January 2026 BusineSS Report BY MARC CAMPBELL

Illinois Education officials brace for lean fiscal year ahead – *December 17, 2025*
Written by: Peter Hancock for Capital News Illinois and Distributed Online by IASA through Eye on Education Email Listserv at;
https://capitolnewsillinois.com/news/illinois-education-officials-brace-for-lean-fiscal-year-ahead/

State board preparing budget request amid growing demands, flat revenue forecast

Article Summary

- The Illinois State Board of Education plans to propose a modest budget to lawmakers this year in tight fiscal times, according to the state's education superintendent.
- For the current fiscal year, spending on elementary and secondary education is expected to total just under $11.2 billion, or about 20% of the state's entire $55.1 billion General Revenue Fund Budget.
- The board will outline its official request next month before the governor's February budget address.

  This summary was written by the reporters and editors who worked on this story.

SPRINGFIELD – Illinois Superintendent of Education Tony Sanders cautioned members of the State Board of Education Wednesday not to get their hopes up for any big increase in K-12 school funding next year.

With economic forecasts projecting little or no growth in state revenues over the next year and growing demands for increased spending in other areas of state government, Sanders said the budget proposal he plans to bring to the board in January is likely to be modest.

"I just want to level set for the board that as we bring in our budget proposal asking for an increase in education funding, it's coming at a time there's a lot of other fiscal pressures on state government," Sanders said. "So we're keeping that in mind in our preparation."

Sanders' comments came after the board heard a briefing on the state's financial outlook for the year ahead as well as summary of all the requests the agency has received for increased funding.

For the current fiscal year, spending on elementary and secondary education is expected to total just under $11.2 billion, or about 20% of the state's entire $55.1 billion General Revenue Fund Budget.

Officials from the Commission on Government Forecasting and Accountability, the nonpartisan fiscal staff of the General Assembly, told the board that economists are expecting weak job growth in the year ahead. They said that's due in part to economic disruptions brought on by President Donald Trump's tariff policy.

They also said lower interest rates could result in reduced revenue for the state. And there is great uncertainty about how much money the state can expect to receive from the federal government due to changes in federal budget policies.

"So, the bottom line overall is that without notable growth expected in the state's primary resources, and with no significant one-time revenue streams on the horizon, … a relatively stagnant revenue outlook probably should be anticipated this fiscal year," COGFA's revenue manager Eric Noggle said. "So it's not the best news for fiscal year '27."

Education funding in Illinois

Under the Evidence-Based Funding plan that lawmakers passed in 2017, K-12 education spending is supposed to increase by at least $350 million each year, with the new money targeted to the most underfunded school districts.

That includes $300 million for direct educational expenses and $50 million for property tax relief grants in high-tax districts.

But the K-12 education budget also includes funding for costs outside the EBF formula, known as "mandated categorical" expenses. Those include transportation costs, special education expenses and funding for the state's free lunch and breakfast program.

Due to budget limitations, for the last several years the state has funded only a prorated portion of those costs, leaving local school districts to pay the remainder out of their own revenues.

For the current fiscal year, the state budgeted to spend $1.17 billion for those mandated categorical expenses. But Andy Krupin, ISBE's director of funding and disbursements, said preliminary estimates show it will take an additional $151.5 million next year just to keep the state's prorated percentage of funding the same.

Wednesday's briefings were just a preview of the official budget request that Sanders will present to the board at its next meeting Jan. 14. That request will be submitted to Gov. JB Pritzker, who will take it into consideration as he prepares an overall budget proposal that he will submit to the General Assembly in February.

Despite mounting budget pressure, graduated income tax remains political longshot - *January 5, 2026*
Written By: Brenden Moore for Capital News Illinois and Distributed Online by IASA through the Eye on Education Email Listserv at: *https://capitolnewsillinois.com/news/despite-mounting-budget-pressure-graduated-income-tax-remains-political-longshot/*

Gov. JB Pritzker backs the idea in principle but says it's not a 2026 priority

Article Summary

- JB Pritzker is not making a graduated income tax a priority in 2026, despite backing the idea in principle and mounting budget pressures.
- Democratic lawmakers have introduced proposals to put a progressive tax amendment on the ballot, citing a growing structural deficit, federal cuts under the Trump administration and hopes of delivering tax relief to the middle class.
- Illinois faces a multibillion-dollar budget shortfall in coming years, renewing debate over tax reform options after voters rejected a graduated income tax in 2020.
- This summary was written by the reporters and editors who worked on this story.

SPRINGFIELD — When a progressive Chicago alderperson scolded Gov. JB Pritzker in November over his opposition to Mayor Brandon Johnson's failed proposal to tax large corporations $21 per employee, Illinois' billionaire chief executive was quick with a retort defending his progressive bona fides.

"What we need is a progressive income tax, a graduated income tax in this state," Pritzker told Chicago Ald. Byron Sigcho-Lopez, a democratic socialist who confronted him following a Veterans Day commemoration in Little Village. "You know that I've worked very hard to get that passed."

Pritzker poured $58 million into the 2020 campaign advocating for a change in the state constitution to allow for an income tax structure that would charge higher rates for higher levels of income.

