



District 23

SUSTAINABLE FINANCING

Board of Education Presentation
February 12, 2026
Part II



4.1 Develop and articulate plan for sustainable financing.

4.1 Maintain and monitor annual budget for cost savings opportunities.

4.1 Implement budgeting strategies to meet Boards Policy Fund Balance target.

4.2 Facilitate Construction design, bid process, and selection of vendors for Eisenhower Addition (FDK) and Phase 2 Windows, Siding, and Doors Project (MacArthur).

4.4 Continued implementation of zero-based budgeting.

Overview

PART I

FINANCE
FOUNDATION

EXPENDITURE &
REVENUES

FUND BALANCE
HISTORY &
INFLUENCES

PART II

CURRENT
BUDGET
ASSUMPTIONS

FDK
NEEDS/IMPACT

SETTING OUR
NEW “BASELINE”

PART III

FORECASTING
FORWARD

BUDGET
SCENARIOS

FUNDING
STRATEGIES

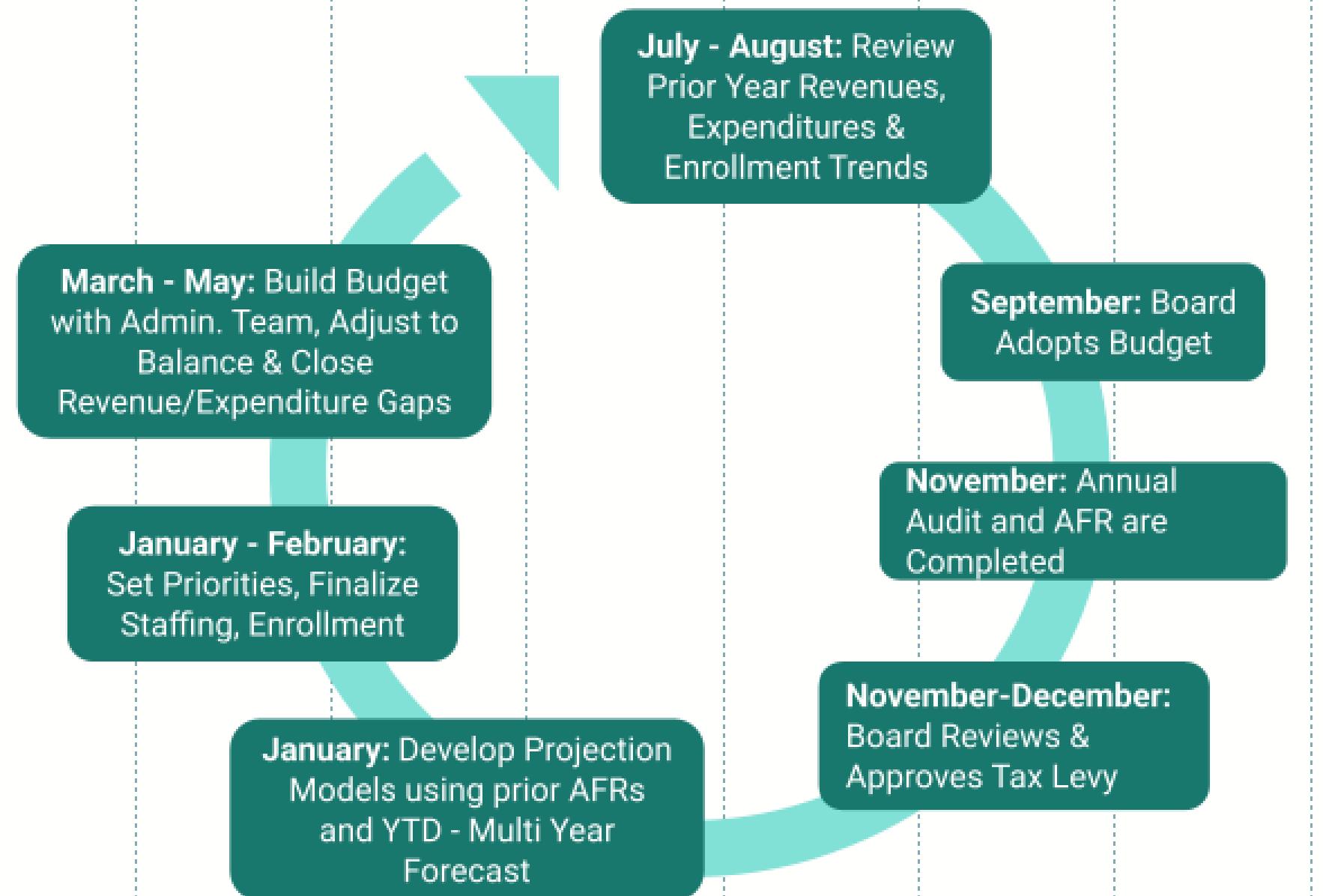
Presentation Objectives and Financial Context...

- Clarify the district's financial position
- Establish a shared understanding of sustainability
- Review and update revenue and expenditure “assumptions” used in budget development and projections
- External factors affecting district finances
 - State & Federal funding changes
 - Inflationary pressures
 - Mandates and contractual obligations

CURRENT BUDGET ASSUMPTIONS



Budget & Projection Cycle



School Districts analyze the past, forecast the future, identify financial gaps, set priorities, build a balanced plan, monitor it, and repeat.

In District 23, we develop our budget using a “zero-based” approach. By reflecting on annual programmatic needs and a careful allocation of available resources we build a balanced budget.

This requires thorough review and ongoing monitoring of several variables:

- Known data points - “Actuals”
- Unknown “projections” or “assumptions”- based on historical data and market analysis

For this presentation, we have selected key variables that most impact our budget.

