

# FY 2026 Preliminary Budget

May 20, 2025



## Budget Calendar

- May: Present preliminary budget figures to Board of Education
- June and July: Close out prior fiscal year and gather up-to-date data related to projected revenues and expenditures for new fiscal year
- August: Present tentative FY 2026 budget to Board of Education and community; display budget for 30 days prior to board hearing
- September: Convene a budget hearing and seek final adoption on FY 26 budget by Board of Education

# About School District Budgets: Fund Accounting



Educational	The general fund (instruction, administration, health, lunch, etc.)
Operations & Maintenance (O&M)	Maintaining, repairing, and improving our buildings
Debt Service	Retiring bond principal and interest
Transportation	Transporting students for any purpose
IMRF/Social Security	Paying contributions to municipal retirement system (IMRF), Social Security, and Medicare
Capital Projects	Paying for construction and major renovations
Working Cash	Reserves

## About School District Budgets: Revenues

Local Revenues	Money received locally or internally <ul style="list-style-type: none"><li>• Property Taxes</li><li>• CPPRT</li><li>• Investment Revenue</li><li>• Fees</li></ul>
State Revenues	Money received from ISBE <ul style="list-style-type: none"><li>• Evidence-Based Funding</li><li>• Mandated Categoricals</li></ul>
Federal Revenues	Money received from specific federal programs <ul style="list-style-type: none"><li>• Title I</li><li>• IDEA</li></ul>

## **About School District Budgets: Expenditures**

- Salaries
- Benefits
- Purchased Services
- Supplies
- Equipment (Capitalized/Non-Capitalized Outlay)
- Dues/Other

# Budget at a Glance

			Operating Funds						Non-Operating Funds	
			<u>Educational</u>	<u>Operations &amp; Maintenance</u>	<u>Transportation</u>	<u>IMRE</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Debt Service</u>	<u>Capital Projects</u>
Beginning Fund Balances		\$8,623,211	\$4,460,423	\$221,997	\$225,541	\$35,576	\$3,679,674	\$0	\$218,249	\$628,62
REVENUES										
Property Tax	84%	\$11,311,072	\$9,801,982	\$705,553	\$434,187	\$189,410	\$179,940	\$0	\$744,751	\$
MPRT	1%	\$152,950	\$145,075	\$0	\$0	\$7,875	\$0	\$0	\$0	\$
Interest	4%	\$517,937	\$316,614	\$48,457	\$18,145	\$6,153	\$128,568	\$0	\$12,602	\$4,45
Other Local Revenue	2%	\$274,625	\$238,000	\$28,875	\$7,750	\$0	\$0	\$0	\$0	\$
State Programs	6%	\$799,400	\$609,400	\$0	\$190,000	\$0	\$0	\$0	\$0	\$89,68
Federal Programs	3%	\$460,600	\$460,000	\$0	\$0	\$600	\$0	\$0	\$0	\$
Total	100%	\$13,516,584	\$11,571,071	\$782,885	\$650,082	\$204,038	\$308,508	\$0	\$757,353	\$94,14
EXPENDITURES										
Salaries	53%	\$6,699,029	\$6,695,826	\$0	\$3,203	\$0	\$0	\$0	\$0	\$
Benefits	12%	\$1,544,496	\$1,318,568	\$0	\$194	\$225,734	\$0	\$0	\$0	\$
Purchased Services	16%	\$2,081,705	\$893,901	\$522,464	\$665,340	\$0	\$0	\$0	\$3,600	\$
Supplies & Materials	4%	\$482,147	\$311,697	\$170,450	\$0	\$0	\$0	\$0	\$0	\$
Capital/Non-Capital	0%	\$47,490	\$37,490	\$10,000	\$0	\$0	\$0	\$0	\$0	\$400,00
Debt Service & Other	14%	\$1,805,794	\$1,805,794	\$0	\$0	\$0	\$0	\$0	\$1,402,981	\$
Pension Incentives	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$
Total	100%	\$12,660,661	\$11,063,276	\$702,914	\$668,737	\$225,734	\$0	\$0	\$1,406,581	\$400,00
Surplus/(Deficit)		\$ 855,923	\$ 507,795	\$ 79,971	\$ (18,655)	\$ (21,696)	\$ 308,508	\$ -	\$ (649,228)	\$ (305,85
Transfer (Uses)			\$ (754,121.00)						\$ (18,000.00)	
Transfer Sources									\$754,121	\$18,00
Ending Fund Balances	69%	\$8,725,013	\$4,214,097	\$301,968	\$206,886	\$13,880	\$3,988,182	\$0	\$305,143	\$340,76