For nearly six decades, Illinois' had a flat income tax that charges one rate each for individuals and corporations regardless of income level. But Illinois voters ultimately rejected the proposal to change it, leaving the tax rate at 4.95% for individuals. It only received 46% support, far below the threshold needed to change the state constitution.

In the years since the flameout, Pritzker and Democrats who control the state legislature have mostly shied away from the cause — all while managing to balance the books under the existing tax structure, largely thanks to a strong economy and federal aid in the years after the pandemic.

There are signs, however, that the state's chronic fiscal challenges are reemerging and likely to be exacerbated by federal policy changes enacted by the Trump Administration. Despite this, it appears the graduated income tax will also be off the table as a remedy, at least in 2026.

Pritzker, who put the "fair tax" at the center of his 2018 gubernatorial campaign and served as its chief champion during the failed 2020 referendum campaign, told reporters in November that putting the question on the ballot is "not something that's been a priority for me going into the next session."

"I think it's something that is being talked about by members of the General Assembly — we'll have to see if it gets proposed," Pritzker said, reiterating his belief that "a graduated system is better than a flat tax system."

Pritzker is running for reelection in 2026 and is widely viewed as a potential Democratic candidate for president in 2028.

Renewed push

While Pritzker isn't putting it at the top of his agenda, some Democrats in the legislature would like to again place a graduated income tax question before the voters.

State Sen. Rob Martwick, D-Chicago, introduced legislation in both 2023 and 2025.

The first was a lone-wolf effort that did not get called before the 2024 election. But Martwick has 17 co-sponsors on his current resolution. And similar legislation in the House, filed by state Rep. Abdelnasser Rashid, D-Bridgeview, has more than two dozen co-sponsors.

The deadline for lawmakers to pass a resolution to place an amendment on the 2026 ballot is May 3.

"I feel like there is this huge appetite for some sort of restructuring of our tax system to make it less regressive (and) to provide relief to middle and working class people," Martwick told Capitol News Illinois.

Republicans and the state's business community have long opposed the idea. The 2020 initiative was in part torpedoed by a relentless $60 million ad campaign that was mostly funded by billionaire Ken Griffin, the state's wealthiest resident at the time.

From a policy perspective, a graduated income tax structure is one of the easiest ways to rectify the state's chronic structural budget deficit while simultaneously shifting the tax burden to its wealthiest residents, advocates say.

Those points have been reinforced this year amid fallout from President Donald Trump's One Big Beautiful Bill Act, which granted significant tax relief to the country's top earners while slashing social spending that states like Illinois have relied upon to balance their budgets.

According to the governor's budget office, the state is facing a $2.2 billion budget deficit next fiscal year — a number that could grow to more than $5 billion by 2031. The numbers are based on current law, meaning they assume no new spending or tax increases.

Changes enacted in Trump's signature law — such as a requirement that states spend more on the Supplemental Nutrition Assistance Program and reductions to Medicaid — could exacerbate the state's fiscal issues.

'The party's over'

When the graduated tax amendment failed in 2020, Pritzker lashed out at Republicans and the business community, declaring state tax policy "at a crossroads" and warning "there will be cuts, and they will be painful."

.But with boosts from federal stimulus funds and increased tax receipts spurred by post-pandemic economic activity, Pritzker and state lawmakers have been able to enact balanced budgets in all but one of his seven years in office, with COVID-impacted 2020 the outlier. And the state has paid off a backlog of bills that had ballooned to more than $16 billion during the height of a state budget impasse a decade ago.

But that boon is over. The past two years, lawmakers had to enact a series of tax hikes and other revenue enhancements to keep the budget balanced.

"The party's over," Ralph Martire, the executive director of the Center of Budget and Tax Accountability, told Capitol News Illinois. "And the party's over because Illinois' long-term structural problems in their fiscal policy have never been resolved. So the state's tax policy doesn't work in a modern economy."

Martire's organization has long advocated for restructuring the state's tax policy, including broadening the sales tax base to include services like haircuts and lawn care. It has also advocated for a graduated income tax structure.

He argues it is simple math — the state needs to capture revenue in growth areas. And in the decades since Illinois enacted an income tax, income has increased most among the state's wealthiest residents.

"That's the textbook way," Martire said. "The ideal thing to do would be to amend the constitution to permit a graduated rate structure. But what you also don't want to do, because there's been some advocates of this, is put that rate structure in your constitution."

Another proposed amendment being floated by former Democratic Gov. Pat Quinn would place a 3% surcharge on income over $1 million. The tax would raise an estimated $4.5 billion and be set aside for property tax relief. Quinn's effort comes after 61% of Illinois voters signaled support for the idea when asked in an advisory referendum question on the 2024 ballot.

"We have an upside down tax code right now," Quinn told reporters in November. "We give all kinds of tax breaks to millionaires, and we have higher property tax bills for everyday people, and that's not the way to go if you want to have a fair society that emphasizes home ownership and affordability and also emphasizes the proper way to fund education."

Quinn's populist approach to policymaking has not always been warmly received by state lawmakers, but he insisted that his idea can pass as "it's a little easier to understand the millionaire amendment than the question that was put on the ballot in 2020."