Key Revenue Variables

- Local Funding Projections
 - Property Tax Collections
- State Funding Projections
 - Evidence-Based Funding (EBF)
 - Mandated Categorical Payments (MCATS)
- Federal Grant Funding Projections
- Use of one-time funds

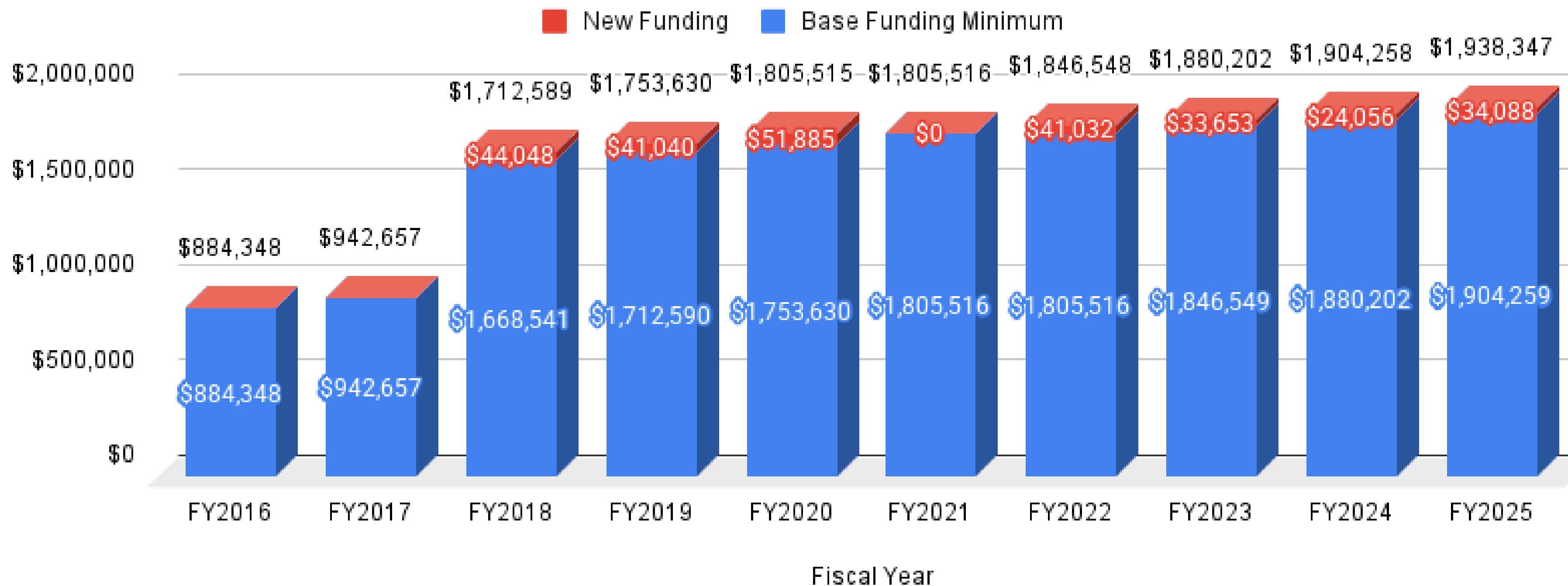
Local Property Tax Receipts

Extention vs. Distribution

Cook County Property Tax Receipts							
Agency Tax Rate Report Totals	Tax Year 2018	Tax Year 2019	Tax Year 2020	Tax Year 2021	Tax Year 2022	Tax Year 2023	Tax Year 2024
EXTENSION AMOUNT (Non-Capped)	1,243,461	1,266,097	1,296,964	1,394,065	1,567,396	1,604,337	1,603,286
EXTENSION AMOUNT (Capped)	19,714,400	18,851,718	19,403,733	19,722,307	20,771,749	21,822,634	22,682,322
TOTAL FINAL EXTENSION	20,957,861	20,117,815	20,700,697	21,116,372	22,339,145	23,432,033	24,285,608
GROSS TAXES DISTRIBUTED (per Cook County Extranet)	19,376,831	20,062,423	20,621,502	21,083,806	22,312,133	23,227,959	
REFUNDS (per Cook County Extranet)	(487,510)	(487,520)	(432,566)	(300,050)	(292,135)	(217,130)	
INTEREST FROM COUNTY	4,080	2,389	274	1,791	21,748	26,187	
TOTAL PAID TO D23 IN TAX YEAR (Per Cook County Extranet)	18,893,401	19,577,292	20,189,210	20,785,547	22,041,746	23,037,016	
Percent of Collection	0.90	0.97	0.98	0.98	0.99	0.98	