# Revenue Assumptions

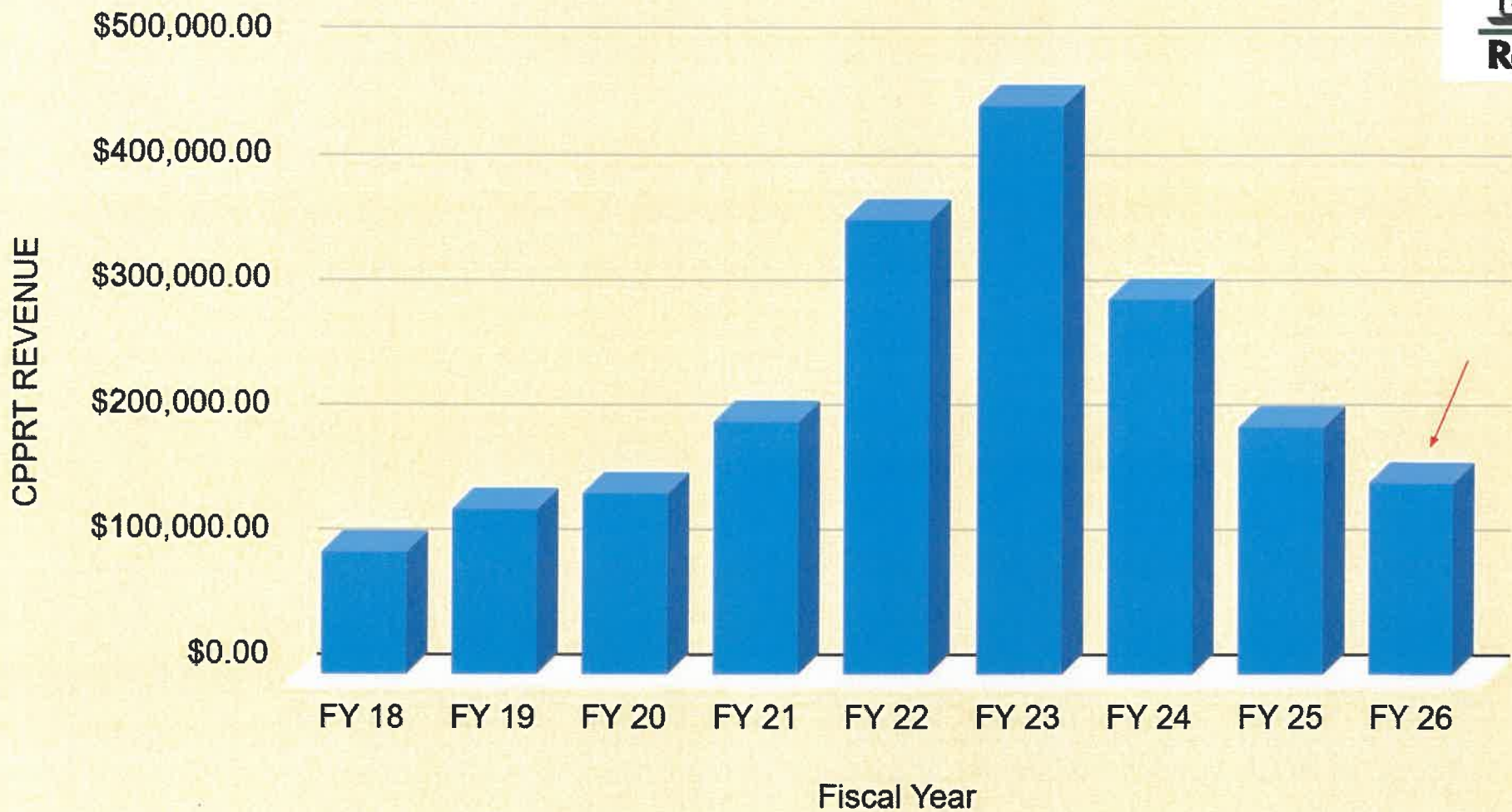
## Positives

- Increases to property taxes based on 3.4% CPI increase on the 2024 levy
- The district will collect >99.5% of tax extension
- Tariffs have created jitters in the economy and reignited inflation fears, resulting in no recent interest rate cuts; FY 26 investment revenue is expected to be strong

