

DIXON PUBLIC SCHOOLS #170

“A Place to Grow”

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Date: September 23, 2026

To: Board of Education Members

From: Dr. Melydi Huyett, Superintendent & Marc Campbell, Chief School Business Official

Memo: FY 27 Budget Summary Overview for FY 27 Budget Hearing

The purpose of this memorandum is to summarize key aspects of the Dixon Public School #170 Proposed FY 27 Budget for the Board of Education. The proposed budget was presented to the Board of Education at the regularly scheduled meeting of the Board on August 20, 2026, and reviewed in detail at the Budget Hearing on September 23, 2026.

General Comments and information regarding the FY 27 Budget

1. FY 27 Budget is NOT a balanced budget. Total deficit = \$2,088,000 – Ed Fund = \$3,807,000
 - a. General revenues are estimated conservatively.
 - b. Expenses, especially Salaries and Benefits, are inflated in the budget.
2. As noted in August at the time of presenting the FY 27 Budget

	<i>July 1, 2020</i>	<i>July 1, 2026</i>
Cash Reserve Balance	\$3.6 million	\$20.7 million
Education Fund Balance	Negative (\$311,000)	\$7.8 million
Working Cash Fund Balance	\$2.5 million	\$8.4 million
Investment Portfolio	\$4.7 million	\$5.6 million

Note: August 31, 2026 – Cash & Investment Reserves are \$35.8 million.

3. On the second page of this document, there is a summary of FY 27 key budget items compared to FY 25 & FY 26 actual amounts.

S.W.O.T. Analysis

Strengths

- Cash reserves are strong at \$8.2 million in the Ed Fund and \$6.9 in Working Cash. (\$20.7 million total)
- Strong HLS reserves for 10-year HLS completion.
- Strong receipts which are growing in County Facility Sales Tax. (Anticipated \$2.4 million)
- Year #2 of Transportation Contract. Contract reduced spending by \$700,000 annually.
- CPPRT increased vs. earlier projections to \$3.4 million.

Dixon Public Schools, in cooperation with the community, will provide students with a comprehensive educational program that produces well-educated, self-sufficient, and involved citizens.

Weaknesses:

- FY 27 Budget will be a deficit-budget again. FY 28 is anticipated to be a deficit-budget.
- FY 26 included a \$700,000 payment from Health Insurance Reserve and \$1.1 million in LCSEA prepaid expenses. This improved cash flow by \$1.8 million. This will not occur in FY 27.
- EBF received legislative funding, but that increase is only \$150,000.
- Transportation contract savings will be eliminated by increased fuel costs.
- Health Insurance premiums have increased by 15.2% starting in January 2027.

Opportunities:

- Implementation of HDHP-HSA is a cost savings measure. Work with both unions has created this opportunity for January 2027 implementation.
- Large group of staff members from multiple position categories will be retiring in the next 2 years. This offers opportunities to evaluate staffing priorities and make changes to operations.
- Evaluate the opportunity regarding balancing the IMRF/SS Levy with the Tort Levy.
- Increasing enrollment at Dempsey. Combining the increased S-Code reimbursement of the TJD per diem with the reduction in tuition and transportation costs remains our greatest opportunity.
- Staffing analysis and enrollment declines have provided the District with opportunities to decrease the number of staff members.

Threats:

- Federal budget concerns regarding grants continue to be unknown. Right now, our initial grant allocations are in line with FY 26 allocations.
 - ERATE funding is once again under the microscope in recent news reports.
- State Budget Reductions:
 - Mandated categorical payments for Transportation and Tuition reimbursement continue to be an issue outside of our control.
- Health Insurance continues to rise with limited opportunities to within our control.

Plan:

Complete a comprehensive review of all aspects of school district operations.

- Continue the implementation of the deficit reduction plan.
- Review and adjust staffing at all levels with a focus of service while allowing attrition to occur.
- Evaluate needs vs. wants. We will have to go without some of the wants.
- Enrollment evaluation and predictions will continue to be important.
- Regular education initiatives and programs are important to maintain. Need to evaluate the data of usage, impact, and success.
- Special Education programming and services are constantly changing based on student needs. We need to predict forward the needs and be prepared to implement necessary programs.
- Creation of a 10-Year plan: Schools, Curriculum, Facilities, Athletic Field & Technology.

Don't forget the work we have done:

- Issued \$4.5 million in working cash bonds which are still in the bank, unspent.
- Opening TJD, the District created new revenue streams, reducing costs, and keeping students in the District.
- Balanced the O & M fund.
- Negotiated the Transportation contract saving \$4.2 million over 6 years.
- Moved from Self-Funded to Fully Funded Health Insurance, significantly altered employee contributions, implemented Tier III plan and now will be implementing HDHP.
- Created and implemented a fully comprehensive deficit reduction plan.

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Dixon Unit School District #170					
Summary of FY 27 District Budget					
For the School Year: 2026/2027					
				Unaudited	AFR/SDS
			Budget	Actual	Actual
Page #	Line #	Line Item	FY 27	FY 26	FY 25
Page #2	#11	Total Revenues	\$ 47,196,000	\$ 47,174,000	\$ 47,216,000
Page #2	#19	Total Expenditures	\$ 49,285,000	\$ 47,777,000	\$ 47,740,000
Revenue Summary:					
Page #6	#5 - #8	Tax Levy	\$ 26,241,000	\$ 24,094,000	\$ 23,149,000
Page #6	#16	C.P.P. R. T.	\$ 3,417,000	\$ 2,935,000	\$ 2,666,000
Page #8	#106	County Facility Sales Tax	\$ 2,450,000	\$ 2,464,000	\$ 2,223,000
Page #8	#121	Evidence-Based Funding	\$ 7,359,000	\$ 7,226,000	\$ 7,049,000
Page #9	#147	Transportation: Regular/Vocational	\$ 340,000	\$ 430,000	\$ 480,000
Page #9	#148	Transportation: Special Education	\$ 1,000,000	\$ 1,119,000	\$ 1,079,000
Page #11	#237	ESSER Grants	\$ -	\$ -	\$ 3,202,000
Expenditure Summary:					
Page #14	#116	Total Education Fund Salaries	\$ 17,982,000	\$ 17,599,000	\$ 16,636,000
Page #13	#81	LCSEA Assessment/SpEd Programs	\$ 3,500,000	\$ 2,239,000	\$ 2,795,000
Page #13	#88	Outplaced Tuition	\$ 2,372,000	\$ 2,178,000	\$ 2,003,000
Page #14	#155	O&M Salaries	\$ 1,225,000	\$ 1,155,000	\$ 1,222,000
Page #14	#128	Repairs & Maintenance/Supplies	\$ 445,000	\$ 505,000	\$ 529,000
Page #14	#128	Utilities	\$ 672,000	\$ 701,000	\$ 662,000
Page #15	#178	Bond Payments	\$ 4,439,000	\$ 4,282,000	\$ 3,934,000
Page #15	#186	Transportation Contract Services	\$ 2,990,000	\$ 2,845,000	\$ 3,512,000
Page #15	#186	Fuel	\$ 250,000	\$ 208,000	\$ 236,000
Page #17	#309	Capital Outlay	\$ 200,000	\$ 259,000	\$ 587,000
Page #18	#363	PC/WC Insurance	\$ 875,000	\$ 855,000	\$ 781,000
Page #19	#453	Health, Life, Safety Expenses	\$ 230,000	\$ 367,000	\$ 23,000

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