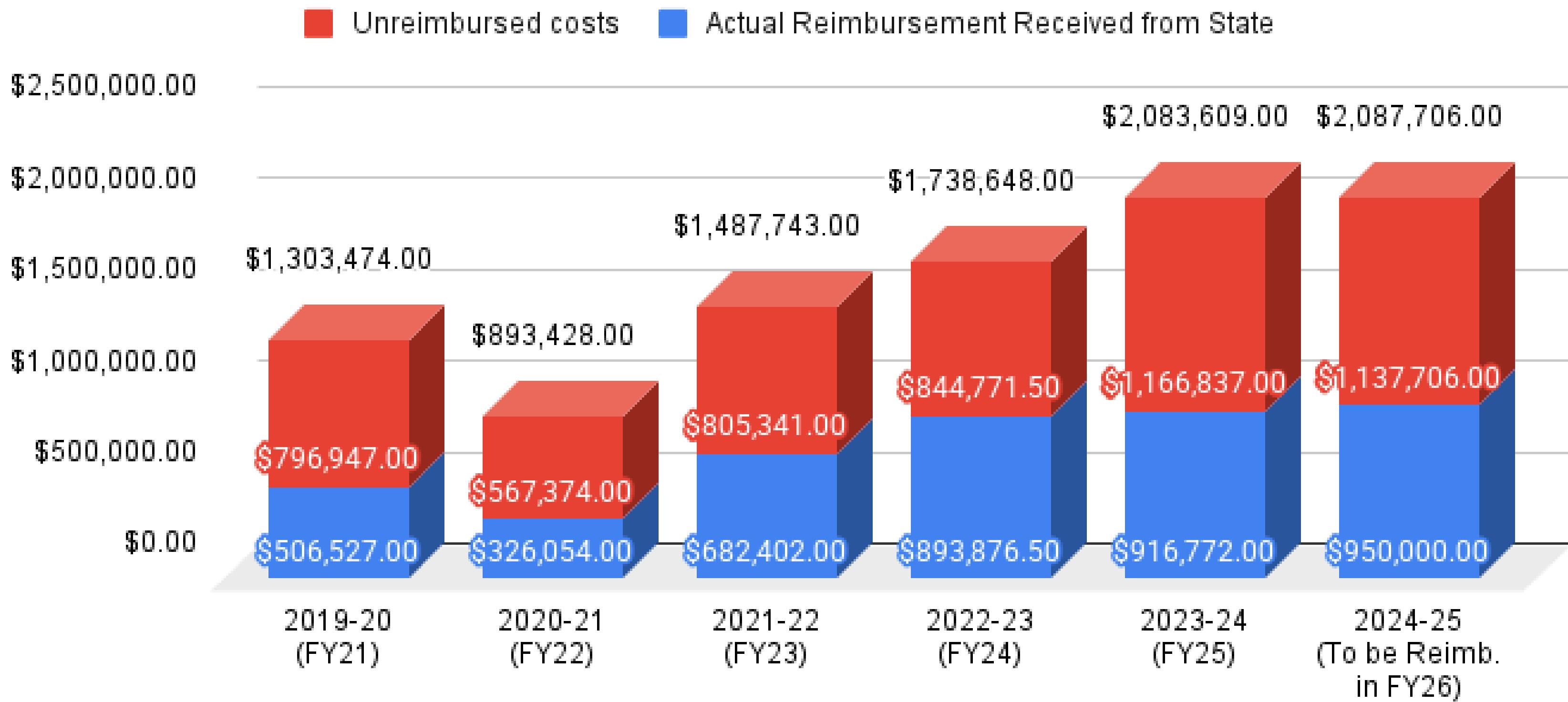
Historical Evidence Based Funding

Base Funding, New Tier Funding and Total EBF for FY



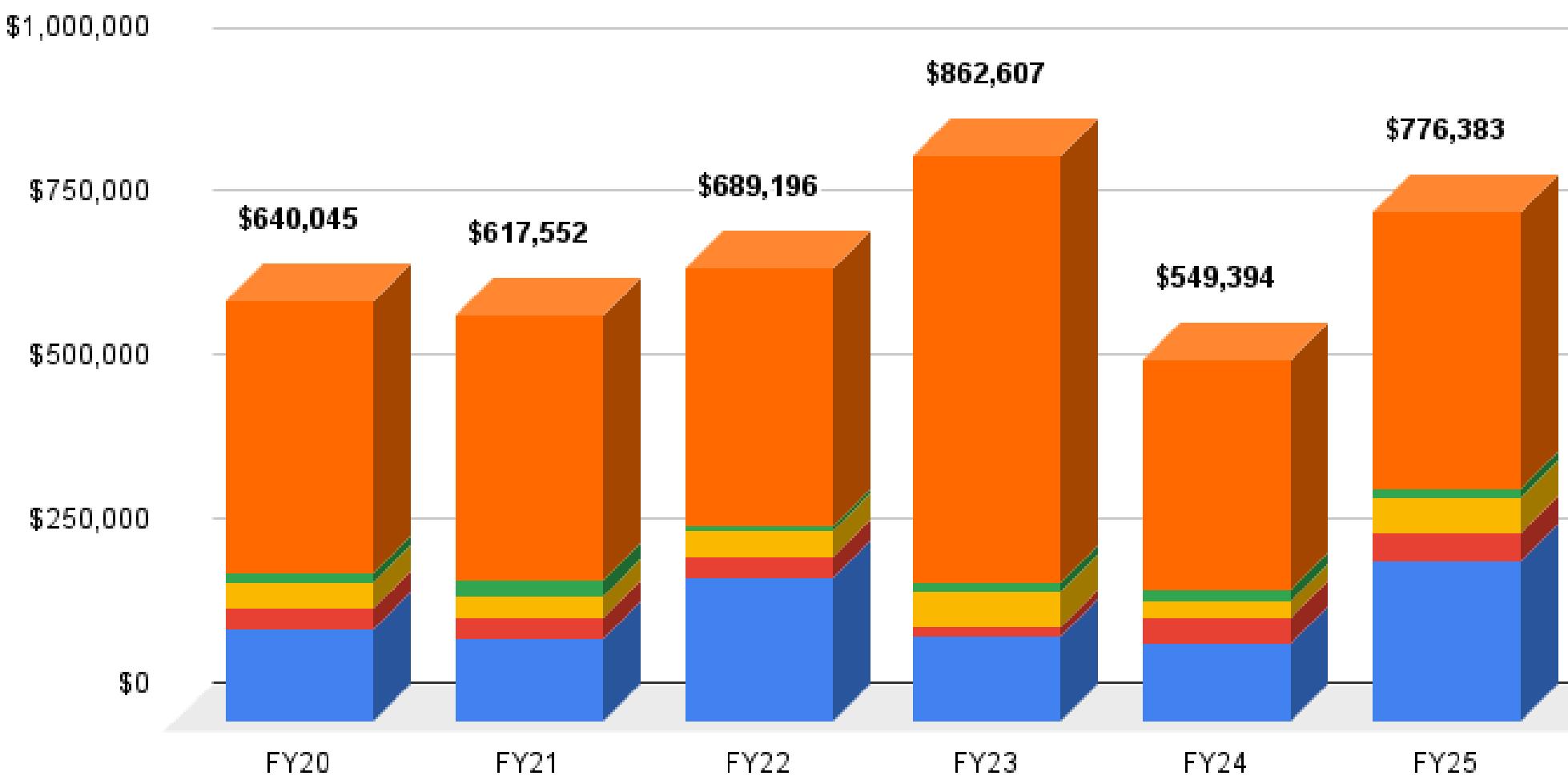
MCAT Funding - Transportation

ISBE Transportation Claim Reimbursements



Historical Title I, Title II, Title III, Title IV, and IDEA Funding

IDEA Title IV Title III Title II Title I



Historical Federal Funding

Historical Grant Funding Received

FY	Title I	Title II	Title III	Title IV	IDEA
FY20	\$136,717	\$31,985	\$41,886	\$13,903	\$415,554