## Negatives

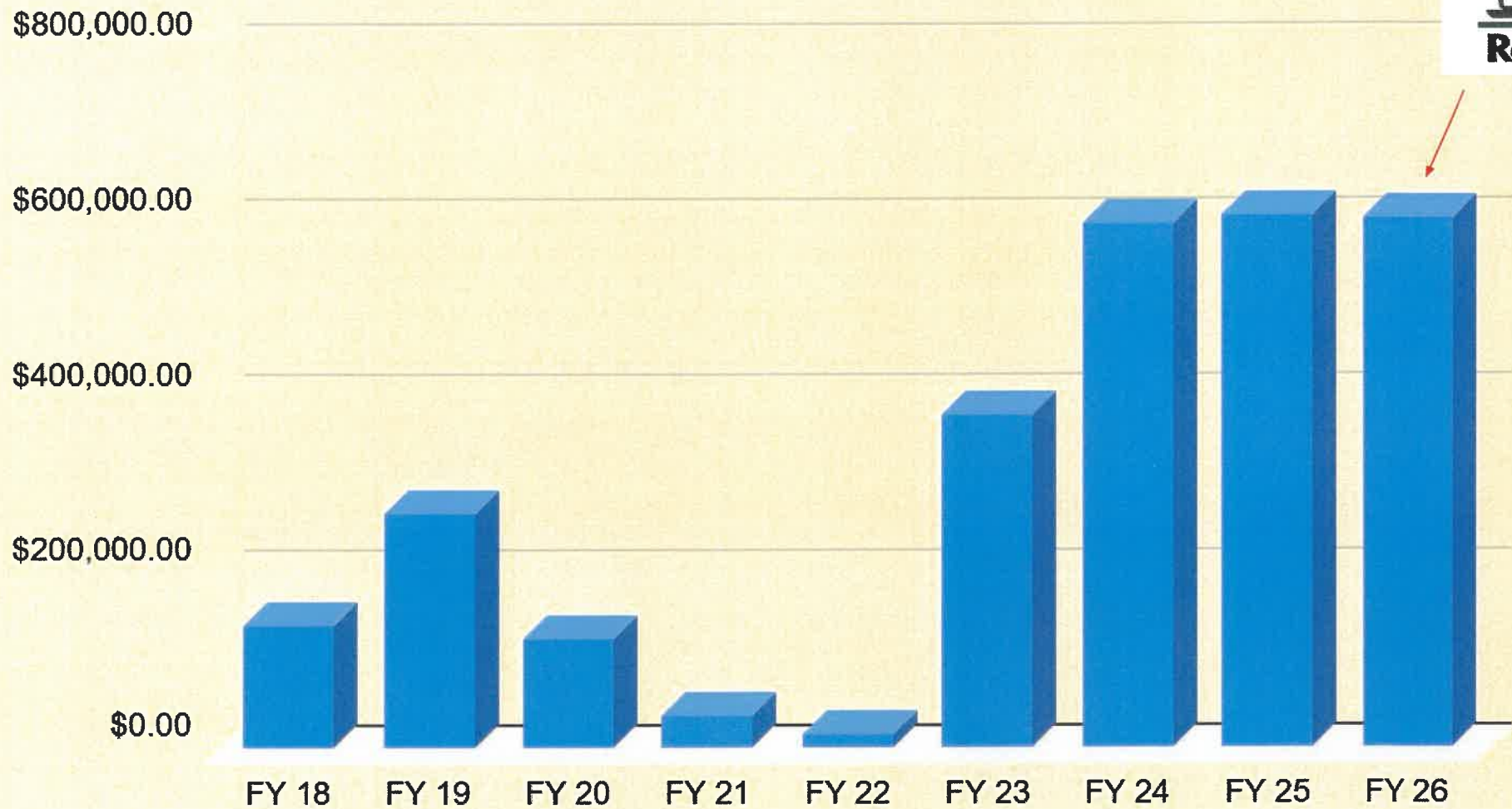
- Corporate Personal Property Tax (CPPRT) is again projected to be significantly lower than the prior fiscal year (-30%)
- Evidence-based funding remains flat for Tier 4 districts
- The state is not expected to put enough new money into mandated categoricals to keep pace with prior year's proration percentages
- Federal revenue could be a problem depending on what happens in Washington

