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: November 13, 2025
Subject: Business Services Update

Accounting/Financial Reporting

October's ending fund balance was $69.12M, down by $4.47M from September's ending fund balance of $73.59M. The decrease was expected for this time of year as we collected only $2.46M in revenues from a variety of sources and paid out $6.93M in expenses (mainly due to three full payrolls during the month that totaled over $5.3M). October's revenues came mainly from property tax receipts ($511K), CPPRT receipts ($42K), EBF payments ($427K), net interest income ($201K), food service reimbursements ($94K), transportation reimbursements ($360K), IDEA reimbursements ($602K), title grant reimbursements ($59K), Medicaid reimbursements ($136K) and impact fees ($18K), accounting for over 99.5% of all revenues collected. Expenses were mainly due to normal school year operating expenses in the Ed Fund ($509K), O&M Fund ($135K), and Trans. Fund ($483K), Capital Projects payouts ($437K) and three regular payrolls ($5.36M), accounting for over 99.9% of all expenses paid. We typically receive large property tax distributions in June and September, and smaller ones in July, August, October, and November, drawing down reserves from October through May, until the following June when subsequent early tax receipts are collected. After receiving our second property tax installment in September, we were at our high water mark for the year ($73.6M in total fund balances), and we will use those reserves through May, as we draw down fund balances to about $48M. Our reserves were at $73.5M in October of last year and we are at $69.1M in October of this year. This $4.4M difference is primarily related to capital projects completed over the past year, including over $5.5M in roof work and solar array installations at three of our schools.

Investments/Cash Management

At the end of October, we held about $23.05M in Cash and Cash Equivalents (0-30 days), $1.24M in Short-Term Investments (30-90 days), $6.96M in Mid-Term Investments (90-365 days), and $37.87M in Long-Term Investments (over 1 year). The investment curve remains inverted for the first three years or so, then becomes upward-sloping thereafter. As it returns to normal in the near future, we will move cash and short-term investments into longer-term maturities. We are "cash heavy" right now because of our recent property tax receipts, but for now, cash and short-term rates are still a little higher so that is ok. We are currently investing about $43.97M with PFM, $16.05M with PMA, $8.26M with Fifth Third Bank and $837K with ONB. As of 10/31/25, we had no outstanding vouchers at ISBE and the State is staying on track, making payments. We are in good shape from a cash flow standpoint, and our coordinated investment program is set to realize interest earnings and investment appreciation in the current interest rate environment. We earned almost $3.8M in net investment income last year, including investment appreciation of $772K, and this year we'll earn about $3.5M in net investment income if rates hold up (we earned $236K of interest income and $35K in investment depreciation in October).

Due to the inverted investment curve, we have used cash and short-term investments to maximize interest income for a few years now. However, for the first time in almost five years, the Fed cut rates in late 2024 (by 100 bps during the 4th quarter) and they have begun doing so again in late 2025 (they made 25 bps cuts in September and October and are expected to do one more 25-50 bps cut in December). When we eventually experience an upward-sloping investment curve (probably in early 2026), we will begin investing for more extended periods and adopt a more traditional investment philosophy. The inflation report for September was supposed to come out on 10/15, but it was delayed to 10/24 because of a lack of current data due to the government shutdown (CPI and Core CPI both came in it at 3.0%, slightly lower than expected). Job reports, consumer confidence surveys and GDP growth information (all critical pieces of data used to analyze and help determine inflation) have been delayed. Investment rates are currently about 4.11% for cash and short-term investments, 3.70% for mid-term investments of around 1 year and 4.15% for long-term investments over 3 years. We earned $1.4M in net interest income in FY23, $3.1M in FY24, and $3.8M in FY25. Our level of reserves and our cash management and investment program allow us to realize substantial interest earnings and provide additional funds for operations and capital improvements.