FY21	\$123,817	\$31,139	\$33,118	\$25,195	\$404,283
FY22	\$217,533	\$29,754	\$40,769	\$5,911	\$395,229
FY23	\$126,302	\$13,478	\$53,740	\$15,315	\$653,772
FY24	\$116,102	\$39,754	\$25,961	\$16,126	\$351,451
FY25	\$242,239	\$41,446	\$54,335	\$15,153	\$423,210

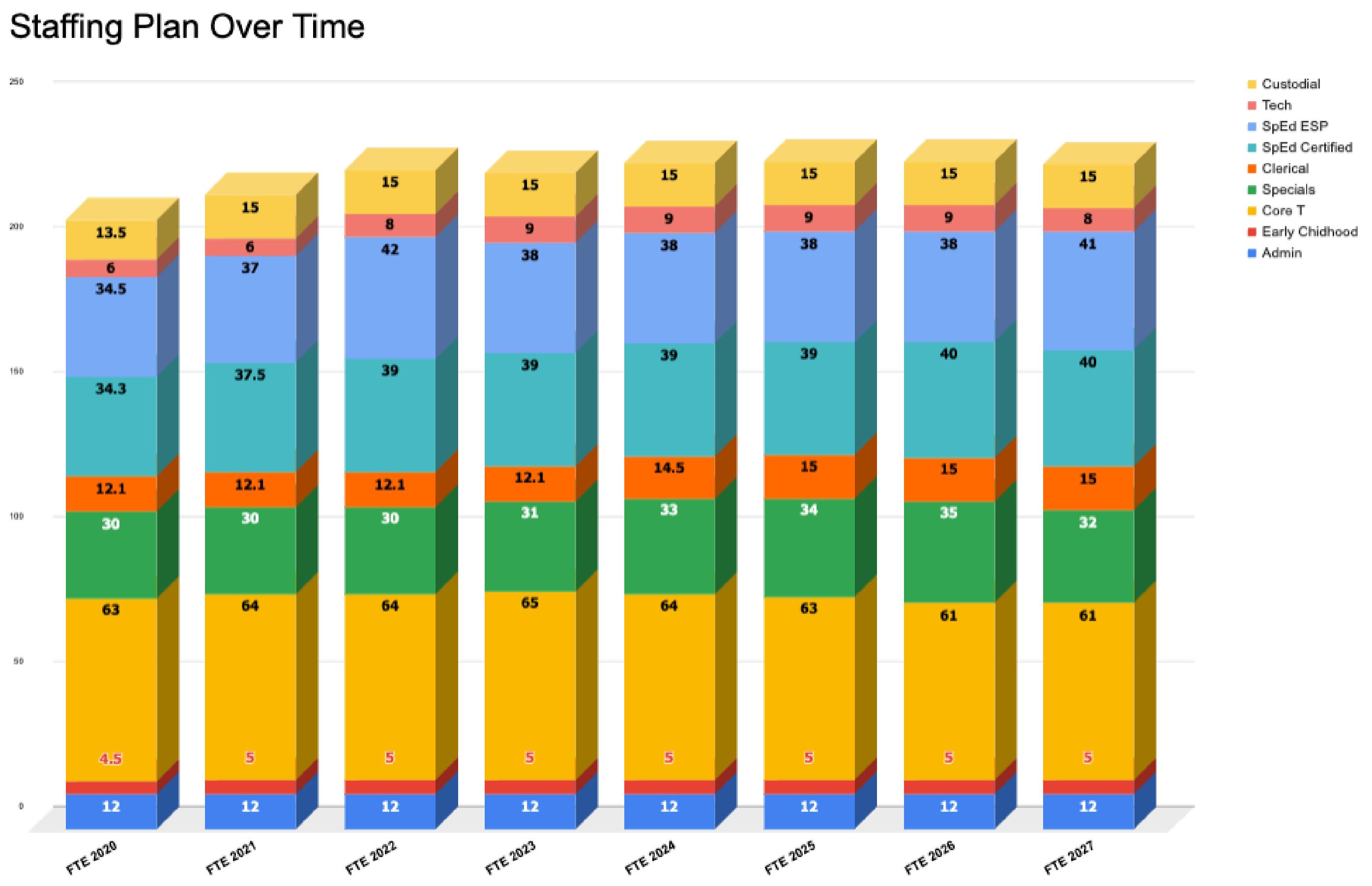
Key Expenditure Variables

- Staffing Levels and Compensation
- Insurance and Employee Benefit Costs
- Programmatic and Operational Costs
- Purchased Services
 - Education Fund
 - Transportation
 - O&M



