DIXON PUBLIC SCHOOLS #170

"A Place to Grow"

www.dps170.org

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Margo Empen, Superintendent
Doug Stansford, Asst. Superintendent
Marc Campbell, Business Manager

Date: September 24, 2025
To: Margo Empen, Superintendent
From: Marc Campbell, Chief School Business Official
Memo: FY 26 Budget Summary Overview

The purpose of this memorandum is to summarize key aspects of the Dixon Public School #170 Proposed FY 26 Budget for the Board of Education. The proposed budget is being presented to the Board of Education at the regularly scheduled meeting of the Board on August 20, 2024 and reviewed in detail at the Budget Hearing on September 24, 2025.

General Comments and information regarding the FY 25 Budget

1. FY 26 Budget is NOT a balanced budget.
    a. Salaries are inflated in the budget.
    b. ESSER Funding has inflated revenues and expenses over the past few years. ESSER funding no longer exists and is not part of this budget.
2. It has only been in the past 5-6 years that the District has not had to reach into investment reserves to cover year-end expenditures.
3. On the second page of this document, there is a summary of key budget items compared to FY 24 & FY 25 actual amounts.

Areas for monitoring;

CPPRT & Grant Revenue:

The budget reflects minimal increase or even funding to numerous revenue streams including; CPPRT, Title and IDEA grants and EBF.

Health Insurance Benefits:

Health insurance expenditures should be more predictable given our full insured status and are accurately reflected in the budget. However, the current run loss ratio is at 131% meaning claims exceed the premiums paid by 31% or $480,000. If these claims continue the District will again experience a significant increase in Health Insurance premium in January 2027. The anticipated preminum in crease is 8.5% in January 2026. The District is owed a prepaid reserve of $700,000 which is not reflected in this budget.

10-Year Planning:

The District is engaging in the 10 year planning process and will be bringing varieties of opportunities to the Board in the upcoming months. These decision could impact the overall budget.

Dixon Unit School District #170
Summary of FY 26 District Budget
For the School Year: 2025/2026

Page #	Line #	Line Item	Budget FY 26	Pre Audit Actual FY 25	AFR/SDS Actual FY 24
Page #2	#11	Total Revenues	$ 44,745,000	$ 48,155,556	$ 45,057,000
Page #2	#19	Total Expenditures	$ 46,348,000	$ 49,192,000	$ 45,425,000
Revenue Summary:					
Page #6	#5 - #8	Tax Levy	$ 25,669,000	$ 23,671,000	$ 21,173,000
Page #6	#16	C.P.P. R. T.	$ 2,940,000	$ 2,880,000	$ 3,976,000
Page #8	#105	County Facility Sales Tax	$ 2,050,000	$ 2,120,948	$ 2,184,000
Page #8	#120	Evidence-Based Funding	$ 7,215,000	$ 7,049,000	$ 6,916,000
Page #9	#154	Transportation: Regular/Vocational	$ 350,000	$ 480,000	$ 361,000
Page #9	#155	Transportation: Special Education	$ 1,110,000	$ 1,079,000	$ 1,133,116
Page #11	#269	ESSER Grants	$ -	$ 4,173,000	$ 2,066,000
Expenditure Summary:					
Page #14	#116	Total Education Fund Salaries	$ 18,159,000	$ 16,636,000	$ 15,201,000
Page #13	#81	LCSEA Assessment/SpEd Programs	$ 2,682,000	$ 3,343,000	$ 2,415,000
Page #13	#88	Outlplaced Tuition	$ 1,980,000	$ 2,189,000	$ 2,601,000
Page #14	#155	O&M Salaries	$ 1,222,000	$ 1,222,000	$ 1,137,000
Page #14	#128	Repairs & Maintenance/Supplies	$ 415,000	$ 527,000	$ 457,000
Page #14	#128	Utilties	$ 576,000	$ 576,000	$ 476,000
Page #15	#178	Bond Payments	$ 4,274,000	$ 3,813,000	$ 3,873,000
Page #15	#186	Transportation Contract Services	$ 3,057,000	$ 3,531,000	$ 2,886,000
Page #15	#186	Fuel	$ 250,000	$ 236,000	$ 239,000
Page #17	#309	Capital Outlay	$ 116,000	$ 587,000	$ 2,182,000
Page #18	#363	PC/WC Insurance	$ 820,000	$ 781,000	$ 688,000
Page #19	#453	Health, Life, Safety Expenses	$ 210,000	$ 23,000	$ -