State Legislation

The 104th Session of the Illinois General Assembly began in January (a two-year cycle), and despite a very lean budget year, there was no shortage of proposed legislation. Over 6,000 bills were introduced this past spring (~4K in the House and ~2K in the Senate) and when the session ended on May 31st, about 425 bills had passed, with about 50 relating to K-12 education, but only a few of real substance. Plugging a massive $1B budget hole while trying to maintain public services dominated the headlines this spring. Among the notable pieces of education-related legislation that made it through the General Assembly were a "partial" Tier II pension fix, teacher evaluation reform, school discipline reform, contractor limitations, and mandated categorical pro-rations. The final budget included a $307M increase for EBF ($350M was requested), a $20M increase in mandated categorical programs ($148M was requested), $0M for early childhood ($20M was requested), and $100M more for pensions and various other items (almost $400M was requested), so about $920M in additional funds was requested by ISBE, but only $430M was provided by the General Assembly…not great, but it could have been worse. The General Assembly largely supported and moved the Governor's budget this year. With the approved State budget, we are looking at significant pro-rations to mandated categorical transportation reimbursements that will equate to a loss of about $300K for us, to be partially offset by about $75K in new EBF tier funding monies.

The Fall Veto Session wrapped up on Halloween, and the big news was an RTA transit bailout, but there was no new/additional money for CPS. Except for some minor cleanup language in the teacher evaluation reform bill, the school discipline reform bill, and the suspension and expulsion reform bill, as well as the evolution of a potential second round of Tier II Pension Fix legislation (to be considered during the spring session), not much related to public education happened during the Veto Session. The General Assembly also sought to evaluate the potential impact of the Federal One Big Beautiful Bill Act on Illinois. The past six-plus years have been favorable for public education, but with the State budget expected to be sharply in the red this year and next, little new money for public education (or anything else, for that matter) is expected.

Federal Legislation

In Washington, the Federal Government shutdown officially ended last night (for now) when the House passed the CR (continuing resolution) 222-209, and President Trump then signed the bill shortly thereafter. This CR only funds the government through January (there were three separate bills approved to provide year-long funding for certain select agencies and services), and while there is no extension of the Affordable Care Act subsidies that are set to expire on January 1st, there was a promise by Republicans to hold a vote on this issue in December. All furloughed and laid-off Federal workers are back on the job as of today and back pay will be provided for the time they missed. As Federal employees return to work, we expect that operations will return to normal as early as next week. However, we do expect a delay in receiving updated economic and financial data due to the shutdown. The Department of Education will resume efforts to transfer oversight of Special Education (through IDEA) to the Department of Health and Human Services, to provide financial support to charter schools, to push for Federal school choice scholarships and to provide guidance on school prayer.

Despite the effects of the shutdown, our economy continues to chug along and has avoided massive job cuts and rapidly increasing prices that many economists feared. Despite the uncertain state of governmental affairs, the economy remained relatively healthy. Still, the threat of high unemployment and high inflation during a recessionary period, known as "stagflation", has many economists concerned and the equity and bond markets in flux. Several education issues have remained in the spotlight, including the proposed elimination of the Department of Education, funding for IDEA and ESEA, the E-Rate Program, Medicaid and NSLP funding, Title IX protections for women, School Choice scholarships, Transgender Rights 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. Still, we are probably looking at flat funding at best, and funding cuts are more likely in the near future.

Legal Matters

The WEA contract revisions are complete, the tax objection lawsuit has been settled (a slight property tax adjustment was processed this fall), and there are no Special Education Due Process Hearings underway right now. Except for some periodic personnel inquiries and one grievance in process, things are very quiet on the legal front. We are also monitoring the Social Media Class Action Lawsuit, but no other significant legal matters are pending at this time. We continue to monitor and process regular tax appeals and valuation objections for 2023, 2024 and 2025 (at PTAB and the Board of Review). Ongoing and active fund balance management should allow us to minimize (or eliminate altogether) any future excess accumulation objections. However, ongoing assessment appeals occur throughout the year. They must be addressed regularly with the help of the Lisle Township Assessor, the DuPage County Board of Review, and our legal counsel (we have nine so far this fall).