## CPPRT Across Recent Fiscal Years



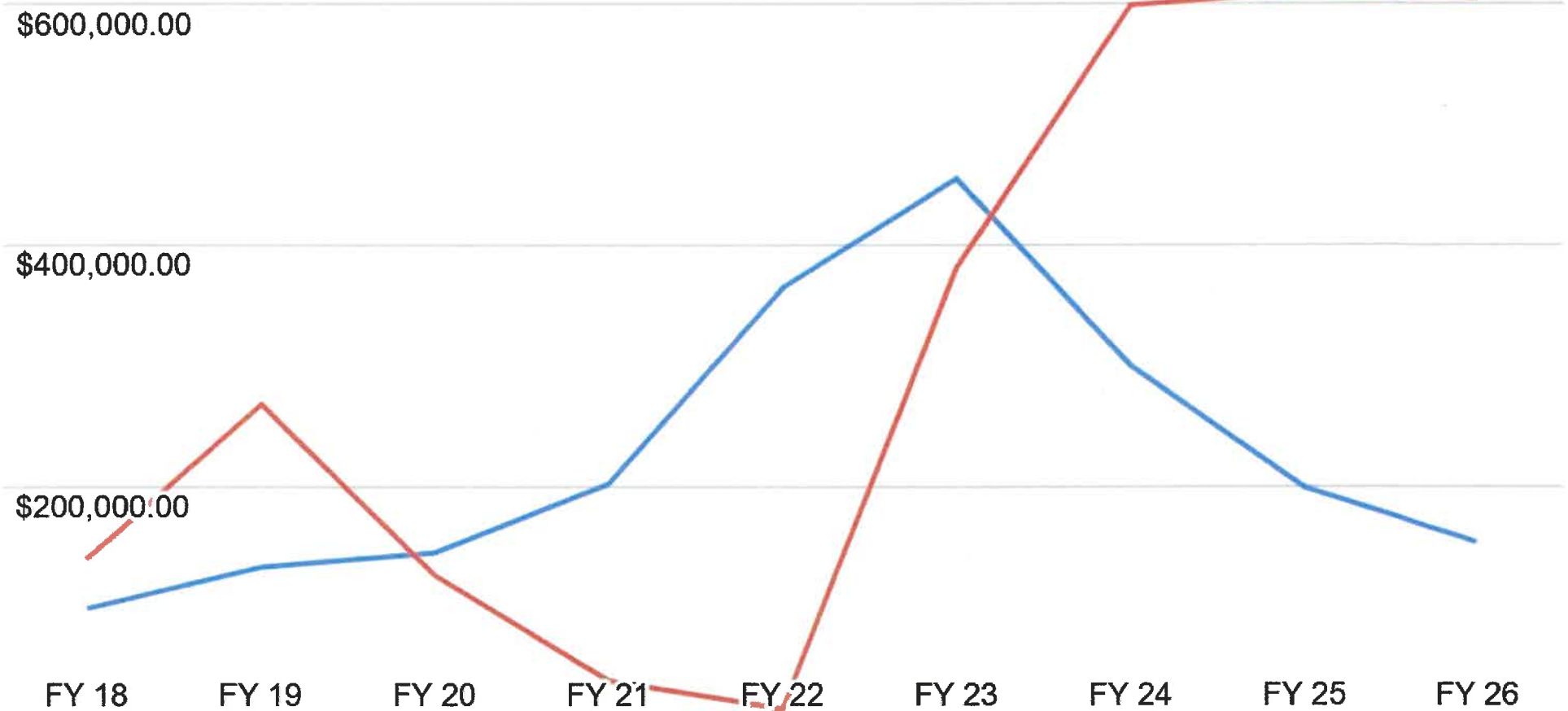


## Investment Revenue Across