FY 26 Budget Comments: Moving forward year 2…

1. ***Health Insurance:*** Continue the process of working toward quality health insurance programming with positive financial outcomes.
2. ***Staffing Analysis:*** District will perform a comprehensive staffing analysis for the Board.
3. ***Comprehensive Deficit Reduction Plan:*** Administration is working through a comprehensive plan including approximately 15 cost savings opportunities.

FY 25 Budget Comments: Moving forward, we have to consider/change the way we are doing business.

1. ***Health Insurance:*** Last year the District added a Tier III plan. The Health Insurance Committee has put a lot of time into the consideration of an HSA plan. *(CONTINUES TO BE AN OPEN OPPORTUNITY)*
2. ***Transportation Contract:*** The District is currently in the first year of a two-year extension. The Business Office will be creating an analysis considering bringing transportation in-house. *(COMPLETED ESTIMATED $700,000 SAVINGS)*
3. ***O&M:*** O&M expenses are primarily salaries/benefits, utilities, supplies, and repair and maintenance. The District will be exploring if these functions can be performed differently. *(FY 26 BUDGET IS BALANCED)*
4. ***Dempsey Impact:*** Dempsey will provide financial opportunity to save on outplaced tuition and transportation but will also decrease some revenues and increase some revenue streams. *(ONGOING NEW REVENUE STREAMS HAVE BEEN IDENTIFIED AND FILED – ESTIMATED $271,000)*
5. ***Bond Issuance:*** In October, Stifel will be onsite to provide a summary of a bond issuance. Originally, these funds were earmarked for major purchases but consideration will now need to be considered for operational needs. *(COMPLETE $4.5 MILLION WORKING CASH ISSUANCE FY 25)*

Budget Summary

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

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	AFR FY 2022	AFR FY 2023		AFR FY 2024		EST ACTUALS FY 2025	TENTATIVE FY 2026	$ CHANGE	% CHANGE
REVENUE									
Local	$23,644,635	$24,931,998	5.4%	$24,525,262	(1.6%)	$25,445,371	$26,708,000	$1,262,629	5.0%
State	9,055,631	9,931,563	9.7%	10,042,488	1.1%	10,044,398	9,787,500	(256,898)	(2.6%)
Federal	4,522,374	3,891,651	(13.9%)	5,202,444	33.7%	7,250,683	2,640,500	(4,610,183)	(63.6%)
Other	0	0		0		0	0	0	
TOTAL REVENUE	$37,222,640	$38,755,212	4.1%	$39,770,194	2.6%	$42,740,453	$39,136,000	($3,604,453)	-8.4%
EXPENDITURES									
Salary and Benefit Costs	$20,423,045	$22,734,505	11.3%	$24,521,007	7.9%	$26,887,788	$29,029,700	$2,141,912	8.0%
Other	11,866,802	12,696,129	7.0%	14,844,183	16.9%	17,680,129	12,771,525	(4,908,604)	(27.8%)
TOTAL EXPENDITURES	$32,289,847	$35,430,634	9.7%	$39,365,190	11.1%	$44,567,916	$41,801,225	($2,766,691)	(6.2%)
SURPLUS / DEFICIT	$4,932,793	$3,324,578		$405,004		($1,827,464)	($2,665,225)	($837,761)	
OTHER FINANCING SOURCES / USES									
Other Financing Sources	$761,737	$93,243		$377,165		$4,634,382	$0	($4,634,382)	-100.0%
Other Financing Uses	($769,264)	($176,285)		($268,025)		($190,632)	($100,000)	$90,632	-47.5%
TOTAL OTHER FIN. SOURCES / USES	($7,527)	($83,042)		$109,140		$4,443,750	($100,000)	($4,543,750)	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	$4,925,266	$3,241,536		$514,144		$2,616,286	($2,765,225)	($5,381,511)	
BEGINNING FUND BALANCE	$6,027,967	$10,953,233		$13,780,272		$14,959,373	$17,575,659	$2,616,286	
AUDIT ADUSTMENTS TO FUND BALANCE	$0	($414,497)		$664,957		$0	$0		
YEAR END BALANCE	$10,953,233	$13,780,272		$14,959,373		$17,575,659	$14,810,434	($2,765,225)	
FUND BALANCE AS % OF EXPENDITURES	34%	39%		38%		39%	35%		
FUND BALANCE AS # OF MONTHS OF EXPEND.	4.07	4.67		4.56		4.73	4.25		