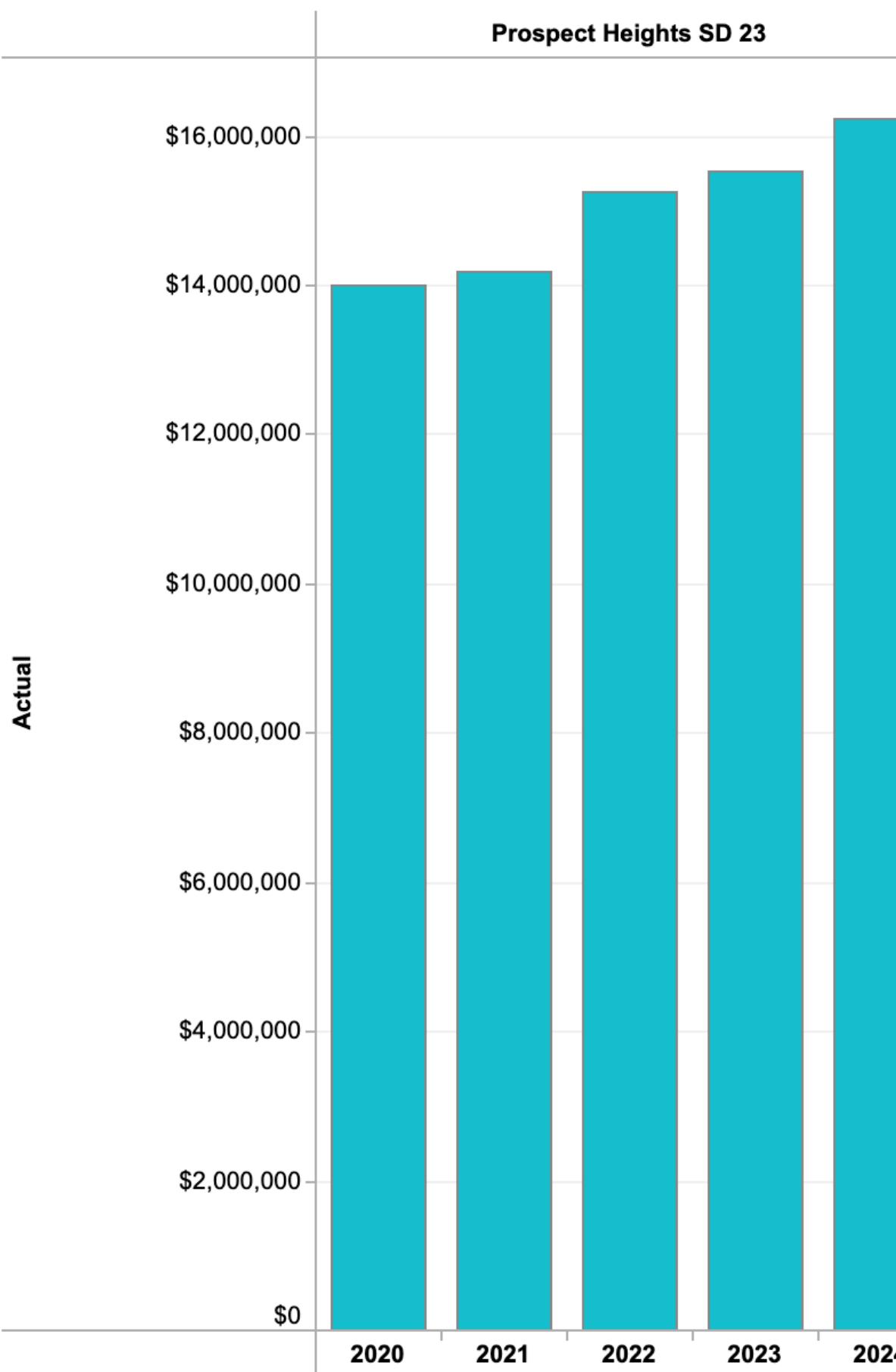
Staffing Levels

Staffing Plan Over Time



- Driven by enrollment and program development
- District 23 Class Size guidelines
- Assumed 2 retirements each year
- Held flat for two years

Expenses Bar Chart
Prospect Heights SD 23
By: Object
Source: 5 Year Budget and AFR



