

05-0727-RS5

July 27, 2005

RESOLUTION ADOPTING THE ANNUAL SCHOOL BUDGET FOR FISCAL YEAR 2006

WHEREAS pursuant to Section 24-42 of The Illinois School Code (the "Code"), the Board of

Education of the City of Chicago (the "Board") is required to adopt an annual school budget for each fiscal

accumulated to achieve a balanced budget in a future year within the four-year period of the financial plan to begin in the budget year or for capital improvements, and (ii) any reserve to insure uninterrupted operations in the event of unfavorable budget variances. The Board's goal is to have a balanced budget

fixed shall be regarded as the maximum salary or wage rate for the respective positions, provided that salaries or wage rates are subject to change by the Board during the fiscal year in accordance with collective bargaining agreements approved by the Board. The salary or wage rates are expressed on a

monthly basis and extended to annual amounts unless otherwise indicated.

line item account herein for the purpose of executing settlement agreements, entering into consent orders

or paying judgments except upon the approval of the Board; provided, however, that this section shall not

apply to judgments, settlement agreements or consent orders involving an amount up to \$50,000 or to labor arbitrations. In those cases, the General Counsel is authorized to approve such documents and expend such funds without approval of the Board.