below an amount sufficient to cover all obligations that will be incurred against the appropriation. The Chief Executive Officer shall define object groups and purposes that are

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