

Prepared by Dr. Jeffrey Alstadt

Fiscal Year 2026 Budget Update and Future Outlook

Background

As part of the Approval of Authorization to Publish Notice of Public Hearing for the FY26 Amended Budget agenda item, the following budget update will be presented.

Budget Status and Current Priorities

The District is preparing for a June Public Hearing regarding the Amended Budget for Fiscal Year 2026. While the current cycle reflects deficit spending, this was a strategic decision to utilize our fund balance to manage the significant impact of rising insurance premiums, scheduled salary increases, and broad inflationary pressures across all expenditures. This investment in our human capital and operational stability ensures the District remains strong as we bridge the gap toward long term revenue goals.

- We recognized during the budget development process that the District would be utilizing a portion of the fund balance to maintain competitive benefits for our staff in the face of rising insurance premiums.
- While the budget reflects deficit spending to cover these compounded costs, this is a calculated investment in our human capital and the continuity of district services.
- The District remains in a stable financial position as we transition into the next planning cycle.

Fiscal Priorities for the 2026-2027 School Year

As we move into the next school year, we are transitioning from a period of rapid acquisition to a phase of high level stewardship. By leveraging purchases during the grant funded window, we can maintain a modern educational experience while reducing new expenditures.

- Implementing standard operating procedures across all departments will further ensure that every dollar is aligned with systematic efficiency.
- Administration is shifting focus toward maximizing current resources following the significant investments made during the ESSER funding period.
- We are refining our approach to supplies and professional services by prioritizing the high quality materials and tools already acquired.
- Our goal is to ensure we are fully utilizing existing inventories and current service agreements to maintain excellence while being mindful of expenditures.

Strategic Long Term Planning

Our long term success is built on creating a proactive five year forecast model that provides a clear roadmap for fiscal sustainability. This framework allows us to balance increases in employee compensation and benefits with disciplined spending and department wide efficiencies. By looking several years ahead, we can make informed decisions today that will eventually return the District to a surplus position.

- We are developing a comprehensive five year forecast model to provide a clear roadmap for our fiscal future.
- This model will help the District balance the recent one million dollar increase in salaries and benefits with sustainable spending reductions in other areas.
- Staffing levels will be fully utilized to ensure that internal expertise is leveraged across all buildings and departments.
- These fiscal responsibility systems are designed to transition the District back toward contributing to the fund balance in the coming years.

Community Partnerships and Revenue Growth

Expanding our revenue base through regional cooperation remains a key component of our ongoing strategy. The potential county wide sales tax initiative offers a sustainable way to fund facilities and infrastructure without increasing the burden on local property owners. We are proud to collaborate with neighboring districts to advocate for reliable funding that will keep our buildings in top condition for years to come.

- We continue to collaborate closely with neighboring local school districts regarding the potential one percent county wide sales tax.
- This initiative represents a significant opportunity to secure a consistent and sustainable revenue stream for our facilities and infrastructure.
- Strengthening our ties with local partners ensures that our District remains a leader in regional educational planning.

Looking Ahead

The District is at a pivotal moment, replacing temporary support with permanent fiscal discipline and improved operational systems. While the current deficit was a necessary step to support our workforce, the systems we are building now will ensure our long term financial health. We remain dedicated to a process driven philosophy that guarantees consistency and excellence for our students and the community.

- The outlook for Streator Elementary School District 44 is positive as we move away from temporary grant funding toward a more sustainable local model.
- We are confident that the improvement of our internal systems and the commitment to process driven operations will yield long term financial health.
- Our focus remains on providing the best possible educational environment for our students while serving as responsible stewards of community resources.