Economic Trends

Year-over-year inflation (CPI) stayed slightly elevated at 3.0% in October, after coming in at 2.9% in September. November's report is delayed because of the Government Shutdown. The June 2022 CPI of 9.1% was the highest in over 4 decades and well above the Fed's desired 2.0%-2.5% target range. Year-over-year core Inflation decreased slightly to 3.0% in October after coming in at 3.1% in September. The trend of Core CPI exceeding Full CPI has now been broken. The Fed cut rates by 25 basis points in both September and October, after cutting rates by 100 basis points in late 2024. With the Overnight Lending Rate now at 3.75%-4.00%, we still expect one more rate cut in December, probably totaling 25-50bps, with another 25-50bps of cuts in 2026 and 25-50bps of cuts in 2027. That would drop the Fed Funds Lending Rate to about 3.00%-3.25% (their target range). GDP is expected to grow minimally this year by about 2%, but each month the shutdown continues, the GDP Growth declines by about .15% to .20%. Unemployment is expected to increase slightly to around 4.5%-4.75% (it is at 4.4% now), and CPI and Core CPI are hopefully expected to settle in at around 2.75% in 2025, 2.50% in 2026 and 2.25% in 2027. The Fed has set the Base CPI and Core CPI targets at 2.0% to 2.5%. Still, the government shutdown, tariffs, and pending trade wars, coupled with a soft job market and a potentially recessionary economy, could lead to a time of rising prices during a stagnant economy and increasing unemployment ("stagflation").

Student Transportation

The severe shortage of bus drivers and bus monitors that we experienced in October has subsided somewhat, but there is still definitely a shortage. However, things do appear to be slowly getting better and we noted a decrease in late routes, missed bus stops and parent complaints the past few weeks. This critical shortage was not isolated to the Westmont Terminal, and in checking with other CSBO's throughout the region, everyone (not just First Student customers) has been dealing with staffing challenges this fall, and some have been worse than ours. We have not seen these issues as much with Sunrise (our Special Ed Transportation service provider), as many of their vehicles don't require a CDL to drive, and these challenges largely appear to be concentrated in the regular student transportation service area. We are trying to work with First Student to address these shortages and find ways to work around the manpower gap, but the reality is that we have had far too many buses running late, missing stops, and in general not providing the level of service we would expect. We are using liquidated damages wording in our contract to recoup some costs for the problems encountered, but in the end, we would much rather have the routes running properly and not have to take these credits.

Technology

Josh and I met recently with our E-Rate consultant (Janet Kratchovil of Innovative Solutions) to develop plans for Year 30 of the Federal E-Rate Program. We are bringing a Technology Refresh and Purchasing Plan Recommendation to the Board in November so that we can place our non-E-rate technology order in December and then our E-rate technology order in February. We also met with Sentinel Technologies and have developed a professional services agreement with them to provide isolated technology and network support to our school district on an as-needed basis. We do not expect this arrangement to result in significant costs, but if this program does incur annual costs exceeding $25K, we will bring the contract to the Board for review and approval. The IT Department has been busy preparing report cards for the first trimester, setting up Parent-Teacher Conferences, and keeping our Chromebooks up and running for students and staff. Josh and his team have done an awesome job over the past year and a half and we really appreciate all of their efforts!!!

Utility Management

As we approach winter and the expected increase in natural gas costs, we are working with our Energy Purchasing Cooperative (the IUPC) to manage our natural gas supply and hopefully minimize those increases. This fall, we are also finishing installation of the solar arrays at Goodrich, Meadowview and Edgewood, and we hope to have them up and running (and delivering energy back into the grid) during the first quarter of 2026. We also renewed our Demand-Response contract with NRG Energy recently, which generates about $40K in annual rebates (we had our test event in late June and we exceeded all reduction targets) and we filed for additional IRS Federal Tax Credits of about $250K for our Phase I solar projects. Electricity costs will continue to rise significantly in 2026, due primarily to increasing PJM capacity charges, and 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 PJM capacity charges, while also minimizing our carbon footprint and being environmentally responsible. When all is said and done, we expect to generate almost 100% of our electricity needs once these final three solar arrays are installed. We are looking at about $250K in annual electricity savings in 2026 and beyond!

Employee Benefits

We just completed our annual Flu Shot Clinic and we had a good response with almost 100 staff members getting flu shots. Our preliminary renewal information should be known in late January, and there is a lot of uncertainty in the market right now as the Federal Affordable Care Act health insurance marketplace subsidies are set to expire at the end of December. This has been a key point of contention in the Federal Government Shutdown, and it remains to be seen how the potential expiration of these subsidies might impact our regular health insurance premiums and renewal. BenefitsSolver is now up and running for all staff year-round, and we are planning for our Empower Health Biometric Health Screening (set for February/March). As we had over 300 people screened this past year (up from 100 the prior year) we will be able to have an individual screening date at each school this spring. We also recently held a 403(b)/457(b) committee meeting and verified that the changes made to the program and the investment providers added last year have been well received by our staff. Finally, we are preparing to roll out a new Employee Wellness Program this year with the help of our newly formed Wellness Committee and we have several surveys planned and activities being developed. Our comprehensive employee benefits program is a key factor in attracting and retaining new and existing staff. A big thanks goes out to Kayla Araiza, Michelle Swanson, Sharon Maloney, and the entire Wellness Committee for working to put this program together and provide additional savings for our staff and the school district.