Like the graduated plans already proposed, Quinn's plan would have to receive three-fifths support in the legislature to get on the 2026 ballot.

State Rep. Natalie Manley, D-Joliet, filed legislative language for a millionaire's tax last year. Her proposal, which does not have any cosponsors, differs slightly from Quinn's as revenue raised would be split evenly between property tax relief and education funding.

Lawmakers could also take an approach that wouldn't require a constitutional amendment. This would involve raising the flat income tax rate while also upping refundable tax credits for low- and middle-income taxpayers.

Illinois currently has an earned income tax credit available for people earning up to about $67,000. The state also offers a child tax credit to those who qualify for the state EITC who have at least one dependent child. Such credits have been found to stand up to state constitutional muster.

Martwick said that would be "an acceptable Plan B," but thinks "we should always try for the best policy first."

"And I think that would be a constitutional amendment that provides a really good, well thought out, structured plan that allows everyone to contribute and have skin in the game, but in a way that allows everyone to thrive and isn't overburdening one segment over another," Martwick said.

Income tax origin

Illinois' first income tax was enacted in 1969. It was championed by Republican Gov. Richard Ogilvie as a way to plug a budget deficit, reduce reliance on sales and local property taxes and to increase funding for education.

Ogilvie originally proposed a flat 3% to be charged across the board. But state lawmakers eventually settled on 2.5% for individuals and 4% for corporations — a compromise forged with Chicago Mayor Richard J. Daley in exchange for Democratic votes.

The flat rates were necessary to comply with the uniformity clause of the state's constitution.

When a convention was held in 1970 to create a new constitution, the tax was so new that delegates' focus was enshrining it into the new document — not messing with the rate structure.

As such, delegates adopted language permitting one rate for individuals and one for corporations.

The individual rate hovered between 2.5% and 3% until 2011, when state lawmakers enacted what was billed as a temporary increase to 5% to help fill a budget deficit and pay down overdue bills. The rate reverted to 3.75% in 2015. But it was permanently raised to 4.95% in 2017 when legislative Democrats and a handful of Republicans overrode a veto from then-Gov. Bruce Rauner to end a more than two-year state budget impasse.

The state's corporate tax was temporarily raised from 4.8% to 7% in 2011. It went back down to 5.25% in 2015 before being permanently raised to 7% in 2017. Businesses also pay a 2.5% personal property replacement tax, which makes the effective rate 9.5%.

How does the Illinois Lottery support the state's education system? - *January 6, 2026*

Written By: Carole Sharwarko for Lansing Journal and Distributed by IASA Online through Eye on Education Email Listserv at: https://thelansingjournal.org/2026/01/06/how-does-the-illinois-lottery-support-the-states-education-system/

LANSING, Ill. — A reader of The Lansing Journal recently contacted us, wondering about the effectiveness of a decades-old promise to direct Illinois Lottery proceeds to support the state's education system.

We looked into this arrangement, one touted by the Lottery and debated by detractors, to understand what the money means for Illinois schools and respond to our reader. We found that getting a clear answer to this question seems about as easy as winning the Powerball.

While proceeds from the Illinois Lottery are directed into the state's central education fund, the money doesn't necessarily equate to better desks and new books, and it represents only a fraction of the cost to educate Illinois schoolchildren.

Looking Into Lottery Numbers

Since 1985, the Illinois Lottery has contributed more than $25.8 billion in revenue to educational funding in Illinois, according to IllinoisLottery.com. After operating expenses and winner payouts, proceeds from lottery sales are deposited into the Common School Fund, which supports public education for Illinois students in kindergarten through 12th grade.

In fiscal year 2024, Illinois Lottery expenditures broke down this way, according to Illinois Office of Comptroller records:

- $877 million transferred to the Common School Fund
- $630 million paid out in prizes

- $376 million used for operational expenses

Generated only by number-pickers and ticket-scratchers, an $877 million contribution feels significant, but there's more to the story.

Fraction of Education Cost

The relative amount of funding derived from Illinois Lottery proceeds is small when compared to the total amount of funding required serve the state's 1.85 million students at more than 4,400 public schools elementary and secondary schools. The Illinois Lottery website says $11 billion was allocated for state education funding in 2025, with lottery money representing 7% of that total.

The total financial contribution to Illinois schools increases significantly when you consider federal money and one of the biggest funders — property taxes. According to an article from the Illinois Association of School Boards, in fiscal year 2021, running the state's public schools that year required a total of $45.6 billion in state, federal and local revenues. That year, the Illinois Lottery contributed $762 million to the Common School Fund.

Money In, Money Out

Dollars spent on lottery tickets aren't always heaped onto the education funding pile, as Illinois Lottery players might imagine. Reporting from WBEZ Chicago found that lawmakers sometimes opt to allocate less funding to schools based on the lottery contribution in a sort of funding "shell game."

Think of it this way: Your parents give you $10 as a weekly allowance. One day, your aunt comes to visit and gives you $5. That week, your parents give you $5 for allowance. You were only expecting a total of $10, they say, and your aunt already gave you $5. Now they can spend that $5 on something else.