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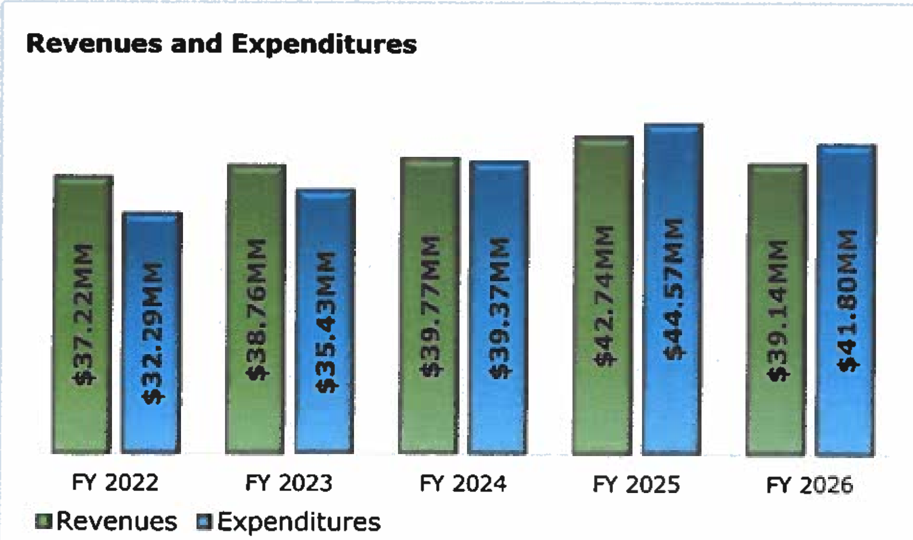
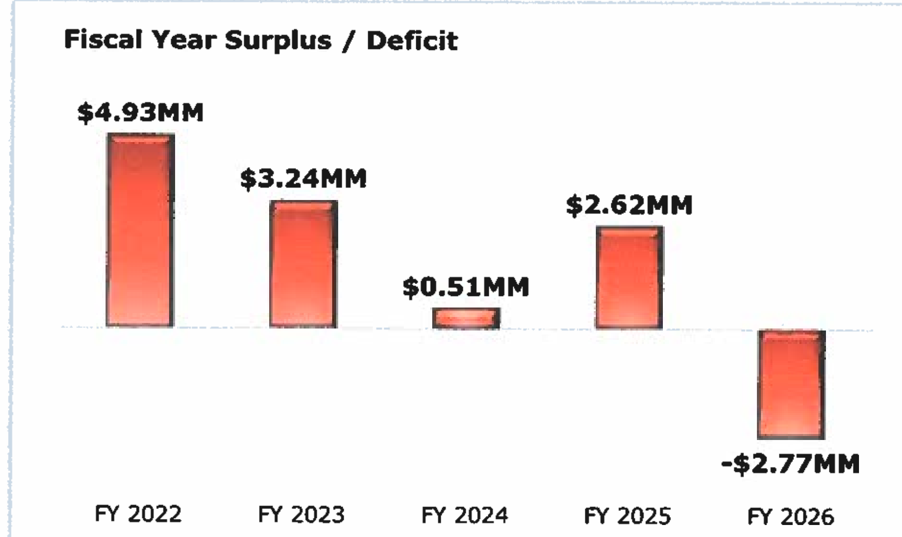
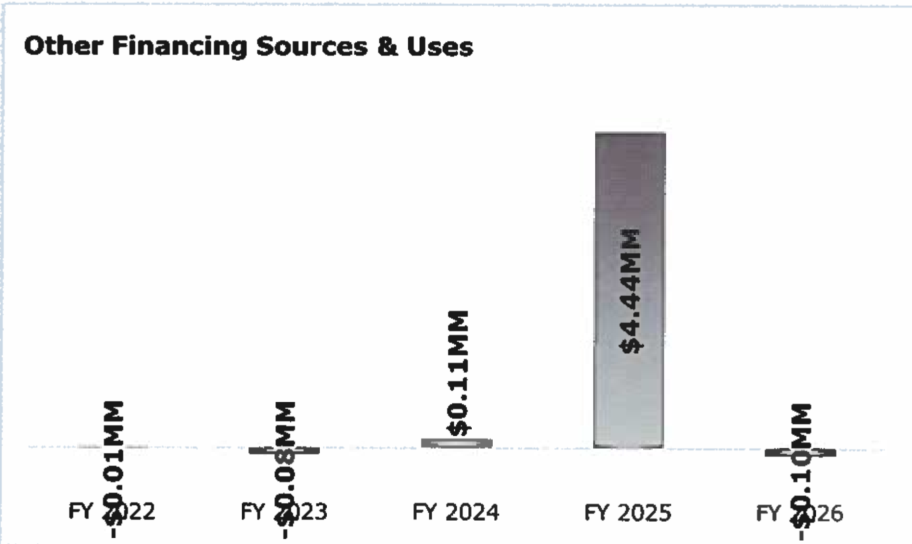
Budget Summary