Recent Fiscal Years

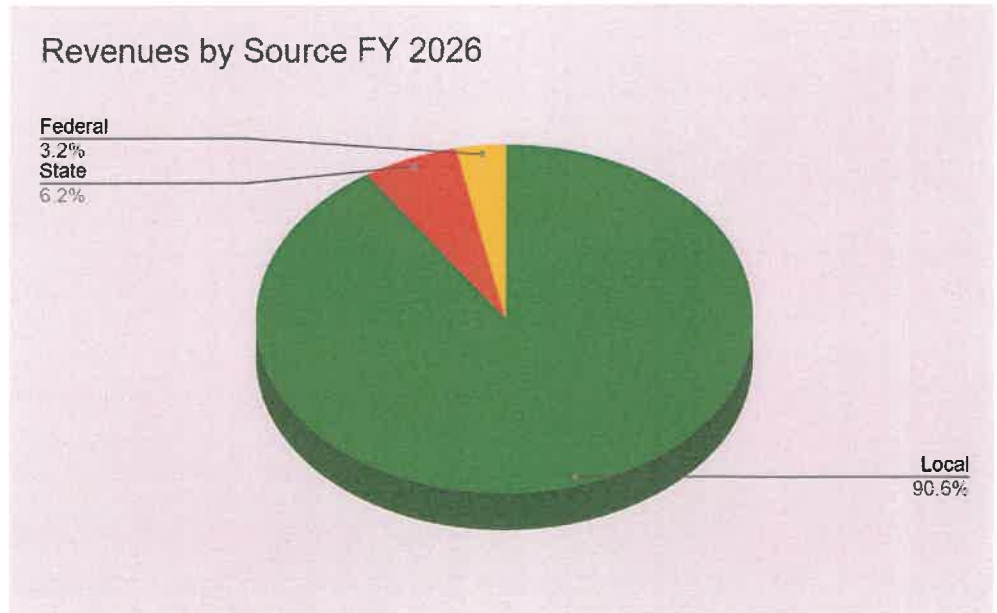
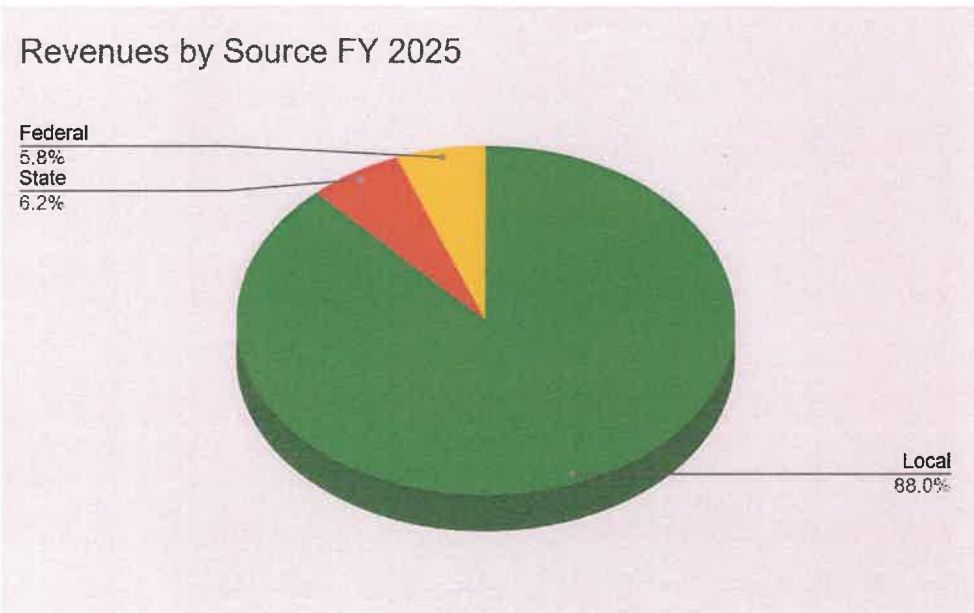


