

### **How data center projects impact Illinois schools** - August 28, 2026

Written by; Peter Medlin for WNJI News and Distributed by IASA Online through Eye on Education Email Listserv at;  
<https://www.northernpublicradio.org/wnji-news/2026-08-28/how-data-center-projects-impact-illinois-schools>

Dozens of data center developments are popping up across northern Illinois. Many residents are pushing back. In community after community, concerns pour in about the noise, home values, water quality, and energy consumption.

It's become a strikingly bipartisan issue. A Gallup poll finds 70% of Americans oppose data center construction in their area.

One of the core promises of these projects is a tidal wave of tax revenue flowing into cities, which could have a huge impact on local school districts pressed for cash.

#### Data centers and school funding

Chris Goodman is a professor of public administration at Northern Illinois University. He says data centers are very different from other industrial developments like factories, mainly because they don't provide many long-term jobs.

"What we're essentially fighting for," he said, "is construction jobs up front and tax base growth on the back end."

Most local property tax revenue goes to school districts. It's also where schools get most of their money, so any increase is a big deal.

Last year, the DeKalb School District opened a brand-new school: Mitchell Elementary. At the ribbon cutting, one of the speakers was Tara Tenorio, a representative from Meta.

"People talk about the moment that Meta broke ground here as one of those pivot points in a community," said Tenorio. "I am so honored to be a part of the one that is happening in real time before us."

Meta's hyperscale data center in DeKalb went online in 2023. Since then, superintendent Billy Hueramo says it's generated a lot of tax revenue for the district — and helped them open the new school faster.

"In 2023 we collected \$2.3 million," said Hueramo. "The next year we collected \$7.1 million. After that \$19 million, and then in 2026 \$18.8 million."

That nearly \$19 million makes up over 20% of the district's annual property tax revenue.

The district's partnership with Meta reaches beyond taxes. Through grants, the Facebook parent company has supported district STEM initiatives to the tune of almost \$400,000. They helped the district fully fund its Project Lead the Way STEM curriculum and make Mitchell Elementary a STEAM school.

Meta's also awarded Data Center Community Action Grants to the Northern Illinois University Foundation and nearby community college Kishwaukee. Community colleges are also partially funded through property taxes. In each of the past two years, Kishwaukee has collected over \$2 million in property taxes from Meta.

#### Tax breaks leave money on the table for schools

The windfall for local schools could have been much larger but Meta — like many data center projects — received an array of state and local tax breaks to lure it to the region.

Meta acquired a tax abatement from DeKalb County — which, in this case, means, for the first two decades, they'll have their property tax bill cut more than half.

Kasia Tarczynska with the economic development watchdog Good Jobs First says local communities should be wary of giving tax subsidies to big corporations.

"We are talking here about Meta," she said, "an extremely controversial company that is quite rich and really don't need any public financial support."

Tarczynska says DeKalb may have cut a decent deal compared to the tax incentives handed out in other states like Ohio, where sales tax exemptions cost the state \$1.6 billion last year.

With the DeKalb project, Meta also benefits from the Illinois' Data Center Investment Program, which exempts them from paying other taxes like some sales and use taxes, as well as the state's Personal Property Replacement Tax which, Tarczynska notes, also helps fund public schools in Illinois. The state estimates the value of the tax benefits is \$50 million.

"So, we have this situation," said Tarczynska, "where you have individual school districts benefiting from some of the taxes when everybody else is losing taxes."

She says that's tough at a time when many school districts are dealing with multi-million-dollar budget deficits, staffing cuts, and a pullback of federal support.

Illinois Governor J.B. Pritzker just paused those tax breaks over energy cost concerns. Data centers in the state had received nearly \$1 billion worth of tax benefits from 2020-2024.

Goodman says there's actually quite a bit of academic research about if tax incentives induce companies to locate in a particular place.

"The general thinking on that is no," he said, "that companies have chosen a particular location for reasons that have nothing to do with tax incentives."

For data centers, it's access to water, electricity, and land. Often, he says, these incentives are just companies playing communities off each other to see how much additional money they can get.

#### Could data centers lower property taxes for residents?

There's an implicit suggestion that if these data centers generate substantial tax revenue, it'll allow school districts to reduce residents' property taxes.

Armir Doka with the DeKalb School District says they've lowered their tax rate each of the past five years, in part because of data center tax revenue. He says they've shifted the tax burden from primarily on residents to industry.

