

March 21, 2024

AUTHORIZE THE COMMENCEMENT OF THE PUBLIC COMMENT PERIOD FOR AMENDING SECTIONS 5-1, 5-5, 5-6, 5-7, 5-8, 5-10, 5-12, 5-13, AND 5-15, RESCINDING SECTIONS 5-2, 5-3 AND 5-9 AND READOPTING SECTIONS 5-4, 5-11, AND 5-14 OF CHAPTER V OF THE BOARD RULES CONCERNING FINANCIAL RULES

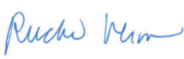
THE BOARD OF EDUCATION RECOMMENDS:

That the Board authorize the commencement of the Public Comment Period from March 22, 2024 to April 22, 2024 for the Board Rules described in the disposition table below. Pursuant to Board Rule 2-6(c), the Board must authorize the commencement of the Public Comment Period.

Current Section Title	New Section Title	Description of Revision/Disposition
5-1 Fiscal and School Year	<u>5-1 Fiscal Year</u>	Amend Sec. 5-1 Clarity of language as the school year does not begin on July 1.
5-2 Office Hours	N/A	Rescind Sec. 5-2 There is no longer a need for defining hours of operation.
5-3 Holidays - Offices	N/A	Rescind Sec. 5-3 This Board rule is duplicative; the Board should rescind this rule due to other Board rules regarding holidays and all departments follow the Calendar
5-4 Financial Oversight and Transparency	N/A	Readopt Sec. 5-4 This Board Rule was recently amended in April 2023, and does not require a biennial review. This was reviewed and considered to still be current.
5-5 Investment of School Funds	N/A	Amend Sec. 5-5 Adds authority to the Treasurer of the Board.
5-6 Lunchroom Receipts	N/A	Amend Sec. 5-6 An armored car service is now used to collect receipts and the Board Treasurer, not the Chief Financial Officer, establishes the procedures.
5-7 Sale of Refreshments at Stadia	N/A	Amend Sec. 5-7 An armored car service is now used to collect receipts and the Board Treasurer, not the Chief Financial Officer, establishes the procedures.
5-8 Payroll Attendance Reports	N/A	Amend Sec. 5-8 The Chief Financial Officer (not the Chief Administrative Officer) is now responsible
5-9 Use of Roll-Over Funds	N/A	Rescind Sec. 5-9

Current Section Title	New Section Title	Description of Revision/Disposition
		Rescind due to it being unnecessary and not reflective of current practice; policy 403.10 addresses all needs related to fund balance.
5-10: Reporting Fraud, Waste, Mismanagement; Whistle Blower Protection	N/A	Amend Sec. 5-10 Updated the wording to more specifically refer to the Illinois School Code section and explain the meaning of disciplinary action.
5-11: Annual Notice	N/A	Readopt Sec. 5-11 The practice for this Board Rule has not changed.
5-12: Non-Resident Pupils - Tuition	N/A	Amend Sec. 5-12 Updated to refer to the "Office of Finance" instead of the "Department of Revenue" and matched language to update with current practices.
5-13: Foreign Pupils - Tuition	N/A	Amend Sec. 5-13 Updated to refer to the "Office of Finance" instead of the "Department of Revenue" and matched language to update with current practices.
5-14: Estimate of Taxes to be Levied	N/A	Readopt Sec. 5-14 No Change; reviewed and found that the statute governing this rule is still the same.
5-15: Use of Proceeds From Sale of Real Estate	N/A	Amend Sec. 5-15 Added retirement of debt to the list of uses of Real Estate proceeds

Approved as to Legal Form: 

DocuSigned by:

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Ruchi Verma
General Counsel

Approved:

DocuSigned by:

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Pedro Martinez
Chief Executive Officer

Policy/Board Rule Summary Form

Policy/Board Rule Being Amended/Created	Policy Manager(s)
Chapter 5 Board Rules	James Patrick Alforque, Walter Stock, Mike Sitkowski

1. Why is this policy/Board rule being amended, created, or rescinded now? (e.g., state legislation, compliance change, policy was out of date, biennial policy review, CEO/CEdO recommendation, etc.)