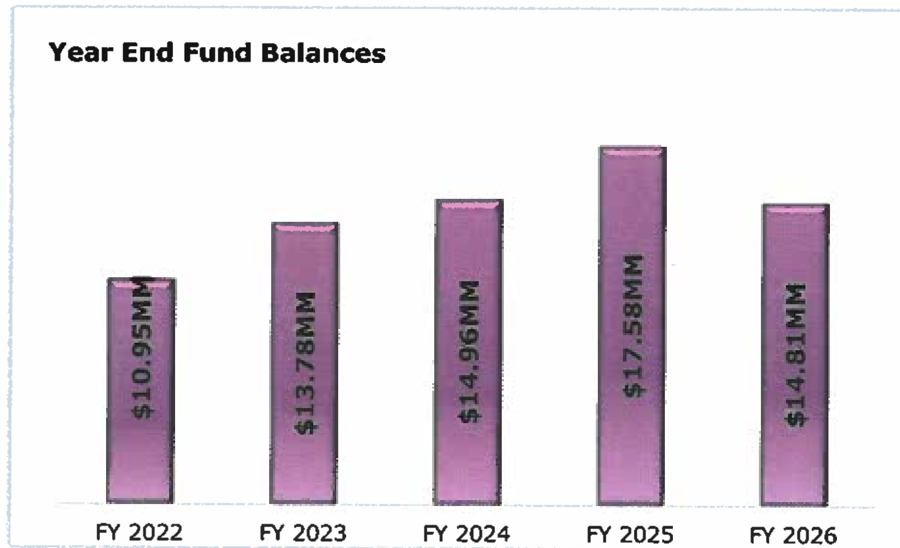
Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

Dixon USD 170









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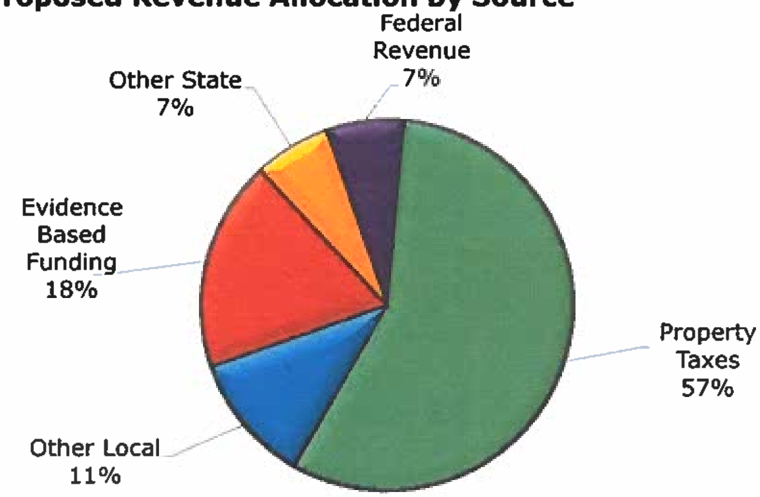
Revenue Budget Summary