"Ballpark, I would say residential is now contributing 30%," said Doka. "Just five years ago it was more than half."

But data centers use a lot of water and electricity. So, even if property tax rates go down in some places, water and electric bills could go up.

Illinois ComEd customers saw a 12% jump in their electric bills this summer directly due to data center demand.

Late last year, DeKalb gave the green light to another data center proposal.

### *A new era for data centers*

DeKalb's Meta project started years ago, long before data centers became so controversial. DeKalb had far fewer residents protesting the proposal than cities are seeing now. Back then, communities were trying to woo developers with tax incentives.

Now, it's a different environment. Companies have to convince communities. Yorkville has approved three data center projects, although only one, CyrusOne, is currently under construction while the other two are tangled in community-driven litigation.

Yorkville City Administrator Bart Olson says none of them are getting local tax incentives, and it reached an agreement with the developers to give their school district money above and beyond property taxes.

Yorkville, like DeKalb, needs new schools. The district has been trying to build two new schools and renovate their high school. Voters shot down a referendum to do that this spring.

### *Community benefit agreements*

Now, the data center companies will send the school district money up front to help build those new schools. When the CyrusOne project files for a building permit, which will likely happen soon, they'll send the school district \$10 million. If the other two projects move forward, they'll send a total of \$90 million more to the city — the majority going to the school district.

NIU professor Chris Goodman says community benefit agreements can guarantee investment, but they can also feel like a way to try and win over increasingly skeptical residents.

"I very much hesitate to call them a bribe," he said, "but it could almost feel like that, right? 'Hey, we'll front you the money to build this new school if you just let us do what we want.' I mean, it accomplishes the goal from the school district's perspective, but it really doesn't feel very good."

The CyrusOne development is in Yorkville, but falls within neighboring Plano's school district. Luke Baughman, Plano's chief school business official, says, unlike Yorkville, they're not expecting to receive a lump sum.

He says they're projecting the data center will generate almost \$11 million in annual property tax revenue. The district collected around \$21.6 million last year.

Data centers don't bring in many jobs, relative to other industrial developments. Yorkville's Olson says, when it comes to school funding, that's means developers pay disproportionate property taxes into the school district, but don't bring in any additional students who cost money to educate.

"For instance, one of our largest subdivisions in Yorkville is Bristol Bay," said Olson. "There are a few hundred homes in this subdivision, with 352 actual Yorkville school district pupils living in those homes. All of the homes in the subdivision generate around \$3.3 million in property taxes to the school district, but it costs the Yorkville School District around \$4.8 million to educate all of the Bristol Bay subdivision pupils."

Even though new property taxes help schools, Tarczynska with Good Jobs First says it's not the only factor. You also have to consider the environmental, ethical, and economic effects.

"We really need," said Tarczynska, "to take under consideration the cost of other harms these data centers, this product, create."

Because she says, good and bad, students will pay the price for the costs that come with today's intense data center developments.

### What if the data centers leave?

The influx of large hyperscale data center projects is driven by AI. There are many who see the industry as a bubble. So, what happens if it bursts and demand for data centers dries up?

Goodman says school districts wouldn't necessarily be caught holding the bag, but it's likely that an empty building will be worth a lot less than a full one, which means less property tax revenue than school districts and municipalities were expecting.

"It could get real sticky if the bubble bursts," he said, "and all of a sudden, either these data centers start to leave, they, you know, pull their servers out or they become less valuable because we as a society value what they're doing less."

It's why school districts like DeKalb say they're trying to continue budgeting conservatively, so they're not caught off guard if things change.

### **Schools, libraries sound alarm over potential changes to federal internet program** – September 10, 2026

Written by: Robbie Sequeira for Stateline.org and Distributed by IASA Online through Eye on Education Email Listserv at;  
<https://stateline.org/2026/09/10/schools-libraries-sound-alarm-over-potential-changes-to-federal-internet-program/>

An FCC review of the E-Rate program could affect how schools and libraries operate.

A multi-billion-dollar federal program that helps schools and libraries afford broadband internet is under review by the Trump administration, leaving education officials and advocates worried about potentially significant cuts.