That's what Illinois legislators often do, only in the millions of dollars. In those budget years, lottery revenue doesn't represent a net increase to educational funding, but a tool to buoy it along.

Funding Teacher Pensions

It's fun for lottery players to think they're supporting students, and they're not wrong.
However, in addition to supplies and supports, the Common School Fund covers just about everything needed to operate the Illinois public school system, and a large part of it is allocated toward pensions.

In fiscal year 2025, the state paid $6.5 billion into the Teachers' Retirement System (TRS), according to online data from the Illinois Comptroller's Office. Pension amounts are calculated based on an employee's salary while they were working.

"The annual salary for public school teachers varies greatly depending on location, years of experience, level of education, and financial resources of the district," says the website IllinoisReportCard.com. It lists $78,500 as the average Illinois teacher salary in 2025.

Most public school principals and superintendents are also part of the TRS. Using the most recent data available, in August 2025, the Illinois Association of School Boards reported the average salary for superintendents in Illinois is $211,132. The average salary for principals is $144,209.

Illinois Groups Sue US Department of Education After $18M in Grants Cut in Middle of School Year – January 7, 2026
Written by: Blake Thor for WTTW News and Distributed by IASA Online through Eye on Education Email Listserv at; https://news.wttw.com/2026/01/07/illinois-groups-sue-us-department-education-after-18m-grants-cut-middle-school-year

Students at 32 Illinois Full-Service Community Schools returned from winter break to major changes, after 708 school programs were discontinued and 277 staff were laid off beginning in mid-December.

The cuts followed the U.S. Department of Education's termination of $168 million in federal grant funding for Full-Service Community Schools, or FSCS.

ACT Now, which provides school programming across Illinois, was slated to receive $18 million in 2026 and $37 million over the next two years. ACT Now has filed a federal lawsuit against the Department of Education, arguing the grants were illegally discontinued.

"This action challenges an unprecedented and unlawful decision ... to discontinue two previously awarded, multi-year federal grants based not on grantee performance, statutory criteria or regulatory standards, but on perceived misalignment with the current Administration's policy preferences and priorities," the suit reads.

ACT Now sought a temporary restraining order on the grant cuts, which could have kept funding flowing temporarily. That request was denied.

ACT Now Executive Director Susan Stanton said the organization has received no explanation from the Department of Education or the Trump administration for the cuts.

"We still don't have very definitive reasons as to what happened," Stanton said. "The grants were terminated without citing any specific activities we participated in or what we would've violated."

A Department of Education official, Madi Biedermann, wrote that the funds were being reinvested into programs that better align with Trump administration priorities, arguing that FSCS programs foster DEI principles.

"The Trump administration is no longer allowing taxpayer dollars to go out the door on autopilot — we are evaluating every federal grant to ensure they are in line with the Administration's policy of prioritizing merit, fairness and excellence in education," Biedermann wrote.

Biedermann wrote that some FSCS programs use "overt race preferences."

The Brighton Park Neighborhood Council, which uses FSCS grants for programming at Curie Metro High School on Chicago's Southwest Side, has filed its own lawsuit.

The council is arguing that, because the funds have already been appropriated by Congress, they cannot be unilaterally discontinued in the middle of the school year.

BPNC Executive Director Patrick Brosnan said the Trump administration is free to change grant standards, but should adhere to the typical process for doing so.

"If the administration wants to change priorities in the future, they can work with Congress or change the rules," Brosnan said. "They didn't do either."

Brosnan also rebuked the racial preference allegations made by the Department of Education. Brosnan said the department approved BNPC's program plan with the grant and that the organization has remained in full compliance.

"(Curie) serves Latino students, it serves Black students, it serves Asian students, it serves White students," Brosnan said. "Every student at Curie is eligible for these programs. ... We just don't understand what the administration is saying when it makes its claim."

Brosnan said 500 Curie students were enrolled in programs reliant on grant funding, including ACT prep, mentoring and tutoring, civic leadership training, STEM training and English-language learning. Without continued federal funding, BNPC will have to look elsewhere to keep programming going.

"There are not a lot of resources right now," Brosnan said. "That's why these grants are so important."

The Department of Education told ACT Now it is willing to negotiate and revisit the FSCS grant, Stanton said. Those talks have not yet begun, and ACT Now is considering further legal action.

Economic News Briefs...

- ***Market and Economic Highlights:***
  - The Fed cut rates by 25 basis points in December to a range of 3.50-3.75%
  - The Fed's projections showed a median of one rate cut in 2026
  - Unemployment rose to 4.6% in November, the highest since September 2021
  - Geopolitical tensions remained elevated with U.S. strikes on Venezuela and little progress on a Ukraine peace deal
  - The year-end "Santa Claus Rally" has so far failed to materialize for U.S. stocksQ3 GDP growth

  Source: Bloomberg, FactSet
- ***November CPI Below Forecasts:*** November CPI came in at 2.7% year-over-year, below a level of 3.0% projected by a Bloomberg survey of economists. A slower rate of growth in food prices contributed to the slower pace of inflation. The cost of services contributed to the improvement as housing, transportation services and medical services all slowed from September. Reactions to the lower-than-expected CPI print have been viewed with caution as markets view the data as noisy. The timing of data collections may have skewed prices lower. Employment and inflation data will remain critical as the Fed assesses the appropriate fed funds rate in 2026.

