WOODRIDGE
SCHOOL DISTRICT 68

memo

To: The Board of Education and Dr. Patrick Broncato, Superintendent
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO
Date: September 17, 2026
Subject: Business Services Update

---

**Accounting/Financial Reporting**

August's ending fund balance totaled $56.39M, down by about $2.54M from July's ending fund balance of $58.93M. We collected $1.41M in revenues and paid out $3.95M in expenses. August's revenues and expenses were typical for this time of year. August is one of our quieter financial months, with minimal Tax Collections, initial Evidence-Based Funding receipts, normal Interest Income and other miscellaneous payments on the revenue side, and one small summer payroll and one normal school year payroll and typical construction payouts on the expenditure side. August is our third transition month of the new property tax cycle, as we continue to receive current year tax payments ($450K was paid to us in August to go along with $340K in July, and $26.3M remitted as early tax receipts in May and June). After receiving our second set of large property tax installment payments in September, we will be at our high water mark for fund balances at around $70M-$75M, and we will rely on those reserves to carry us through to next May, as we draw down our fund balances to about $40M-$45M.

August expenses totaled $3.95M, and included $1.87M in regular board bills, with about $800K in the Education Fund, $100K in the O&M Fund, $80K in the Transportation Fund, $890K in the Capital Projects Fund and $1.5K in the Tort Fund. We also processed one summer payroll and one regular payroll, totaling just over $2M. Our fund balances increase significantly in June, decrease in July and August, and then increase significantly again in September, before decreasing each month for the rest of the fiscal year until the next May/June. In August we booked Property Tax Receipts ($452K), EBF ($434K), CPPRT ($13K), Interest Income ($199K), Investment Depreciation ($35K), Medicaid Reimbursements ($38K), Title Grant Reimbursements ($85K), IDEA Reimbursements ($15K), Transportation Receipts ($15K), Wellness Rebates ($61K), Energy Rebates ($94K), Food/Meal Sales ($15K) and Registration Fees ($15K), representing about 99.5% of all revenues collected in August. Overall, we had about $56.39M in reserves at the end of August this year, and we were at $59.35M at the end of

August last year (a $2.96M decrease). Given the fact that we have completed about $9M in capital projects over the past two summers, this was a very good outcome.

**Investments/Cash Management**

At the end of August, we held $14.57M in Cash and Cash Equivalents (0-30 days), $6.45M in Short-Term Investments (30-90 days), $1.45M in Mid-Term Investments (90-365 days) and $33.93M in Long-Term Investments (over 1 year). As rates have held steady recently and the investment curve returned to a more traditional positively sloped/normal curve, after a few years of an inverted/abnormal curve, we are gradually moving our investments out to longer term maturities. We are currently investing about $45.14M with PFM, $2.24M with Fifth Third Bank, $3.37M with PMA and $5.65M with Old National Bank. As of 8/31/26 there were no outstanding vouchers with ISBE. We remain in good shape from a cash flow standpoint, and our cash management and investment program is set to maximize interest earnings in the current interest rate environment. We earned about $2.6M in interest income in FY26 and we hope to earn about $3M in interest income in FY 27, if rates moderate upward as expected.

Due to the previously inverted investment curve, we had been using cash and cash equivalents to maximize interest income. However, for the first time in almost five years, the Fed cut rates in late 2024, and again in late 2025, dropping rates by 1.75% during that time, to a current Fed Funds Range of 3.50%-3.75%. This has led to a normal upward sloping investment curve in 2026, where investing out for longer maturities yielded higher returns. However, recent persistent inflation, primarily due to higher energy and food prices, led to a 25bps rate increase by the Fed this week. The CPI Report for August was released recently and it came in at 3.4% for CPI (no change from July) and 2.4% for Core CPI (a .1% decrease from July). Overall rates have ticked up slightly in anticipation of a rate hike, to about 3.70% for cash/cash equivalents, 3.90% for short-term investments, 4.10% for mid-term investments and 4.30%+ for long-term investments. Our continued strong level of overall fund balance reserves, along with a managed investment program through PFM, allows us to realize maximum interest earnings, and provide supplemental funds for operations and capital projects.