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

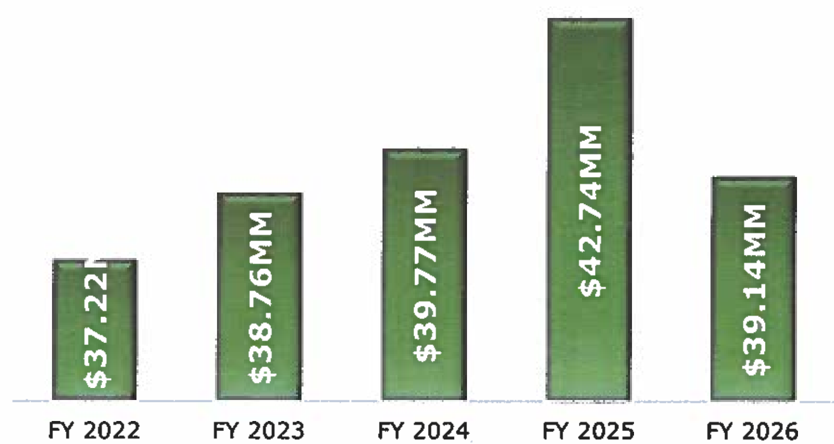
Dixon USD 170

	AFR FY 2022	AFR FY 2023		AFR FY 2024		EST ACTUALS FY 2025	TENTATIVE FY 2026	$ CHANGE	% CHANGE
LOCAL									
Property Taxes	$16,721,698	$16,641,800	(0.5%)	$18,657,873	12.1%	$20,697,516	$22,259,000	$1,561,484	7.5%
Other Local	6,922,937	8,290,198	19.7%	5,867,389	(29.2%)	4,747,855	4,449,000	(298,855)	(6.3%)
TOTAL LOCAL REVENUE	**$23,644,635**	**$24,931,998**	**5.4%**	**$24,525,262**	**(1.6%)**	**$25,445,371**	**$26,708,000**	**$1,262,629**	**5.0%**
STATE									
Evidence Based Funding	$6,711,655	$6,817,978	1.6%	$6,916,947	1.5%	$7,049,694	$7,215,000	$165,306	2.3%
Other State	2,343,976	3,113,585	32.8%	3,125,541	0.4%	2,994,704	2,572,500	(422,204)	(14.1%)
TOTAL STATE REVENUE	**$9,055,631**	**$9,931,563**	**9.7%**	**$10,042,488**	**1.1%**	**$10,044,398**	**$9,787,500**	**($256,898)**	**(2.6%)**
TOTAL FEDERAL REVENUE	**$4,522,374**	**$3,891,651**	**(13.9%)**	**$5,202,444**	**33.7%**	**$7,250,683**	**$2,640,500**	**($4,610,183)**	**(63.6%)**
FLOW-THROUGH REVENUE	**$0**	**$0**		**$0**		**$0**	**$0**	**$0**	
TOTAL REVENUE	**$37,222,640**	**$38,755,212**	**4.1%**	**$39,770,194**	**2.6%**	**$42,740,453**	**$39,136,000**	**($3,604,453)**	**(8.4%)**

Proposed Revenue Allocation by Source



Revenues (in millions)