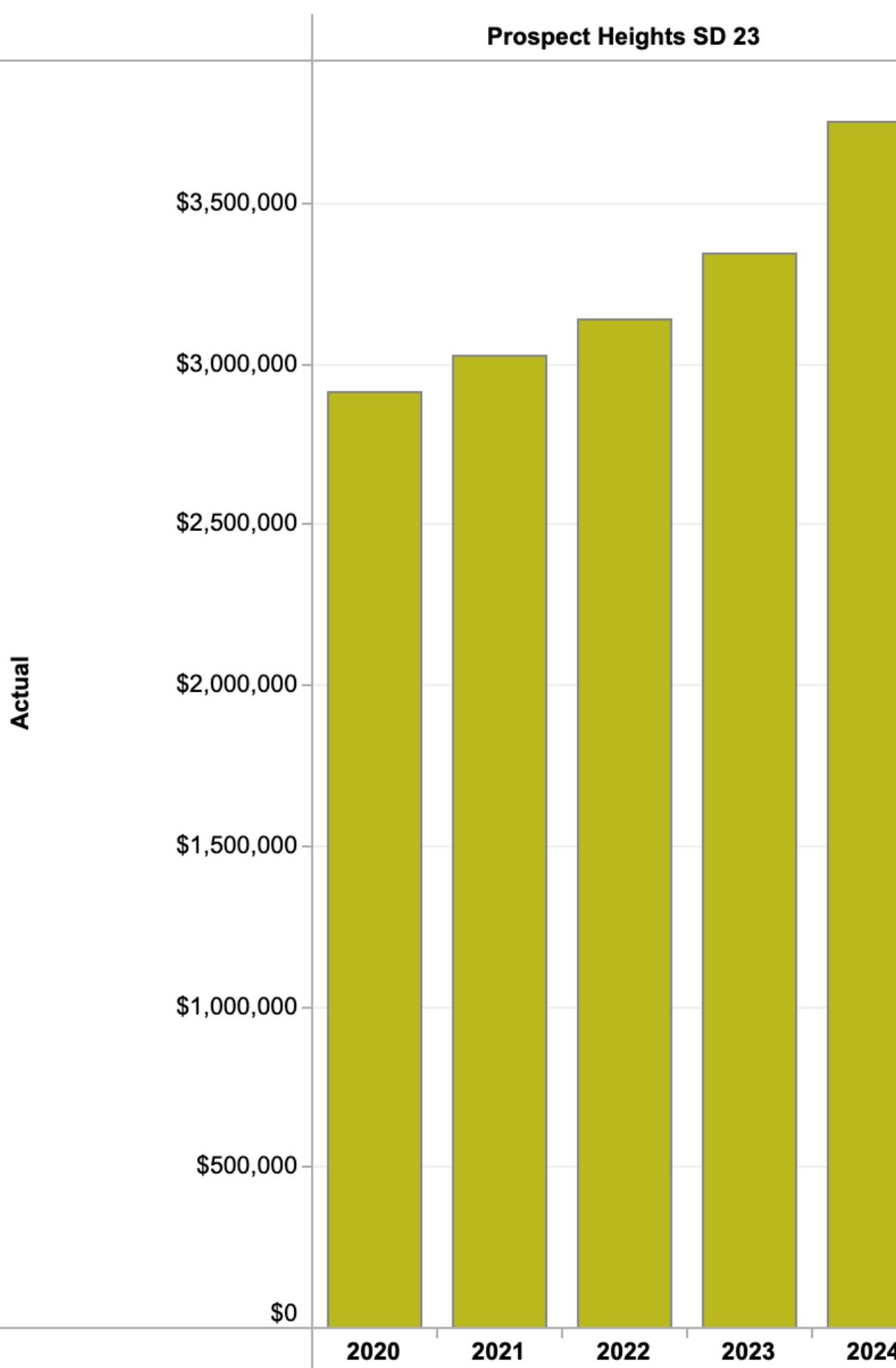
Employee Compensation

Salaries have been budgeted and escalated in accordance with the negotiated agreements.

- Historical Average Increase: 3.08%

For projection purposes, we have used a 3% increase assumption.

Expenses Bar Chart
Prospect Heights SD 23
By: Object
Source: 5 Year Budget and AFR