**State Legislation**

The 104[rd] Session of the Illinois General Assembly concluded in late May and the General Assembly is still on Summer Break, as they prepare for Fall Elections in early November and the Fall Veto Session in late November and early December. The General Assembly passed a tenuously balanced budget on 5/31/26 ($55.95B in revenues and $55.90B in expenses) and it remains to be seen if it stays balanced as we move through the fiscal year. The final budget included a $350M increase for EBF (equates to an $81K increase for us), a $50M increase for mandated categorical programs (a $125K cut for us), and about $100M for various other items (no new money for us), so about $500M in additional education funds was approved by the legislature, but about $750M was requested by ISBE. Additionally, the City of Chicago is pushing for an additional $150M in "supplemental State funding" to balance its budget, but it remains to be seen if that request will be acted upon. Coincidentally, that is exactly the amount that the State underfunded our Mandated Categorical Grant Program, thereby increasing pro-rations for student transportation and special education services and effectively cutting our funding. We expect to receive slightly less funding this year from the State overall. The Fall Veto Session is expected to be uneventful, with the exception of CPS's request for more money.

The Democrat dominated General Assembly supported and moved the Governor's budget and K-12 Education ended up getting just over $9B of the almost $56B budget (over 15% of all State revenues). The General Assembly is now on Summer Recess, and no special sessions are planned as legislators prepare for the fall elections. Now that the Governor's budget has been approved, we are looking at increased pro-rations and cuts to State Mandated Categorical Transportation and Private Facility reimbursement programs that will more than offset any marginal increases we might realize from increased Evidence Based Tier Funding.

**Federal Legislation**

In Washington, there are ongoing efforts by the Administration to dismantle the Department of Education and reduce Federal funding for public education, while at the same time placing additional restrictions on public schools. Luckily, the Courts and Congress have been hesitant to go along with all of these proposed cuts, and hopefully that resistance will continue. We only get about $2.5M of our roughly $65M budget (about 4%) from the Federal Government, but that $2.5M helps our neediest students (low income, special ed, bilingual and Medicaid eligible kids), so it is critical in allowing us to provide additional services for those at-risk populations. The new buzzwords in Washington are affordability and inflation, as the Administration tries to ease persistent inflation and lower food and energy prices. The Department of Education continues to push efforts to transfer much of its oversight to other agencies in an attempt to effectively shutter the department through inter-agency agreements. However, recent court decisions have held up those plans and the fight continues over the role of the Federal Government in public education and funding at the Federal level. Closing the Department of Education seems unlikely, but its scope of services has definitely been diminished.

Despite the negative effects of global geopolitical uncertainty, the war in the Middle East, high inflation and a somewhat stagnant job market, our economy continues to show resiliency and chug along. Our overall economy and equity markets will remain relatively healthy in 2026, but the ongoing threat of elevated unemployment and high inflation during a recession (known as "stagflation") has many economists concerned, especially if the job market cools further and inflation increases a little bit. Consumer confidence related to affordability is at an all-time low as the mid-term elections loom in the fall. Several education issues remain in the forefront, including the elimination of the DoE, funding for IDEA, ESEA, E-Rate, Medicaid and School Meals, Title IX protections, School Choice Scholarships and Religion in Schools, to name a few. We continue to push for more USDA meal program reimbursements, increased IDEA and ESEA funding, and expanded Medicaid and E-Rate funding, but we are probably looking at flat funding at best, and more realistically Federal funding cuts at worst in the near future.

**Legal Matters**

We do have a few pending legal matters that Pat has been keeping you abreast of recently, but there are no new significant issues outstanding at this time (the WEA Contract Revisions are done, WESS Contract Negotiations are concluded, the FOIA lawsuit has been settled, the IELRB Hearing has concluded, all prior Tax Objection Lawsuits have been settled, there are no Special Ed Due Process Hearings going on, and the Social Media Class Action Lawsuit is slowly moving along) We continue to monitor the Social Media Class Action Lawsuit, and will keep the Board informed as that lawsuit proceeds. We also continue to monitor and process tax appeals and valuation objections for tax years 2023, 2024 and 2025. Ongoing fund balance management practices should allow us to minimize any future exposure to excess accumulation claims. However, ongoing assessment appeals always occur during the year and have to be dealt with on a recurring basis with the help of the Lisle Township Assessor, the DuPage County Supervisor of Assessors, the DuPage County Board of Review, and our legal counsel. I will update the Board as we move through "assessment appeals season" this fall.