The Board's required biennial review.

2. Please provide a high level summary of what policy/Board rule changes are being made, or created, and why.

5-1: Dropped the word "School" from title - no change to the wording of the rule

5-2: Rescind due to it being unnecessary; there does not need to be a Board rule regarding times of operation.

5-3: Rescind due to other Board rules regarding holidays and all departments follow the Calendar.

5-4: No change as it was just updated in 2023.

5-5: Added authority to the Treasurer of the Board.

5-6: Updated the process - an armored car service is now used to collect receipts and the Board Treasurer, not the Chief Financial Officer, establishes the procedures.

5-7: Updated the process - an armored car service is now used to collect receipts and the Board Treasurer, not the Chief Financial Officer, establishes the procedures.

5-8: The Chief Financial Officer (not the Chief Administrative Officer) is now responsible

5-9: Rescind due to it being unnecessary and not reflective of current practice; policy 403.10 addresses all needs related to fund balance.

5-10: Updated the wording to more specifically refer to the Illinois School Code section and explain the meaning of disciplinary action

5-11: No change; this practice is still the same

5-12: Updated to refer to the "Office of Finance" instead of the "Department of Revenue" and matched language to update with current practices.

5-13: Updated to refer to the "Office of Finance" instead of the "Department of Revenue" and matched language to update with current practices

5-14: No Change; reviewed and found that the statute governing this rule is still the same.

5-15: Added retirement of debt to the list of uses of Real Estate proceeds

3. Please provide an overview of the community engagement conducted, including any notable feedback from internal or external stakeholders, and how you addressed it or planned to address it in your policy draft.

Per FACE's recommendation, the Finance team met with the LSCAB, and they had no concerns.

4. Please provide any additional notes/considerations in the box below.

CHAPTER V BOARD RULES

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board of Education adopt the proposed amendments and rescissions of Chapter 5 Board Rules.

BOARD RULE TEXT:

Sec. 5-1. Fiscal and School Year. The fiscal year of the Board of Education shall commence on the first day of July of each year.

~~**Sec. 5-2. Office Hours.** The general offices of the Board of Education and District shall be open on Monday through Friday each week from 8:00 o'clock A.M. to 5:00 o'clock P.M. (Holidays designated in section 5-3 excepted.) An individual employee's work hours are based on their assigned duties and subject to determination by their immediate supervisor or department head.~~

~~**Sec. 5-3. Holidays - Offices.** The general offices of the Board of Education and District shall be closed on the following holidays: January 1 (New Year's Day); the third Monday in January (the birthday of Dr. Martin Luther King, Jr.); February 12 (Lincoln's birthday); the third Monday in February (Presidents' Day); the first Monday of March (the birthday of Casimir Pulaski); the last Monday in May (Memorial Day); July 4 (Independence Day); the first Monday in September (Labor Day); the second Monday in October (Columbus Day); November 11 (Veteran's Day); the fourth Thursday and Friday in November (Thanksgiving Day Recess); December 25 (Christmas Day); and on such other days as the President, with the approval of or ratification by the Board of Education, may direct. When any such holidays fall on Sunday, the Monday next following shall be held and considered such holiday. Notwithstanding the foregoing, the Board may adopt a school calendar that indicates observed holidays which are different from those indicated in this Rule, in which case, the general offices of the Board of Education and District shall be closed on the observed holidays designated in the Board-approved school calendar.~~

Sec. 5-4. Financial Oversight and Transparency.