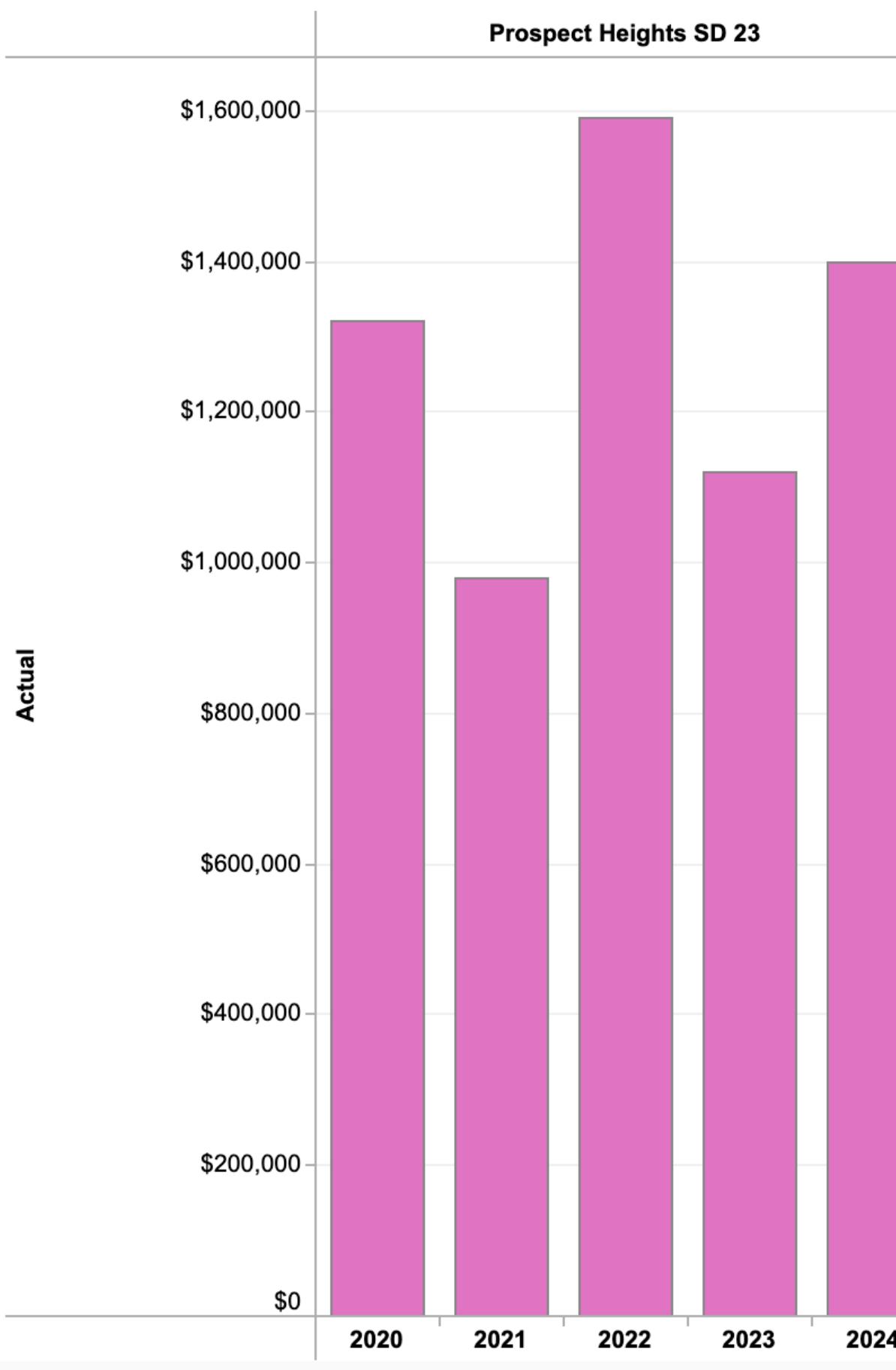
Insurance & Employee Benefits

Employee Benefits have been budgeted and escalated in accordance with our actual EBC increases.

- Historical Average Increase: 7.15%

Projections have been made in alignment with actuals and industry trends, as provided by our partners at Gallagher.

Expenses Bar Chart
Prospect Heights SD 23
By: Object
Source: 5 Year Budget and AFR



Programmatic & Operational Costs (Supplies and Materials)

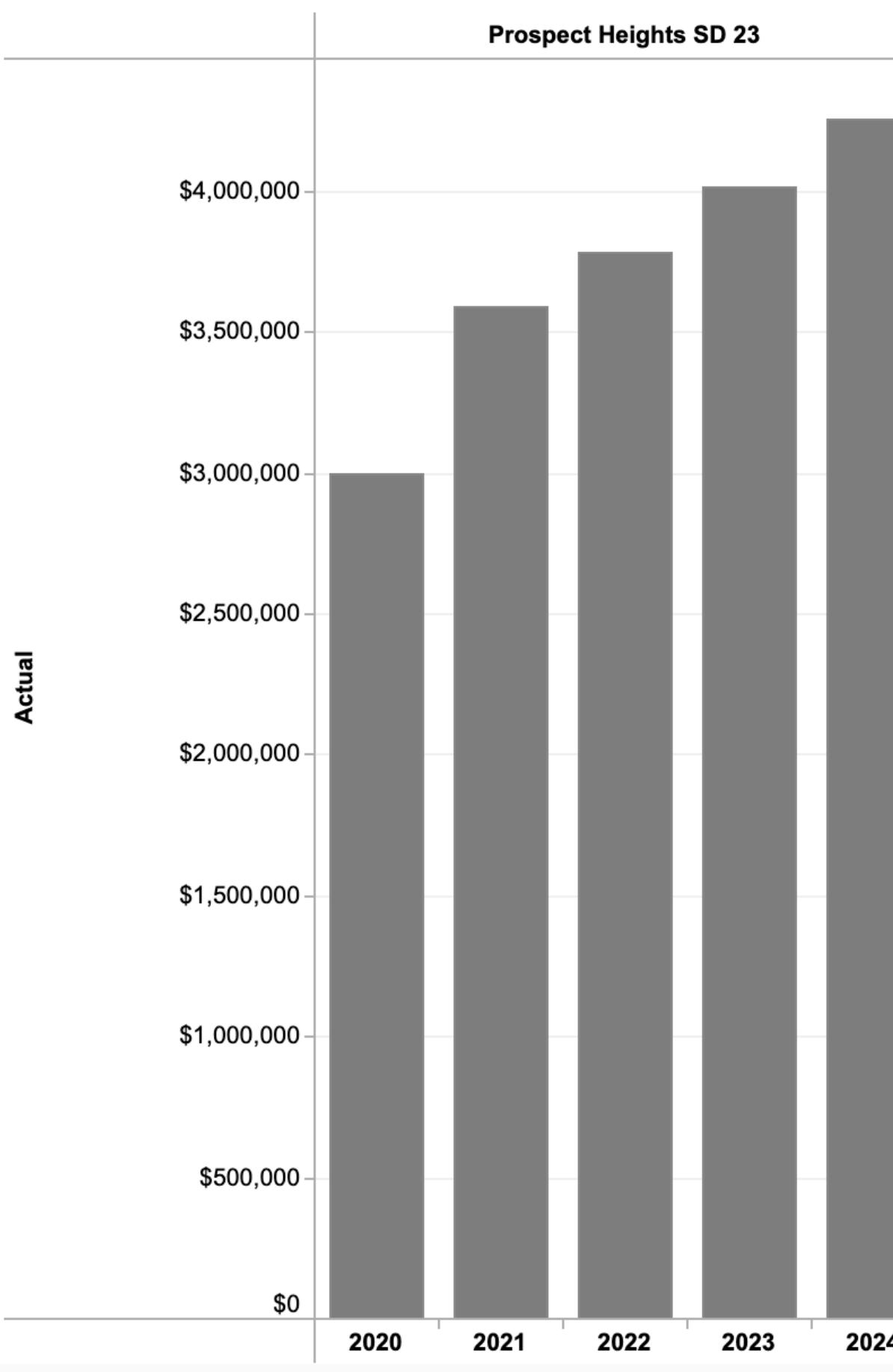
Supplies and Materials vary across funds. In the Education Fund, we have held these costs as flat as possible and, in the past two years, decreased allocations.

In the Operations & Maintenance Fund, we have seen increases in all utilities and consumables.