**Economic Trends**

Year-Over-Year Base Inflation (CPI) stayed flat in August, coming in at 3.4% (it was 3.4% in July). The June 2022 CPI of 9.1% was the highest in over four decades and way above the desired 2.0% - 2.5% target range set by the Fed. Year-Over-Year Core Inflation decreased slightly in August, coming in at 2.4% (it was 2.5% in July), as both CPI and Core CPI were still somewhat higher than desired. The Fed increased rates by 25bps in September, in an effort to cool persistent inflation, raising the Overnight Lending Range to 3.75% to 4.00%. We might see one or two more rate hikes in the fourth quarter of 2026, if inflation doesn't calm down. The long term goal is an OLR range of 3.00%-3.25% with GDP growth of 3.5%-4.5% annually and unemployment around 4.0%-5.0%. A target Base CPI and Core CPI range of 2.5% to 2.0% has been set by the Fed, but the effect of the war in the Middle East, recurring economic uncertainty, inconsistent tariff policy, global trade wars, global geopolitical uncertainty, rising energy and food prices and a softening job market continue to cause concern among economists that we could encounter "stagflation", as inflation persists during a time of potential stagnant economic activity and higher than warranted unemployment. The Fed's dual mandate of supporting job growth while maintaining low inflation is becoming more of a challenge as inflation has hovered near 3.5%-4.0% in 2026 and the unemployment rate creeps over 4.5%. In the end, the path of the Fed under new Chairman Kevin Warsh is uncertain, as President Trump has expressed his desire for lower interest rates, while the data suggests interest rates should remain steady, or potentially go up a little bit in the near future (until inflation comes under control).

**Student Transportation**

We finished the school year strong and just filed our State Transportation Claim in mid August (we should get just over $1M in State reimbursements for student transportation). As State pro-rations continue to decrease it will be all the more important to maximize our claim and collect as much as possible through the formula. We are also closely watching our fuel escalator costs, as the price of diesel gas has risen dramatically, and we may need to budget more for gas costs this year. The bus driver shortage and gas costs are not isolated to us, and in checking around everyone has been dealing with these same challenges during the past year. We continue to work with First Student and Sunrise to try and address staffing issues and find ways to work around manpower shortages. We used the liquidated damages clause in our contract to recoup some costs for problems encountered last year, but we would much rather have the routes running properly and on time than take punitive credits.

**Technology**

The IT Department is working on several special projects this summer/fall, in addition to their normal workload. They are working on a PowerSchool Student Data Project with Anne Bowers, a Yellow Folder Student Records Project with Bill Schmidt, a Legacy Library Software Project with Greg Wolcott, an Energy Management Software Project with Kyle Hansen and a Dell DataCenter Project with me, while completing regular summer work and getting the new 1st and 5th grade devices ready to go. The new staff Chromebooks were given out last spring, and the new student Chromebooks were handed out to our 1st and 5th graders in late August. They also completed device turn ins and the 8th grade buybacks in May, and the reissuing of devices for use over the summer for our returning students. The IT Department has also been very busy supporting our schools with State testing (IAR and ISA) this past spring and everything went off without a hitch. Finally, they have been updating all of us on registration numbers so that we can proactively plan for splits at various grade levels (Dr. Schmidt will update you on our current enrollment and classroom splits at the Board Meeting).

**Utility Management**

As we moved through last winter and into spring natural gas costs increased dramatically due to cold weather in January, the effects of the war in the Middle East this spring and some hot weather early this summer. We are working with our Energy Purchasing Services Cooperative (the IUPC) to manage our natural gas supply and minimize these additional costs. We finished installing solar arrays at Goodrich, Meadowview and Edgewood, and all three were up and running by the end of June. We also filed for an additional IRS Federal Tax Credits of about $238K for our Phase I solar projects and we will be filing for about $1.075M of Federal Tax Credits for Phase II work this fall. Finally, we are investigating the possibility of installing an electric battery storage system and more will be presented on this topic at the Board Meeting. Energy costs are expected to keep rising in 2026 and 2027, due to increased electricity demand from Data Centers, for PJM capacity charges, and from general energy market pressures due to the war in the Middle East. The three new solar arrays, in addition to the four brought online in early 2024, will be critical in reducing our electric supply costs and minimizing our capacity charges. We expect to generate almost 100% of our projected electricity needs with our solar program and we are looking to save $250K or more in annual electricity costs going forward, and pay less than $50K in total per year for our electricity. Finally, as we investigate the feasibility of installing a battery storage system in the district, this could provide $5M to $10M in positive cash flows over a projected 15 year life cycle and potentially create additional future energy savings and significant positive cash flows for operations.

**Employee Benefits**

Our Annual Open Enrollment Period closed in June and Sharon Maloney did an awesome job processing all of the changes for a 7/1/26 effective date. Unfortunately, we did realize a larger than normal increase in health insurance premiums this year (about double the norm at 15% overall) and that is putting an additional strain on our FY27 budget (about $750K in additional costs). We are hoping that increased Wellness Programming and participation in our annual Biometric Health Screening will improve claims and reduce year to year premium increases going forward. Our overarching goal/hope is to have a robust and comprehensive Wellness Program that will lead to improved claims experience and lower premium renewal rates for our various health insurance programs. We are happy to report that we achieved Tier III

Wellness status with the EBC in FY2026 that will maximize our premium credits/rebates (we got over $61K back in August!), and hopefully improve our claims experience going forward so that we can lower our renewal increases in future years and get a better handle on our overall health insurance program costs.