  Sources: Bloomberg, Wall Street Journal as of 12/31/25
  Taken from the ISDLAF+ Market Update January 2026 prepared by PMA Asset Management, LLC

DPS Business Office Briefs:

- ***SMPG Grant:*** The Small Maintenance Project Grant which was approved by the Board in November has been approved by the state. Kevin Schultz will begin the process of scheduling the work to be completed. As a reminder the summary below recaps the work to be completed. The bid for the parking lot at Washington is scheduled to be completed in January and should be an action item for February. Note: This is a matching grant. The District spends $50,000 to get reimbursed $50,000 by the state. Additionally, the funds used for our portion of the work is CFST, which can only be used for facility improvements.

FY 26 SMPG Project Summary

School	Project & Location		Total Cost	
Washington	WASH TEACH LOT 20,800SF X BLTP	$	45,420.00	*Project requires bid*
Washington	WASH TEACHER LOT LINE PAINT	$	1,026.75	
TJD	TJD WATER SOFTENER	$	16,130.77	
Dixon HS	DHS RESEAL STUDENT LOT SEAL COAT	$	12,296.00	
Dixon HS	DHS STUDENT LOT LINE PAINT	$	2,337.10	
Dixon HS	DHS PARKING LOT LIGHTS $7500 EACH (3)	$	19,750.00	
Dixon HS	FENCING NORTH END DHS FIELD	$	9,147.00	
	Total Project Cost	$	106,107.62	
	Grant Revenue	$	(50,000.00)	
	District Required Matching	$	(50,000.00)	
	District Remaining Amount (CFST)	$	6,107.62	

- ***Electric Price Lock:*** Through our agreement with Engie and the IEC we have locked our electric supply rate at $.04896/kWh. This is the start of the second year of a two-year agreement which will end in December 2026. This rate is an increase over the previous year of $.04380/kWh or an increase of .00516/kWh.
- ***HLS Amendment – Stage Curtains for RMS and DHS***: In February we plan to bring you an action item approving a HLS amendment for the purchase and installation of theater stage curtains. The RMS/Madison curtains are

original to the building from 1959/1960 and DHS were updated in the late 80's. These curtains are required to pass a flame retardant test and are required to be retreated regularly. The age of these curtains no longer allow them to be retreated and must be replaced. The new curtains manufactured are referred to as "forever" curtains and come with a lifetime warranty eliminating the retreatment process. A few years ago we were provided estimates by Main State Theater which were: RMS/Madison = $35,300 and DHS $50,500. The purchase is an allowable HLS expense. As a timeline for the Board:

- ***January 2026*** – Initial notification
- ***February 2026*** – Board approval of HLS Amendment
- ***March 2026*** – Conduct a Bid
- ***April 2026*** – Board approval of bid

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Countywide Sales Tax

The District again continues to see strong CFST revenues. The table below represents strong receipts for September 2025. The CFST receipts are three months in arrears, so the funds received in January represent the taxes paid by consumers in September. The $203,000 received represents a five month stretch of the largest amounts received since the creation of the program and is a 15.7% increase over FY 25. Also, it is important to remember that these funds cannot be spent on anything other than facilities improvement. The summary below outlines a summary of the receipts since FY 23 with a comparison of FY 25 vs. FY 26.

Countywide Sales Tax Revenues

	FY23	FY24	FY25	FY26	Difference FY25 v. 26
July	$167,736.37	$166,297.20	$177,241.56	$220,684.93	$43,443.37
August	$157,646.19	$171,178.89	$177,589.47	$210,195.86	$32,606.39
September	$160,407.90	$175,220.50	$176,058.42	$203,743.03	$27,684.61
October	$162,719.99	$165,535.70	$157,162.56	$0.00	$0.00
November	$157,766.14	$168,001.90	$171,171.84	$0.00	$0.00
December	$167,486.45	$178,755.19	$201,004.74	$0.00	$0.00
January	$134,425.96	$141,195.76	$179,547.38	$0.00	$0.00
February	$123,815.53	$141,802.17	$164,559.27	$0.00	$0.00
March	$154,850.14	$165,591.32	$187,252.74	$0.00	$0.00
April	$159,801.14	$168,718.21	$198,100.75	$0.00	$0.00
May	$182,291.57	$195,620.51	$219,783.67	$0.00	$0.00
June	$181,283.06	$186,682.55	$213,942.95	$0.00	$0.00
	$1,910,230.44	$2,024,599.90	$2,223,415.35	$634,623.82	$103,734.37

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be in January 2026 and this will be a principal and interest payment. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in July 2026, an interest payment will be made on the bonds. In general, the obligation amount is $90,000/month. Any amount above this amount, represents opportunity for future facility improvements.