The E-Rate program provides about \$3 billion annually for internet access and telecommunications to more than 100,000 schools and 11,000 libraries across the country. It is the fifth-largest stream of federal funding for schools nationwide, according to the Schools Superintendents Association (AASA).

The Federal Communications Commission said it is reviewing "whether the program should be narrowed or otherwise reoriented to reflect the extent to which its connectivity objectives have been achieved." The agency is accepting public comments until Oct. 13, which it will take into account when it crafts a proposal.

Amid a landscape of scaled back federal funding for education under the Trump administration and of tightening state and district budgets, some school officials and advocates are wary of what changes to the E-Rate program could spell for how schools and libraries operate.

In June, the FCC announced it would be exploring changes to the E-Rate program. FCC Chairman Brendan Carr said the proposal would be "aimed at empowering parents and ensuring that our E-Rate program produces the great educational outcomes stakeholders have intended."

The E-Rate program has provided schools and libraries discounts on the cost of eligible services ranging from 20% to 90%, with higher discounts provided to the most disadvantaged schools and libraries. The FCC is asking whether adjustments should be made to the discount rate system.

The FCC also is asking for comment on whether E-rate support should be limited to rural areas or to areas served by a single provider; whether some services remain necessary; and whether concerns about students' screen time should be addressed.

At a virtual town hall hosted Wednesday by the Schools Superintendents Association, concerns over the FCC's inquiry ranged from whether the FCC had the jurisdictional authority to change the program to how schools would be able to maintain broadband and internet connectivity without shifting funds away from staffing and other budgetary needs.

Without the same level of funding, schools and libraries could be subject to higher internet costs, less support for rural and high-cost communities and greater difficulties in upgrading needed building infrastructure, the AASA said.

E-Rate dollars impact every corner of the country, with nearly 102,000 schools and nearly 12,000 libraries receiving commitments in funding year 2024, according to the latest publicly available data. California had more than 12,000 E-Rate recipients, Texas nearly 9,800 and New York more than 6,200.

LaTonya M. Goffney, superintendent of the Aldine Independent School District in Texas, said her district received \$11 million in E-Rate support over five years.

"Internet connectivity is not a one-time purchase," she said during the superintendents group call. "If E-Rate were reduced or eliminated, Aldine ISD would face an immediate and significant budget shortfall and that means millions of dollars would have to be redirected from somewhere else in our budget...there's no way to absorb a loss of this magnitude without affecting people."

According to Shawnda Hines, deputy director of communications for the American Library Association, 73% of U.S. public libraries rely on the E-Rate program to pay their internet bill or to keep their networks updated.

When Congress established the program in 1996, only 14% of the nation's K-12 classrooms had access to the Internet, according to the agency. The FCC has some authority to change how E-Rate is administered without congressional approval, but whether the agency can eliminate a congressionally authorized program altogether is an unsettled legal question.

Access to the internet in modern schools extends far beyond classroom instruction, Stacy Hawthorne, executive director of EdTech Leaders Alliance, explained.

It also powers bus routing, security systems and building ventilation, and helps digitize attendance records, school meals and student health information. Districts rely on internet-connected systems to operate buildings, comply with state and federal requirements and manage basic administrative functions.

"It's not just email and Google Docs. Imagine it's 5:30 a.m., the buses start coming to life. They use GPS routing, and they have parent-facing tracking apps," Hawthorne said. "Cameras come to life, the security systems start running at full speed. Visitor management scans driver's licenses against offender registries before a single visitor gets access to any of our school buildings."

#### **DPS Business Office Briefs:**

**Feds Raised Interest Rates:** The Federal Reserve raised its benchmark interest rate by 0.25%, bringing the federal funds target range to 3.75% to 4.00%, citing persistent inflation concerns. For school districts, higher interest rates can increase the cost of future borrowing for capital projects, bonds, leases, and other financing needs. At the same time, districts may benefit from higher returns on cash reserves, investments, and short-term deposits held in approved financial institutions. The Federal Reserve indicated that inflation remains elevated and signaled the possibility of additional rate increases if needed to achieve its 2% inflation target. For DPS, at this time there is no intention of

issuing debt. We hopefully will see increased returns on our investments and we have the capital reserves available to fund projects as needed.

