

TO: Board of Education
FROM: Joel Filas, Chief School Business Official
DATE: August 11, 2025
RE: Business & Operations Report

FY26 Budget

The preliminary Budget for FY 26 will be presented at the August Board Meeting as part of the statutory requirements of the Budget Adoption process. After the preliminary budget is presented, we must place it on display for 30 days. The final hearing will take place at the September 15 Board meeting. The Finance Committee will meet shortly after the initial presentation to review the preliminary budget and authorize any changes before the final budget presentation.

Transportation

First Student has created the preliminary bus routes for the 2026-2027 school year. They are currently in the testing stage, and once our buses go through their practice runs, we will disseminate to parents. This process should be completed by August 15.

Transportation-Related MCAT Reimbursements

In Illinois, Mandated Categorical Programs (MCATs) are specific state-funded programs that provide financial support to school districts for certain mandated services. The State reimburses the District for costs related to providing student transportation at a maximum of 80 percent of a district's allowable costs for transporting eligible students. Districts are reimbursed quarterly for their claims against prior-year expenses.

The "Special Education Transportation" reimburses school districts and special education cooperatives a portion of the costs incurred to transport students with disabilities who have special transportation needs, and the "Regular/Vocational Transportation Program" reimburses school districts and vocational centers a portion of the costs incurred in transporting students who reside more than 1.5 miles from the school attended or less than 1.5 miles where conditions are such that walking constitutes a serious safety concern due to a vehicular hazard as determined by the Illinois Department of Transportation.

Unfortunately, funding limitations have resulted in the proration of MCAT payments by ISBE in recent years. The following table from January's State Budget illustrates the degree of proration for various MCAT lines for FY 2022 through FY 2025:

Table 2: MCAT Proration Level History

Program Name	FY 2022	FY 2023	FY 2024	FY 2025
Transportation – Special Education	100%	81%	71%	69%
Transportation - Regular/ Vocational	95%	80%	85%	79%
Special Education - Private Tuition	81%	98%	91%	77%
Special Education - Orphanage	100%	100%	100%	100% (est.)
Illinois Free Lunch & Breakfast	28%	35%	33%	32% (est.)
Regular Orphanage 18-3	100%	100%	100%	100% (est.)

As the chart above reveals, the District had expected to receive just 69% of the reimbursement rate of the Special Education Claim and 79% of the regular education transportation reimbursement. Unfortunately, the most recent legislative update provided by IASBO reports that both claims will be reduced by an additional 8%, bringing the final proration to 71% and 61% respectively. This represents a loss of approximately \$110,000 in State Funding for transportation expenditures.

Audit

The District's Audit is currently in the final fieldwork stage. The Business Office and Auditor's trial balance matches to the penny, so there should not be any delay in the report scheduled for October. Once again, the Business Office must acknowledge the strong coordination between Marquitta, Leslie, and our building-level teams (Kim, Kerri, Amy, and Margaret) for the efficiency in reporting our financial information.

A LOOK AHEAD

September Board Meeting:

- FY26 Final Budget Adoption

Respectfully submitted,