Bond/Debt Repayment: FY 26 – ***(This section is the same as last month)***

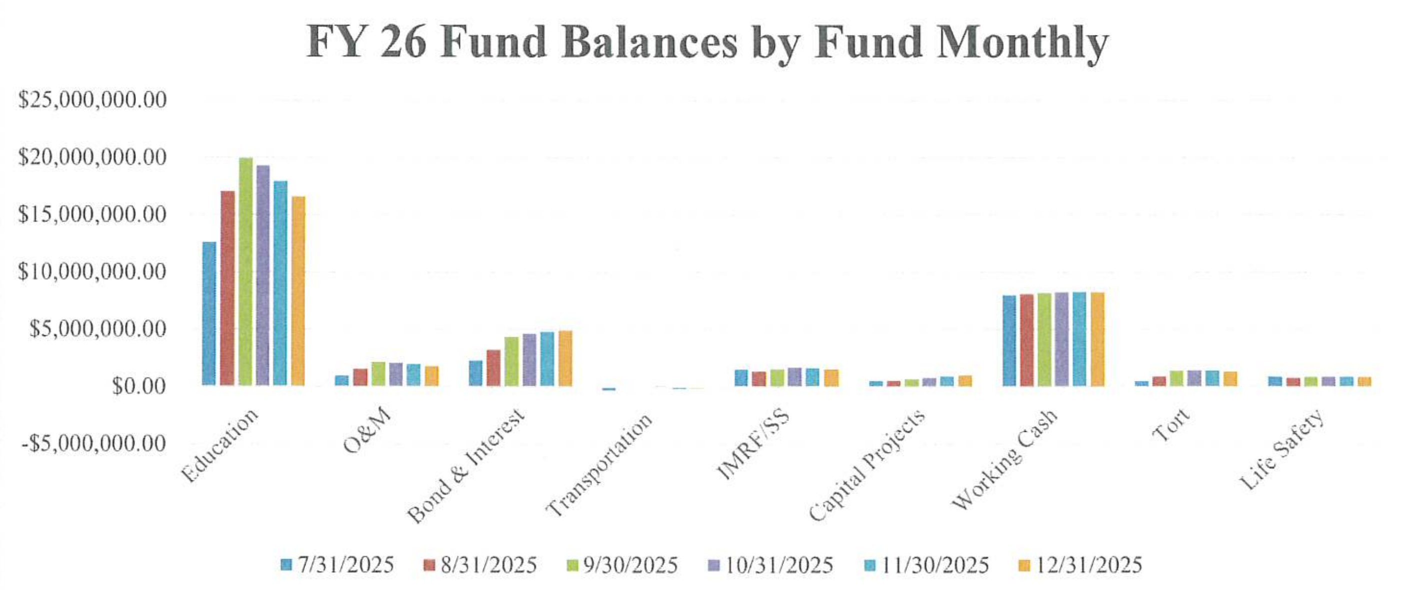
Below is a summary of the outstanding debt (bond) obligations for the District. Each July the District makes an interest only payment and each January the District makes a principal and interest payment. In July interest payments will be made to the outstanding bonds totaling $701,172. In January, the District will make payments of $3,571,172 for principal and interest. The funds for these payments are generated from two different sources. The Alternate Revenue Bond payments are paid from monthly County Facility Sales Taxes and the General Obligation Bonds are paid from property tax revenues. The payment of the bonds will be part of the consent agenda in January 2026, but given these are recurring payments on a yearly basis, the bond payments will be made at the beginning of January so payments are not late.

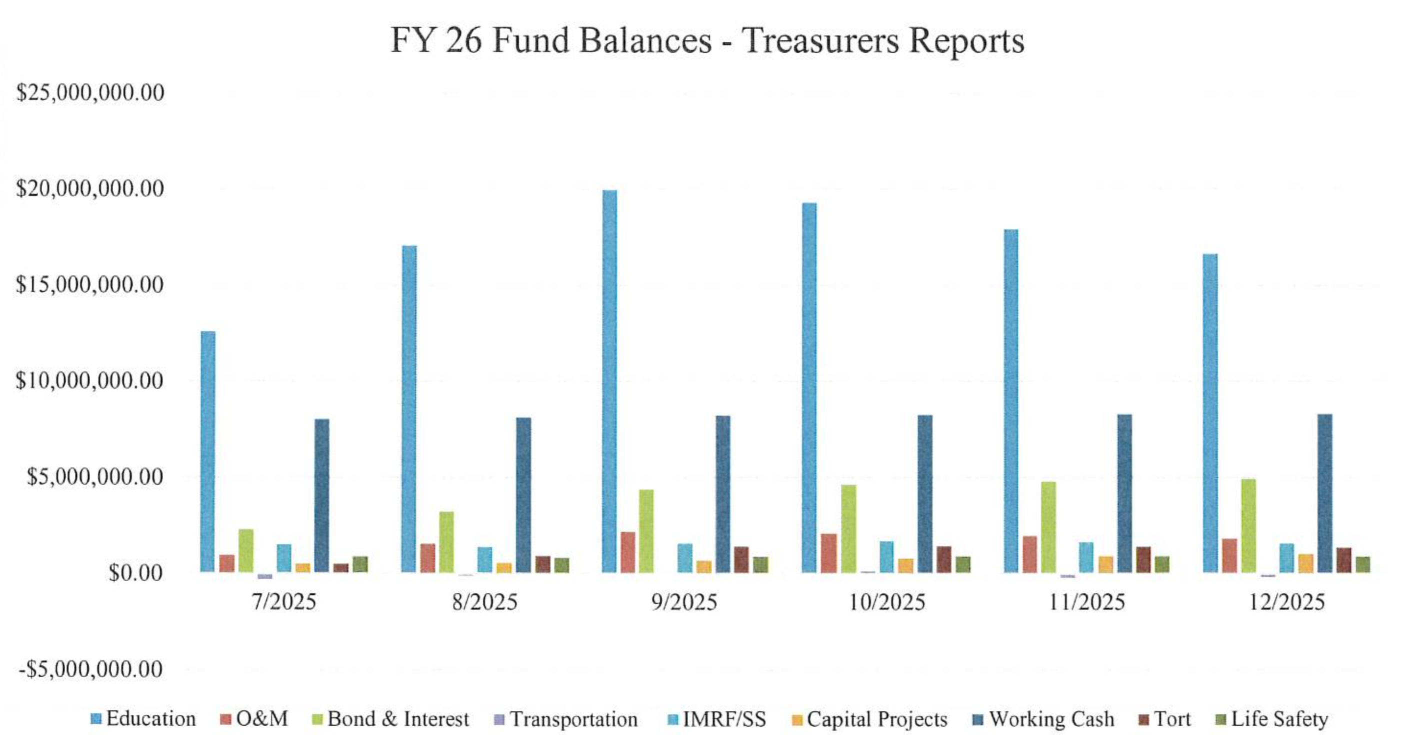
Summary of the FY 26 Bond Payments:

Bond	July 2025 Payment	January 2026 Payment	Payments FY26
GO Bond 2016 $2,300,000	Interest Payment: $18,225	Principal Payment: $395,000 Interest Payment: $18,225 Total: $413,225	Total for FY 26: $431,450 Paid with Tax Levy Final payments at the end of FY 28
GO Bond 2017 $21,390,000	Interest Payment: $340,400	Principal Payment: $870,000 Interest Payment: $340,400 Total: $1,210,400	Total for FY 26: $1,550,800 Paid with Tax Levy Final payments at the end of FY 37
GO Bond 2019B $2,460,000	Interest Payment: $23,800	Principal Payment: $280,000 Interest Payment: $23,800 Total: $303,800	Total for FY 26: $327,600 Paid with Tax Levy Final payments at the end of FY 29
GO Bond 2025 $4,5000,000	Interest Payment: $107,072	Principal Payment: $615,000 Interest Payment: $107,072 Total: $722,072	Total for FY 26: $829,144 Paid with Tax Levy Final payments at the end of FY 29
Alternate Revenue Bonds: GO Bond 2018A $10,650,000	Interest Payment: $148,275	Principal Payment: $495,000 Interest Payment: $148,275 Total: $643.275	Total for FY 26: $791,550 Paid with CFST Final payments at the end of FY 38
Alternate Revenue Bonds: GO Bond 2019A $4,215,000	Interest Payment: $63,400	Principal Payment: $215,000 Interest Payment: $63,400 total $278,400	Total for FY 26: $341,800 Paid with CFST Final payments at the end of FY 36
Total Obligations	Interest: $701,172	Interest: $701,172 Principal: $2,870,000 Total: $3,571,172	Interest: $1,402,344 Principal: $2,870,000 Total: $4,272,344