### **Countywide Sales Tax**

The District again continues to see strong CFST revenues. The table below represents strong receipts for May 2026. This amount once again represents the largest receipt since the inception of the program. The CFST receipts are three months in arrears, so the funds received in September represent the taxes paid by consumers in May. The \$243,000 is a \$23,000 (10.6%) increase over FY 25. Also, it is important to remember that these funds cannot be spent on anything other than facilities improvement. The summary below outlines a summary of the receipts from FY 23 with a comparison of FY 25 vs. FY 26.

| <b><u>Countywide Sales Tax Revenues</u></b> |                     |                     |                     |                     |                                   |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------------------|
|                                             | <b><u>FY 23</u></b> | <b><u>FY 24</u></b> | <b><u>FY 25</u></b> | <b><u>FY 26</u></b> | <b>Difference<br/>FY 25 v. 26</b> |
| July                                        | \$167,736.37        | \$166,297.20        | \$177,241.56        | \$220,684.93        | \$43,443.37                       |
| August                                      | \$157,646.19        | \$171,178.89        | \$177,589.47        | \$210,195.86        | \$32,606.39                       |
| September                                   | \$160,407.90        | \$175,220.50        | \$176,058.42        | \$203,743.03        | \$27,684.61                       |
| October                                     | \$162,719.99        | \$165,535.70        | \$157,162.56        | \$215,438.17        | \$58,275.61                       |
| November                                    | \$157,766.14        | \$168,001.90        | \$171,171.84        | \$203,784.19        | \$32,612.35                       |
| December                                    | \$167,486.45        | \$178,755.19        | \$201,004.74        | \$225,466.05        | \$24,461.31                       |
| January                                     | \$134,425.96        | \$141,195.76        | \$179,547.38        | \$203,886.25        | \$24,338.87                       |
| February                                    | \$123,815.53        | \$141,802.17        | \$164,559.27        | \$161,359.44        | -\$3,199.83                       |
| March                                       | \$154,850.14        | \$165,591.32        | \$187,252.74        | \$219,169.74        | \$31,917.00                       |
| April                                       | \$159,801.14        | \$168,718.21        | \$198,100.75        | \$226,645.50        | \$28,544.75                       |
| May                                         | \$182,291.57        | \$195,620.51        | \$219,783.67        | \$243,058.05        | \$23,274.38                       |
| June                                        | <u>\$181,283.06</u> | <u>\$186,682.55</u> | <u>\$213,942.95</u> | <u>\$0.00</u>       | \$0.00                            |
|                                             | \$1,910,230.44      | \$2,024,599.90      | \$2,223,415.35      | \$2,333,431.21      | \$323,958.81                      |

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be in January 2027 and this will be a principal and interest payment. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in July 2027, an interest payment will be made on the bonds. In general, the obligation amount is \$90,000/month. Any amount above this amount represents opportunity for future facility improvements.

| <b><u>Capital Account - Fund 60 Summary:</u></b> |                     |                    |                                      |                          |                       |
|--------------------------------------------------|---------------------|--------------------|--------------------------------------|--------------------------|-----------------------|
|                                                  |                     | <b><i>Goal</i></b> | <b><i>FY 26 Beg.<br/>Balance</i></b> | <b><i>YTD Change</i></b> | <b><i>Balance</i></b> |
| Treasurer's Report Balance Fund 60:              | 7/1/2026            |                    | \$ 1,589,916                         |                          |                       |
| Minimum Fund Balance                             | Goal Date: 11/30/27 | \$ 1,000,000       | \$ 500,000                           | \$ 63,874                | \$ 563,874            |
| Stadium Project                                  | Goal Date: 11/30/27 | \$ 2,200,000       | \$ 1,000,000                         | \$ 240,000               | \$ 1,240,000          |
| FY 27 Capital Projects                           | Goal Date: 6/30/27  | \$ 200,000         | \$ 89,916                            | \$ (84,791)              | \$ 5,125              |
| FY 27 SMPG Set Aside                             | Goal Date: 6/30/27  | \$ 50,000          | \$ -                                 | \$ 30,000                | \$ 30,000             |
| FY 27 Interest Revenue                           |                     |                    | \$ -                                 | \$ 7,211                 | \$ 7,211              |
| Year to Date Fund 60 Balance:                    | 9/9/2026            |                    |                                      | \$ 256,294               | \$ 1,846,209          |
| Debt Service Allocation                          | Goal Date: 6/30/27  | \$ 1,200,000       | \$ -                                 | \$ 300,000               | \$ 300,000            |

### Health Life Safety Review – Update

A couple of years ago, the District completed the 10-Year Health Life Safety Compliance Review. Periodically updates have been provided to the Board on the progress of the updates. Please note the following key points.