- Historical Average Increase: 7.91%

Projections been held flat, requiring reprioritization and budget reductions.

Expenses Bar Chart
Prospect Heights SD 23
By: Object
Source: 5 Year Budget and AFR



Purchased Services

Districtwide Purchased Services across all Operational Funds include:

- Education Fund
- Transportation
- Operations and Maintenance
- Historical Average Increase: 9.33%

Projections have varied by fund:

- Education Fund - Flat
- Transportation - 4%
- O & M - 2%

FULL-DAY KINDERGARTEN NEEDS AND IMPACT





Program Planning Goals

- Identify needs of a Full-Day Kinder Program
- Gather ongoing input from staff
- Collect input from parents
- Collaborate with other districts
- Create & communicate plan

Full-Day Kindergarten Committee

Kindergarten Teachers

Stacy Balla

Kristen Derrico

Stacy Roth

Ally Washak



Support Staff Members

Lisa Schmidt

Christina Pufundt

Jessica Slowik

Administrators

Luke Lambatos

Craig Curtis

Chrys Sroka

District-Wide Planning

Review program needs
Curriculum & Instruction
Environment/Scheduling
Collaboration/Planning

Consider budgetary implications

Gather parent feedback

Consult with neighboring districts



Program Collaboration

**Visited Prairie Trails School
(River Trails District 26)**

Focused on look-fors in:
Curriculum & Instruction
Environment/Scheduling
Collaboration/Planning

Arlington Heights District 25
Dialogue focused on successful
implementation



Staff Feedback

Strengths

- Literacy stations
- Math curriculum
- SEL-Second Step



Gaps

- Time for writing curriculum
- Minimal re-teaching of skills
- Differentiation for acceleration and skill gaps
- Small group instruction
- Lack of free play and structured play time
- Decreased focus on whole-child
- Curriculum pacing

Parent Feedback

Strengths

- Field trip opportunities
- Curriculum strength
- Small class sizes



Gaps

- Specials options
- Structured play/projects
- Time for grouping by skill
- Time for cross-grade level interaction
- In-depth instruction
- Time for parent volunteerism
- Time for social interactions

Proposed Program Design

- Maintain Class Size Guidelines
- Maintain Literacy Block and Station Instruction
- Maintain Math Curriculum Instruction
- Maintain Dedicated SEL Time
- Increase PE to 3x per week
- Provide Art, Music, and Library Specials 1x per week
- Increase Writing Instruction
- Increase Reteaching and Differentiation through strategic grouping
- Increase Structured Play and Free Social Interaction
- Increase Parent/Volunteer Involvement Opportunities
- Strengthen MTSS and Intervention Process
- Restructure Kindergarten Screening Process



Staffing Impact

+2.0 FTE	Teachers/Sections
+0.1 FTE	Art
+0.2 FTE	Music
+0.2 FTE	Physical Education
+0.2 FTE	Custodian
+0.5 FTE	Social Worker

- **\$275,482 per year**

Student driven Special Education Services

- **\$58,425 per year**

Operational & Programmatic Impact

Curricular materials - books, technology, consumables, and subscriptions

- **\$46,500**

Utilities and Maintenance

- **\$25,000 per year**

One-time start-up costs for Eisenhower project

Financial Impact of F.D.K.

Staffing	\$ 275,482
Special Education	\$ 58,425
Curriculum	\$ 46,500
Operations	\$ 25,000
Projected Total:	\$ 405,407

ESTABLISHING OUR “NEW” BASELINE



D23 Moving Forward

- Adding the required Full Day Kindergarten programming will require a targeted adjustment in FY27.
- This is an opportunity for us to “reset” our assumptions in response to recent changes in costs.
- A new “baseline” represents what the district can sustain year over year without corrective action and provides a comparison for budget planning.

Why Does it Matter?

- **Financial Stability**
 - Reduces year-to-year budget volatility
 - Minimizes emergency reductions and reactive decision-making
- **Credibility & Transparency**
 - Provides a clear and honest picture of the district's financial capacity
 - Builds trust with the Board, staff, and community

Why Does it Matter?...Continued

- **Strategic Decision-Making**
 - Allows the Board to evaluate new initiatives (e.g., Full Day Kindergarten) based on realistic financial capacity
 - Clarifies tradeoffs before commitments are made

Benefits of an Articulated Baseline

- **Protects Programs and People**
 - Avoids unsustainable staffing or programs
 - Reduces the likelihood of future layoffs or programmatic reductions
- **Supports Contractual Stability**
 - Aligns compensation and staffing decisions with long-term resources
- **Prevents Structural Deficits**
 - Ensures recurring expenses do not exceed recurring revenues

New Baseline Assumptions

Revenue	Prior Assumptions	New Baseline Assumptions
Local Tax Collections Rate	98%	96%*
State EBF	0%	0%
MCATS	0%	0%
Federal Grants	0%	0%
		*addl collections to capital projects fund
Expenditures	Prior Assumptions	New Baseline Assumptions
Salary	Negotiated Agreement/ 3%	3%
Change in FTE - Staffing Plan	Flat	Flat
Benefits - Medical Insurance	7%	15%, then 10%
Benefits - Dental Insurance	2%	5%
Purchased Services - Ed. Fund	0%	1%
Purchased Services - O&M	2%	2%
Purchased Services - Transp.	4%	7%
Supplies and Materials	0%	5%

Key Takeaways

- There is a growing gap between revenue and expenditures, even with reductions in programming and staffing.
- Federal and State funding, which was once more dependable, is in flux.
- Adjustments to assumptions must be made to reflect recent changes in actual costs and realities.
- Maintaining this new baseline will require reductions or increased revenue.



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