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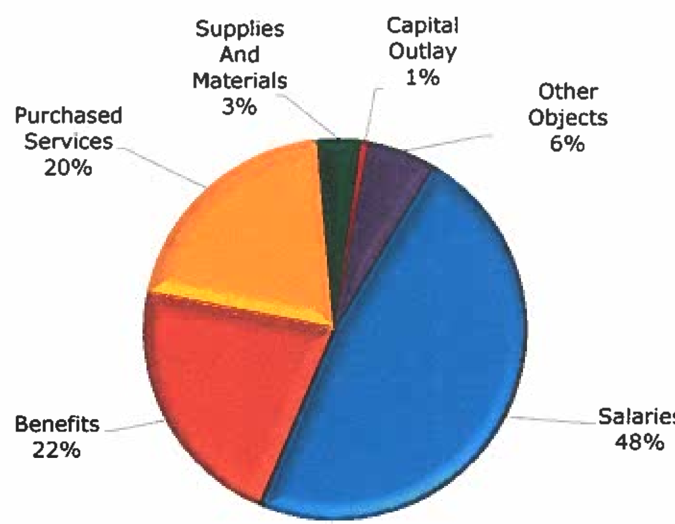
Expenditure Budget Summary

Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

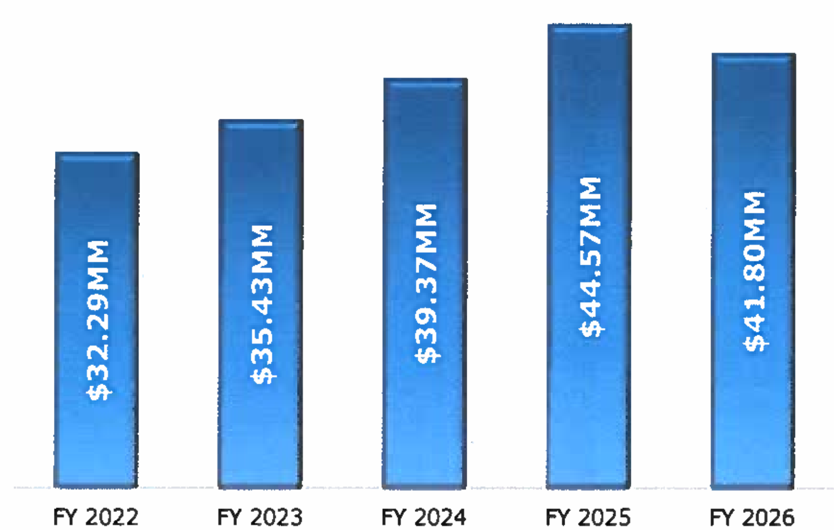
Dixon USD 170

	AFR FY 2022	AFR FY 2023		AFR FY 2024		EST ACTUALS FY 2025	TENTATIVE FY 2026	$ CHANGE	% CHANGE
Salaries	$15,267,879	$15,930,057	4.3%	$16,766,619	5.3%	$18,322,028	$19,942,100	$1,620,072	8.8%
Benefits	5,155,166	6,804,448	32.0%	7,754,388	14.0%	8,565,760	9,087,600	521,840	6.1%
TOTAL SALARIES & BENEFITS	$20,423,045	$22,734,505	11.3%	$24,521,007	7.9%	$26,887,788	$29,029,700	$2,141,912	8.0%
Purchased Services	$7,627,864	$8,137,142	6.7%	$8,577,000	5.4%	$10,551,796	$8,564,300	($1,987,496)	(18.8%)
Supplies And Materials	1,793,529	1,498,103	(16.5%)	2,265,552	51.2%	2,200,548	1,482,875	(717,673)	(32.6%)
Capital Outlay	408,411	511,180	25.2%	1,138,257	122.7%	2,462,416	315,000	(2,147,416)	(87.2%)
Other Objects	2,036,998	2,549,704	25.2%	2,863,374	12.3%	2,465,368	2,409,350	(56,018)	(2.3%)
Non-Capitalized Equipment	0	0		0		0	0	0	
Termination Benefits	0	0		0		0	0	0	
Provision For Contingencies	0	0		0		0	0	0	
TOTAL ALL OTHER	$11,866,802	$12,696,129	7.0%	$14,844,183	16.9%	17,680,129	$12,771,525	($4,908,604)	(27.8%)
TOTAL EXPENDITURES	$32,289,847	$35,430,634	9.7%	$39,365,190	11.1%	$44,567,916	$41,801,225	($2,766,691)	(6.2%)

Proposed Expenditure Allocation by Object



Expenditures (in millions)



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