Fund Balance information from SDS and Financial Summary:

- Health Life Safety Fund Balance: Unaudited 6/30/26 \$742,000
- Health Life Safety Fund Balance: Unaudited 8/31/26 \$751,000
- Estimated Summer 2027 Work List Cost \$195,000
- Estimated Summer 2028/29 Work List Cost \$1,300,000
- *Note: HLS funds cannot be used for other reasons such as; purchasing supplies or funding salaries and benefits. The funds are part of the levy process and must be applied to a state approved project.*

***Below is the summary spreadsheet of the summer of 2026 completed projects.***

| DIXON HIGH SCHOOL 10 YEAR HLS BRAY ARCHITECTS 2025             |                        |            |
|----------------------------------------------------------------|------------------------|------------|
| ITEM DESCRIPTION                                               | ACTUAL COSTS           | COMPLETED  |
| Replace Choral room 133 door and hardware                      | \$13,509.00            | 4/9/2026   |
| Replace Band Room 134 door and hardware                        | \$13,509.00            | 4/9/2026   |
| Replace doors and frame, Custodian B03                         | \$10,406.00            | 4/9/2026   |
| Replace roof at Band and Choral area (included ladder to roof) | \$200,600.00           | 8/26/2026  |
| Replace roof at Entry door 23                                  | \$0.00                 | 8/26/2026  |
| Replace stage curtains (new amendment added due to poor shape) | \$48,131.24            | 6/23/2026  |
| <b>TOTAL COST OF "B" PRIORITIES 2026 SUMMER WORK</b>           | <b>\$286,155.24</b>    |            |
| <b>TOTAL</b>                                                   | <b>\$286,155.24</b>    |            |
| RMS                                                            |                        |            |
| Replace interior, sticking locker room door                    | \$640.00               | 10/1/2025  |
| <b>TOTAL</b>                                                   | <b>\$640.00</b>        |            |
| MADISON                                                        |                        | NEW ESTIM. |
| Replace stage curtains (new amendment added due to poor shape) | \$31,444.50            | 6/23/2026  |
| <b>TOTAL</b>                                                   | <b>\$31,444.50</b>     |            |
| JEFFERSON                                                      |                        |            |
| Repair or replace HVAC Controls                                | \$25,820.96            |            |
| REBATE FROM COM ED THROUGH CONTRACTOR                          | \$5,460.00             |            |
| <b>TOTAL</b>                                                   | <b>\$20,360.96</b>     |            |
| WASHINGTON                                                     |                        |            |
| Repair or replace HVAC controls                                | \$30,904.54            |            |
| REBATE FROM COM ED THROUGH CONTRACTOR                          | \$6,510.00             |            |
| <b>TOTAL</b>                                                   | <b>\$24,394.54</b>     |            |
| <b>TOTAL ALL BUILDINGS SUMMER 2026</b>                         | <b>ACTUAL \$ SPENT</b> |            |
| <b>FUNDING FROM \$.05 LEVY IN HLS</b>                          | <b>\$362,995.24</b>    |            |