- a. Generally. This Board rule sets forth the requirements for financial reporting and forecasting.
- b. Purpose. The Board recognizes the importance of forecasting revenues, other resources, and expenditures in order to understand the level of funding available for District operations. As trustees of the community, the Board believes that long-term financial planning is a key fiduciary duty and important to the process of being fiscally responsible stewards of public monies.
- c. Reporting and Forecasting.
 - i. Current Fiscal Year: On a quarterly basis in a fiscal year, the CEO shall submit to the Board a Current Fiscal Year Revenues and Expenditures Report, which shall include current fiscal year revenues and expenditures by fund, the appropriation for each fund for the current fiscal year, and a forecast of revenues and expenditures by fund for the remainder of the fiscal year.
 - ii. Budget Forecast: No later than the Board approval of the budget each year, the CEO shall publish and submit to the Board a Five-Year Budget Forecast Report, which shall include a five (5) year forecast of General Fund revenues and expenditures, including appropriation for the current fiscal year and any additional information as requested by the Board.
- d. Transparency and Monitoring.
 - i. Reports pursuant to this Rule shall be filed with the Board on its public agenda at the first regular board meeting following the date of submission to the Board.
 - ii. The Board Secretary shall make available on the Board's website all reports filed and received by the Board pursuant to this Rule.

Sec. 5-5. Investment of School Funds. The Board hereby delegates to the Chief Financial Officer and the Treasurer of the Board the authority to invest its school funds in investment instruments as authorized by law. The Chief Financial Officer or Treasurer of the Board shall purchase and sell all investment instruments on behalf of the Board pursuant to law and the Board's Investment Policy.

Sec. 5-6. Lunchroom Receipts. All moneys ~~monies~~ received in the lunchroom shall be forwarded in accordance with the schedule established by Chief Financial Officer through a carrying company approved by the Board of Education forwarded through an armored car vendor and deposited in a Lunchroom Fund, which is a bank account established the Office of Finance for lunchroom receipts that is on the approved municipal depository list. The ~~Chief Financial Officer~~ Treasurer of the Board shall establish the procedures and schedule for the collection, transfer and deposit of lunchroom receipts.

Sec. 5-7. Sale of Refreshments at Stadia. ~~Sale~~ All monies received from the sale of refreshments at the stadia shall be under the charge and control of the ~~Chief Administrative Officer.~~ Proceeds from the sale of refreshments shall be credited to the Lunchroom Fund forwarded through an armored car vendor and deposited into the Lunchroom Fund by a process similar to lunchroom receipts as listed in Board Rule 5-6.

Sec. 5-8. Payroll Attendance Reports. Payroll attendance reports for each budget organization unit shall be prepared promptly under the charge and control of the Chief ~~Administrative~~ Financial Officer and be promptly certified by the Chief, Officer or head of the department in which the employees are employed.

Sec. 5-9. Use of Roll-Over Funds.

- a. ~~Where the Board approves a budget for the current fiscal year that identifies roll-over unspent funds from the previous year's budget and authorizes the use of such funds in the current fiscal year budget, the Chief Executive Officer or his/her designee shall designate the roll-over funds for particular uses or projects and shall report the designations annually to the Board for approval. Only the following specified funds which remain from the prior year's original budget are eligible for roll-over designation hereunder:~~
- ~~1. non-personnel general funds in school and central/area offices, and~~
 - ~~2. building Operation and Maintenance fund from the following accounts:~~
 - ~~a. Commodities—Supplies;~~
 - ~~b. Services—Contractual; and~~
 - ~~c. Services—Repair Contracts.~~
- b. ~~Once designated, transfer of the roll-over funds to the designated account(s) is subject to Board approval and the use of the funds is subject to the following limitations:~~
- ~~1. roll-over funds will be expended within the current fiscal year;~~
 - ~~2. no liability beyond the current fiscal year may be incurred in using the roll-over funds; and~~
 - ~~3. roll-over funds may not be used to hire employees, except part-time/seasonal employees as defined in Board Rule 4-3.f. whose positions will close at or before the end of the fiscal year~~

~~This Rule does not apply to a school special income fund or funds that are otherwise subject to federal or state requirements or grant agreement obligations regarding carry over.~~

Sec. 5-10. Reporting Fraud, Waste, Mismanagement; Whistle Blower Protection under the Illinois School Code. In accordance with the Whistle Blower Protection provisions found in the Illinois School Code, Section 34-2.4c (105 ILCS 5/34-2.4c (b)), no disciplinary action may be taken against an employee or Local School Council member ~~for the disclosure of who discloses~~ information by that employee or Local School Council member that evidences (a) a violation of any law, rule, regulation or policy, or (b) waste, fraud, mismanagement, abuse of authority, or (c) a danger to health or safety of a student or the public. The identity of the employee or Local School Council Member may not be disclosed without the written consent of the employee or member during any investigation of the information or related matters. For the purposes of this Section, disciplinary action means any retaliatory action taken against an employee or local school council member by the Board of Education, employees of the Board of Education, Local School Councils, or exclusive bargaining representatives of employees, including but not limited to reprimand, suspension, discharge, demotion, involuntary transfer, harassment, or denial of promotion or voluntary transfer. A violation of this Rule may result in discipline, up to and including, termination.