# CPPRT and Investment Revenue

CPPRT Investment Revenue



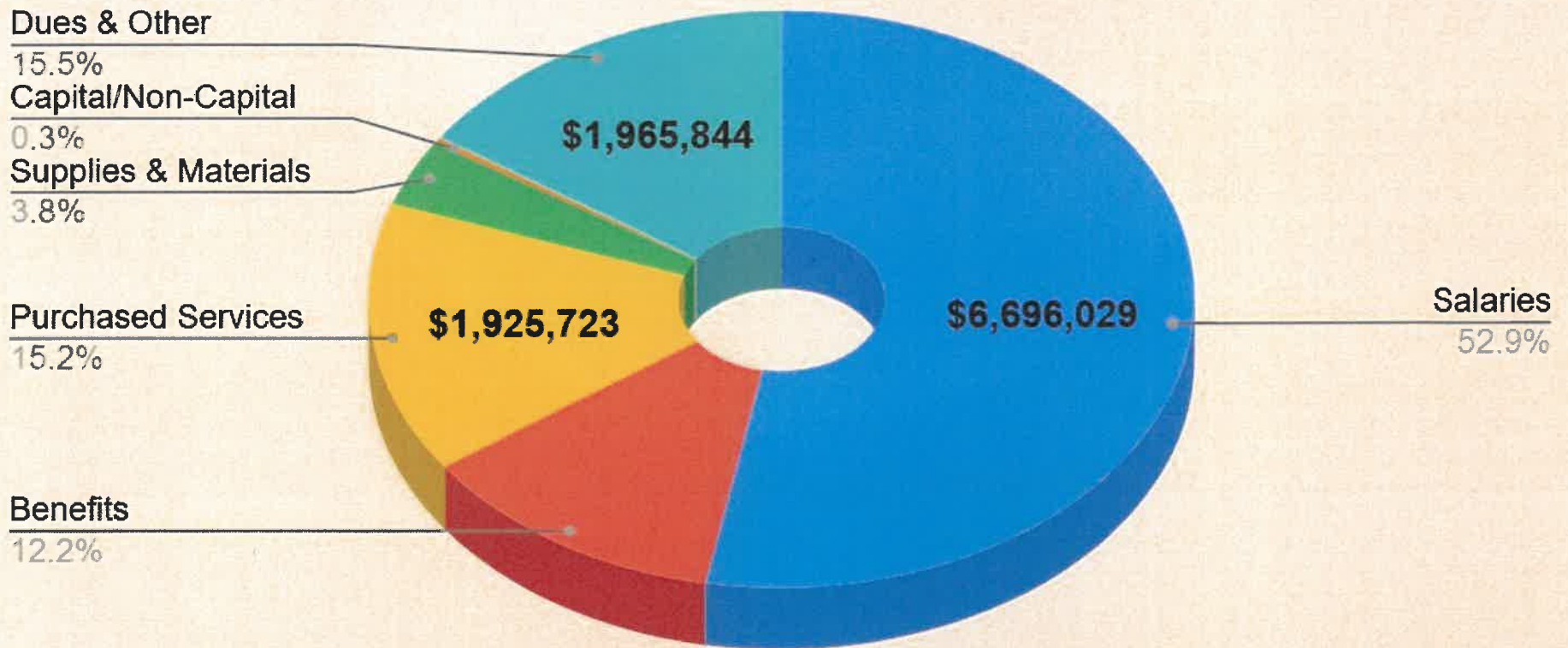
## Revenues by Source



# Expenditures Assumptions

- Salaries
  - Collective bargaining agreement calls for a 3.4% raise for REA members
  - Classified staff compensation mirrors the REA
- Benefits
  - PPO: 9.9% increase
  - HMO: 4.2% increase
- Minus 0.5 FTE certified staff, plus 1.0 FTE parapro
- Increases for NDSEC and private facility tuition
- Includes a \$100,000 contingency in the Ed fund
- Transportation costs increasing by a negotiated 8%
- Capital Projects being paid with fund balance, per District's five-year plan

## Expenditures by Object (Operating Funds)





# Talking Points

- Positive Takeaways
  - The budget is balanced and includes contingencies for unforeseen expenses
  - The Board manages resources in a way to invest in a high quality instructional experience for all D12 students
  - The Board offers a compensation package for educational staff that is regionally competitive and conducive to drawing top talent to the District
  - The Board is investing in the future of the District by funding a long-term facilities plan
- Things to Watch
  - Springfield and Washington!
  - Any summer surprises in terms of staffing
  - Special Education tuition
- Next Steps
  - The Business Office will continue to monitor revenues and expenditures over the summer and revise forecasts as necessary
  - Finalize open enrollment, manage any staffing vacancies, and approve contracts with vendors
  - A tentative budget will be presented to the Board at the August meeting

# QUESTIONS