### Future HLS Projects:

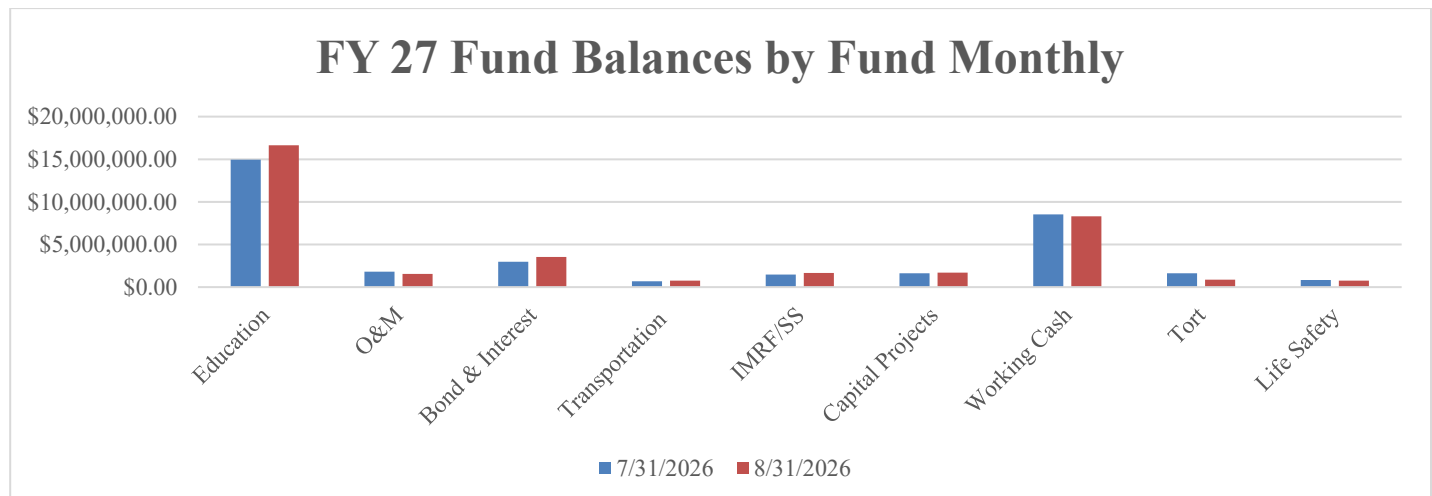
|                                            |                       |
|--------------------------------------------|-----------------------|
| <b>RMS</b>                                 |                       |
| Roof replacement gym / entire RMS sections | \$997,080.00          |
| Repair or replace HVAC controls            | \$97,500.00           |
| <b>TOTAL</b>                               | <b>\$1,313,496.00</b> |
| <b>MADISON</b>                             |                       |
| Repair resin flooring at Boys Restroom 53  | \$9,800.00            |
| Repair or replace HVAC controls            | \$97,500.00           |
| Roof replacement gym /boiler room          | \$220,880.00          |
| <b>10% Contingency</b>                     | <b>\$10,730.00</b>    |
| <b>10% A-E Fees</b>                        | <b>\$10,730.00</b>    |
| <b>TOTAL</b>                               | <b>\$349,640.00</b>   |
| <b>TOTAL ALL BUILDINGS SUMMER 2026</b>     |                       |
| ESTIMATED                                  |                       |
| <b>EXPECTED WORK 2027</b>                  | <b>\$195,000.00</b>   |
| <b>EXPECTED WORK 2028/2029</b>             | <b>\$1,297,360.00</b> |

### Treasurer's Report – August 2026

In your Board Packet, you will find the Treasurer's Reports for August 2026. The summary graphs represent FY 27 fund balances through August 2026. Balances for the funds for the first two quarters of each year reach their highest balances due to property tax revenue receipts. During the second half of the year, cash flow and revenue are traditionally low, while expenses for salaries and basic operations remain consistent throughout the year. This month resulted in a total increase in fund balances of \$1.3 million and an operating fund balance increase of only \$1.3 million. The Business Office will continue to monitor cash flow throughout the year.

The Year-End Treasurer Report comparison 5 years to date.

| Year-End Treasurer Report Cash Balance Comparison |  |              |              |              |              |              |              |
|---------------------------------------------------|--|--------------|--------------|--------------|--------------|--------------|--------------|
|                                                   |  | 8/31/2026    | FY 26        | FY 25        | FY 24        | FY 23        | FY 22        |
| Ed Fund                                           |  | \$16,654,044 | \$ 7,840,778 | \$ 7,925,974 | \$ 9,664,532 | \$ 8,486,179 | \$ 3,842,972 |
| O & M                                             |  | \$1,566,948  | \$ 249,841   | \$ (151,175) | \$ 160,785   | \$ (7,742)   | \$ 106,393   |
| Transportation                                    |  | \$754,840    | \$ 33,670    | \$ (541,932) | \$ 26,872    | \$ 163,560   | \$ 580,005   |
| Capital                                           |  | \$1,704,138  | \$ 1,589,916 | \$ 502,522   | \$ 218,376   | \$ 1,415,719 | \$ 971,680   |
| Working Cash                                      |  | \$8,300,261  | \$ 6,945,530 | \$ 6,544,549 | \$ 1,899,142 | \$ 1,742,003 | \$ 1,574,676 |



## FY 27 Fund Balances - Treasurers Reports

