

DIXON PUBLIC SCHOOLS #170

"A Place to Grow"

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Date: June 25, 2025
To: Board of Education Members
From: Margo Empen, Superintendent & Marc Campbell, Chief School Business Official
Memo: FY 25 Amended Budget Summary Overview

The purpose of this memorandum is to summarize key aspects of the Dixon Public School #170 Proposed FY 25 Amended Budget for the Board of Education. The proposed amended budget was provided to the Board of Education at the regularly scheduled meeting of the Board on May 21, 2025. The following information will be shared during the Budget Hearing preceding the regularly scheduled meeting of the Board on June 25, 2025.

Below is summary of information and key items/adjustments for the amended budget.

General Overview:

Page #1	Upper Corner	This is a unbalanced budget, which does not require a deficit reduction plan.		
			<i>Adopted Budget</i>	<i>Amended Budget</i>
Page #2	Line #11	<i>Total Revenues</i>	<i>\$46,388,000</i>	\$47,535,400
Page #2	Line #21	<i>Total Expenditures</i>	<i>\$45,742,760</i>	\$49,8344,953

Revenue Overview:

			<i>Adopted Budget</i>	<i>Amended Budget</i>
Page #6	Line #16	<i>C.P.P.R.T</i> This has been a growth area in the past couple of years. The original budget was cautious. The amended amount is closer to actual. The concern is the transfer of CPPRT funds to Fund 20 and Fund 40. The July payment which is part of FY 24 budget is unknown but is anticipated to be roughly a \$1.0 million.	\$2,900,000	\$3,400,000 <i>Previous year transfers: Fund 20: \$435,000 Fund 40: \$800,000</i>
Page #8	Line #105	<i>County Facility Sales Tax:</i>	\$1,950,000	\$2,070,000
Page #9	Line #154	<i>State Categorical Payments for Transportation</i>	Reg/Voc: \$531,000 SpEd: \$1,250,000	\$476,000 \$1,055,000

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	& #155			
Page #10	Line #193 & #195	<i>Food Service: National School Lunch School Breakfast</i>	NLSP: \$650,000 Breakfast: \$150,000	NLSP: \$465,000 Breakfast: \$150,000
Page #6-10	Line #127 #130 #202 #208 #216 #217 #262	<i>Private Facility Tuition Orphanage-Individual Title I Title IV IDEA Flow Through IDEA Room & Board Title II</i>	\$1,200,000 \$130,000 \$711,000 \$48,000 \$747,000 \$60,000 \$92,000	\$900,000 \$65,000 \$861,000 \$78,000 \$1,270,9000 \$130,000 \$117,000

Expenditures:

			<i>Adopted Budget</i>	<i>Amended Budget</i>
Page #14	Line 116	Total Education Expenditures: ESSER/Grant Expenditures and Salary/Benefits adjustment	\$32,834,760	\$36,075,753 The budget has maximum amount to cover salaries and benefits. Specifically unknown health insurance costs.
Page #16	Line 214	<i>Total Transportation Costs</i>	\$3,362,300	\$3,724,900
Page #17	Line #309	<i>Total Capital Expenditures</i>	\$300,000	\$671,300 TJD: \$483,000 Washington: Flooring \$8,250 (FY 24 SMPG) Jefferson: Flooring \$72,000 (FY 24 SMPG)
Page #21	Line #428	<i>Total Tort Expenditures:</i>	\$1,587,500	\$1,652,200 Salaries and benefits budget adjustment due to 803,000 vs. 871,000 (TJD employees and low estimates)

General Expenditure comments on budget variances.

- Substitute Teaching Costs: \$493,000 actual vs. \$456,000 adopted (not including internal subbing)
- Health Insurance Cost: \$5.9 adopted vs. \$6.5 actual (FY 26 - \$6.4 million)
- IDEA Construction Costs: \$500,000 amended vs. \$0.00 adopted

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DPS Story...

- In the years prior 2020, the business office over multiple years had to utilize investment funds to cover payroll costs.
- In 2019, there was a \$600,000 WC loan to Transportation. This was made permanent due to lack of funds in Transportation.
- Since 2020, District enrollment has declined by 400 students and our special education population has increased to 6% over the state average.
- Over the past 5 years, the District has received \$16.0 millions that it will never receive again. These funds gave us the ability to offer the services, staffing, make the curriculum updates, and construction updates we made.

S.W.O.T. Analysis

Strengths

- Cash reserves are strong in \$9.3 million in Ed fund and \$6.7 in Working Cash. (\$24.8 million total)
- Prepaid Health Insurance Expenses: \$700,000 – WIPFLI will establish this as a prepaid expense in the AFR and the money will be returned to the District in FY 26.
- LCSEA Prepaid expenses – WIPFLI will determine the prepaid portion of the amount for return.
- Strong HLS reserves for 10-year completion.
- Strong receipts which are growing in County Facility Sales Tax.

Weaknesses:

- FY 26 Budget will be a deficit-budget again.
- Mandated categorical payments for Transportation and Tuition reimbursement will be lower.
 - Private Facility Tuition FY 25 - 77% and FY 26 and maybe down into the 50%'s for FY26
 - Transportation FY25 - 79% and FY26 Projection - 73%
 - Special Education Transportation FY25 - 69% and FY26 Projection - 61%

Opportunities:

- \$700,000 savings on the transportation contract
- Health Insurance now if fully insured provides cleaner opportunity for budgeting.
- Implementation of HDHP-HSA is a cost savings measure.
- Altering the IMRF/SS Levy with the Tort Levy.
- Increasing enrollment at Dempsey.

Threats:

- Federal budget concerns
 - Federal Budget is estimated from \$6.5 billion down to \$2.0 billion (This would represent a third of the funding.)
 - Title II is projected federally at \$0 allocation in the future.
 - IDEA and Title I is recommended level funding.
 - ERATE funding would be eliminated to \$0.
- State Budget Reductions:
 - Potential CPS moving from Tier II to Tier I impacting Evidence-Based Funding distribution (\$34 million impact to the formula.)
 - CPPRT will remain at a level funding.

Plan:

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

- Staffing at all levels
- Regular education initiatives and programs
- Special Education programming and services
- Creation of a 10-Year plan: Curriculum, Facilities, & Technology.

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- Multi-year financial forecasting

We have to change the way we do business, because we are not the same district we were 10 years ago and will not be the same district 10 years from now.

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