**Food Services**

The new food service program with Quest Foods was a big hit last year and we continue to see student participation increase steadily. We wrapped up our initial student taste testing at all schools in late April and the response was great! We had one final meeting with JJH students in early May, as we started planning for this year and continued improvements to the program. While we had seen participation rates of only about 10%-12% for our pay students and 20%-25% for our free and reduced students two years ago, we saw participation rates grow to about 30%-50% for our pay students and upwards of 45%-65% for our free students last year! Our goal for this year is to have participation rates of 50% or more for pay students and 70% or more for free students by the end of the year. We are focusing on increased student participation and improving menu options and meal variety, while staying as cost effective as possible for our students and families. I would like to thank Michelle Swanson, Lynette Neal, Amy Mitchell and Cory Weider for all of their hard work this past year to help make this program such a huge success! In the end, we hope to have an even better food service program and greater rates of student participation and satisfaction going forward.

**Custodial and Maintenance Services**

Kyle Hanson and his custodial and maintenance crews have done an incredible job and been very busy this summer completing deep cleaning of all our schools, as well as completing summer maintenance and landscaping upgrades. I'd like to thank them for all of their hard work and the extra time and care they put in to check on our buildings during the evenings, weekends and off days and ensure safe passage for our students, staff and visitors! Kyle and Grant are doing a great job managing and maintaining our staff despite a tight labor market and they have kept up on our summer construction work and building management as well. The custodial and maintenance crew did an awesome job this past year and our buildings received compliments from students, staff and visitors alike, including State Superintendent Dr. Tony Sanders, who complimented Dr. Broncato on the condition of our buildings during his visit in May to Sipley and Jefferson. We made it through last winter without issue as we provided extra, deep cleaning to any identified "hot spots" in all of our schools. Kyle and Grant have been setting up and installing water sensors throughout our schools this summer and are also working to transition our Energy Management System at Murphy and Jefferson over to the Tridium system starting later this fall. This will increase efficiency and create additional energy savings for the school district while also allowing us to better control temperatures throughout our buildings. We really appreciate all of their efforts to keep our buildings and grounds safe, clean and looking great!

**Construction and Capital Improvements**

We did receive approval for the FY26 State School Maintenance Grant Program (a $50K matching grant) last April and it helped cover the costs of the bathroom renovations at Goodrich and Meadowview this past summer. We will be applying for the FY27 grant this fall to support ongoing bathroom renovations at Sipley and Willow Creek. This past summer's work included window and wall replacements at Edgewood, door and door frame replacements at Willow Creek and Sipley, bathroom renovations at Goodrich and Meadowview, and extensive renovations and the installation of a new bathroom at Murphy, costing about $1.15M in total. We spent about $21.8M on $25M of budgeted work during our first CIP cycle (2017-2021), about $11.6M on $14M of budgeted work during our second CIP cycle (2021-2025), and we hope/expect to spend about $10.5M on $12.5M of budgeted work during our third CIP cycle (2025-2029). See the Board memo related to the close out of our construction projects, and we are also moving forward with the Park District to install a new Challenger Course at JJH later this fall.

**Risk Management**

With the approval of our SELF Worker's Compensation Insurance Policy in June, and the SSCIP Property/Casualty/Liability Insurance renewal last December (both are administered by AJ Gallagher and Gallagher Risk Management), we are currently in very good shape from a risk management and insurance coverage perspective. Both were good renewals with broad lines of coverage and enhanced risk management services. We installed a water sensor program through SSCIP this summer at no cost to the school district and we received a $3K SELF Safety Grant this summer as well. We have two very stable insurance cooperative programs in place that not only maximize coverage while minimizing cost, but also employ proactive claims management tools and programs. The SELF and SSCIP cooperatives are both running smoothly and are financially sound. I just wrapped up my second year as Chairman of the SSCIP Executive Board (I have two more years to go as the Chair ☺) and so far things have gone very well. We continue to implement proactive programs, like the water sensor monitoring program and effective return to work practices, and we have realized excellent claims experience with both programs as a result. We also recently transitioned to a new claims management firm for SELF this summer. Finally, we are actively managing our funds to make sure that we don't develop fund balances that might be susceptible to excess accumulation claims.

WOODRIDGE
SCHOOL DISTRICT 68

memo

As always, let me know if you have any questions or need additional information…thanks!