Food Services

The new food service program with Quest Foods has been a big hit, and we continue to see student participation, for both free/reduced students and pay students, exceed expectations. We have started the student taste testing and food survey feedback program (two schools had their first taste testing event and two more are scheduled for before Winter Break) and the feedback so far has been great! Where we had been serving about 125-150 breakfasts and 400-600 lunches on a typical day last year, we are now seeing participation rates as high as 275-310 breakfasts and about 1,100-1,250 lunches on some days… and the numbers continue to grow! Whereas we had participation rates of about 10% (paid students) and 25% (free/reduced students), we are now at about 16% (paid students) and 40% (free/reduced students), with a goal this year of reaching 25% and 50% participation☺! We are focusing on ways to increase student interest and participation and improve menu options and meal variety, while staying as cost-effective as possible for our students and staff. I would like to thank Michelle Swanson for all of her hard work to complete the RFP process, manage the selection process with ISBE, coordinate the start-up with our new food service vendor and lead us to what we hope will be a good working relationship with Quest and a better food service product and program for our students and staff.

Custodial and Maintenance Services

Kyle Hanson hit the ground running as our new Director of Buildings and Grounds this summer and he is doing an awesome job! We finished our summer cleaning ahead of time and our custodial crew is fully staffed. We also completed significant maintenance work, including painting, technology installations, room renovations and room moves over Summer Break. Kyle and Grant are doing a great job managing and maintaining our staff despite the tight labor market and they have kept up on our construction projects (especially the solar array installations and playground replacements that are ongoing in October and November) while also beginning planning for our Summer of 2026 work program. Bids for that work were finalized at the end of October, put out to bid in early November, and will hopefully be brought to the Board for review and approval in December. We would then execute contracts and begin scheduling that work in early 2026 with support from Wight and ICI. The custodial and maintenance staff have done an excellent job this past year, and our buildings have received compliments from students, staff, and visitors alike. We are preparing for the winter "cold and flu season," and we will provide extra deep cleaning of any identified "hot spots" in our schools this winter. We really do appreciate all of their ongoing efforts to keep our buildings and grounds safe, clean and looking great!

Construction and Capital Improvements

We are managing this summer's construction work through closeout and have had no major setbacks or significant delays. The only projects still in process are the Meadowview Playground Renovations and the Phase II Solar Array Installations. Our summer construction work started on June 2nd and was substantially complete by August 8th. This work included miscellaneous HVAC work, related electrical work, locker painting, roof work, window treatments and landscaping upgrades, all costing about $1.5M, as well as solar array installations and related roof work at Edgewood, Meadowview and Goodrich that will cost about $5.75M and playground replacements at Goodrich and Meadowview that will cost about $250K. We will therefore have completed about $7.5M of work this summer and fall at an anticipated cost of about $6.75M. We spent about $21.8M on $25M of budgeted work during our first CIP cycle (2017-2021), about $11.6M on $13.7M 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). Next summer, we expect to complete a handful of miscellaneous projects totaling about $ 1.5 M.

Risk Management

With the recent approval of our SELF Worker's Compensation Insurance Policy in June, along with our ongoing SSCIP Property/Casualty/Liability Insurance Policy that renews in January (both are administered by AJ Gallagher and Gallagher Risk Management), we are currently in very good shape from a risk management/insurance coverage perspective. We are also installing the Crisis Go critical incident notification system this fall. We have two very stable insurance cooperatives in place that maximize coverage while minimizing cost. Both the SELF and SSCIP cooperatives are running very well and are financially sound. I just wrapped up my first year as Chairman of the SSCIP Executive Board (three more years to go ☺), and so far things have gone very well. We continue to implement proactive management practices and achieve excellent claims experience across both insurance cooperative programs. Although both insurance markets have been relatively complex and seen larger-than-normal increases in recent years, we have received very competitive renewals for both programs. We expect that trend to continue in the future despite the complex insurance market. Finally, we are actively managing our funds to ensure we don't develop balances susceptible to excess accumulation claims.

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