Sec. 5-11. Annual Notice. The Chief Executive Officer or designee shall provide employees with annual notice regarding the appropriate use and safeguarding of Board resources, compliance with funding source obligations and responsibilities to prevent misuse or misappropriation Board resources.

Sec. 5-12. Non-Resident Pupils - Tuition. Pupils must reside within the limits of the City of Chicago to attend a Chicago Public School. For purposes of enrolling or completing enrollment in an ~~Options for Knowledge~~ magnet, selective enrollment, or other GoCPS school or program, a student must establish Chicago residency on or before July 1st prior to the start of the upcoming school year.

Pupils whose parent(s) or legal guardian(s) do not reside within the limits of the City of Chicago and who are staying in Chicago for the primary purpose of attending Chicago Public Schools shall be considered non-resident pupils. The parent or legal guardian of a non-resident pupil determined to be in violation of this residency requirement shall be charged tuition as ~~determined~~ recommended by the District's ~~Department of Revenue~~ Office of Finance, in accordance with the Illinois School Code and the student is subject to ~~transfer the cost of tuition~~. Pupils who become non-resident during the school term shall not be charged tuition for the remainder of the school term in which they become non-resident.

Sec. 5-13. Foreign Pupils – Tuition. Foreign students living in the City of Chicago with F-1 non-immigrant student visas and participating in the Board's Visiting Foreign Student Program may enroll in the Chicago Public Schools. Such students must satisfy F-1 visa requirements including but not limited to paying the per capita cost of tuition as ~~determined~~ recommended by the District's ~~Department of Revenue~~ Office of Finance as well as meet applicable grade level and duration of visit requirements. In accordance with the Illinois School Code, foreign students participating in an organized foreign exchange program authorized by the Chief Education Officer or designee may enroll tuition-free in a Chicago Public School.

Sec. 5-14. Estimate of Taxes to be Levied. The Board hereby delegates to the Chief Financial Officer the authority to annually determine the estimate of property taxes to be levied as required under 35 ILCS 200/18-60. Not less than 20 days prior to the adoption of the Board's aggregate levy, the Chief Financial Officer shall determine the amounts of money estimated to be necessary to be raised by taxation for that year upon taxable property in the district. The Chief Financial Officer shall file a report of the estimate with the Secretary of the Board. The estimate shall be deemed an act of the corporate authority upon receipt of the Chief Financial Officer's report by the Secretary of the Board.

Sec. 5-15. Use of Proceeds From Sale of Real Estate. Amounts received from the sale of real estate including common school lands and any investments purchased with such proceeds (not including earnings derived therefrom) shall be deposited in a "Capital Assets Account". Amounts received upon the sale of real estate deposited in the Capital Assets Account shall be used solely for any of the following purposes:

1. retirement of debt or bonds connected to the original purchase real estate;
2. erecting, purchasing or otherwise acquiring building for school purposes, including, without limitation, for the use of schools and school administration,
3. erecting additions to, rehabilitating, modernizing and replacing existing buildings;
4. furnishing, equipping, repairing and maintaining such buildings;
5. purchasing and replacing fixtures generally used in such buildings;
6. purchasing or otherwise acquiring and improving sites for any of the above specified purposes; and
7. payment of brokerage and or commission fees for services rendered in the purchase or sale of real estate.

Sales or other disposition of real estate purchased, in whole or in part, with the proceeds of federal tax-exempt bonds are subject to the requirements of the Internal Revenue Code of 1986, as amended, (the Code) and the related regulations. Proceeds from the sale of such real estate shall be used only in accordance with the Code and the related regulations.