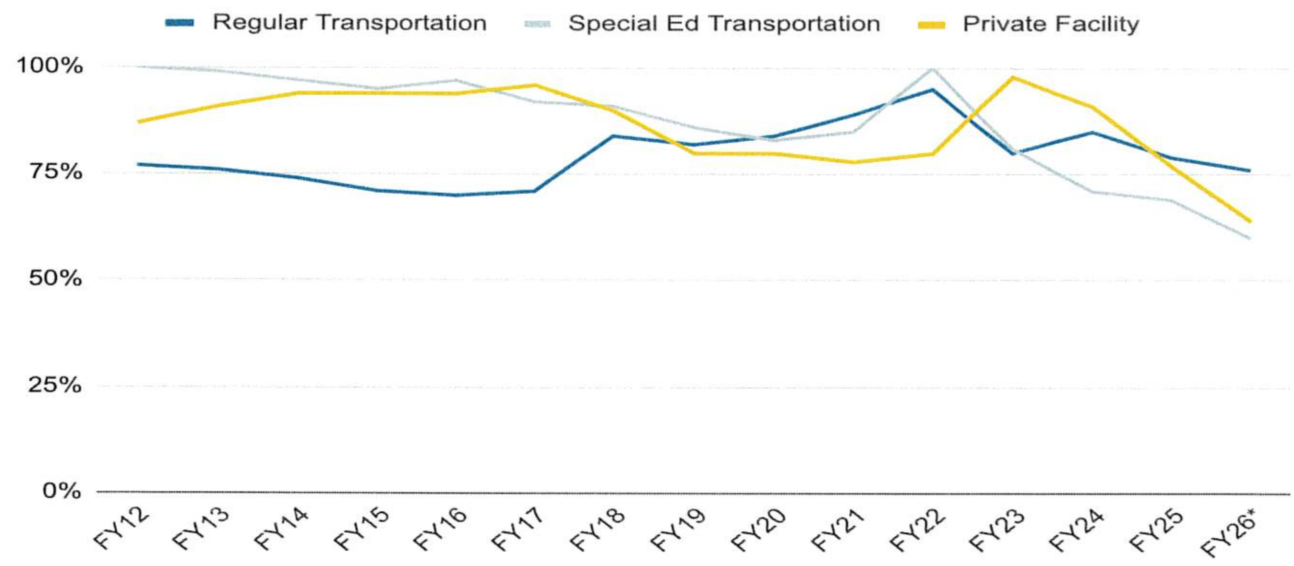
Treasurer's Report – December 2025

In your Board Packet, you will find the Treasurer's Reports for December 2025. The summary graphs represent FY 26 fund balances through December 2025. Balances for the funds for the first two quarters of each year reach their highest balances due to property tax revenue receipts. During the second half of the year, cash flow and revenue are traditionally low, while expenses for salaries and basic operations remain consistent throughout the year. This month saw a total decrease in fund balances of $1.3 million. The Business Office will continue to monitor cash flow throughout the year.

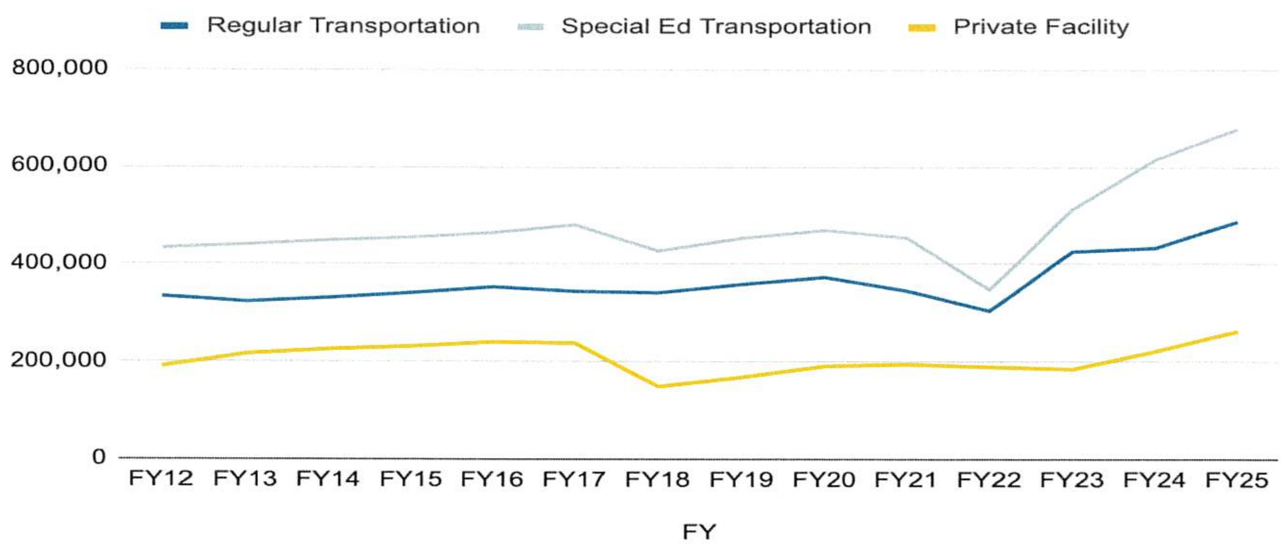




MCAT Historical Proration



Total Claims



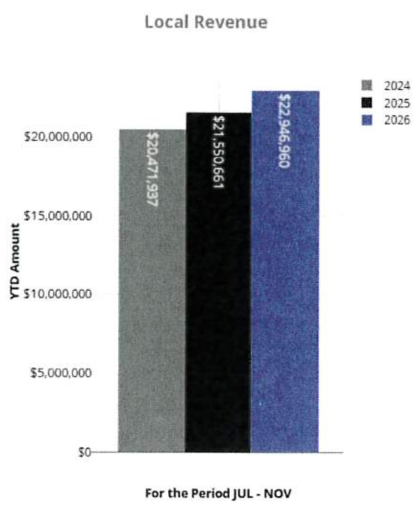
FY 26 Transportation Cost Summary through November

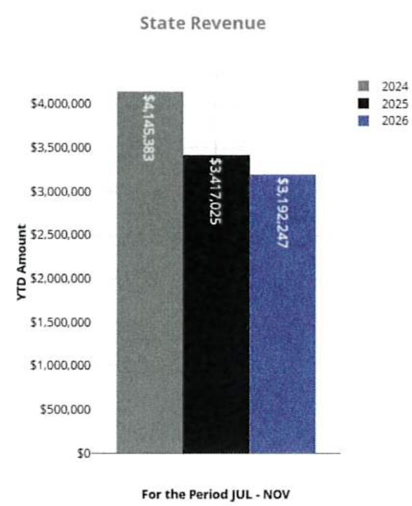
		22/23		23/24		24/25		25/26	% Prior Yr
Regular Ed.	$	1,142,688.39	$	1,111,978.96	$	1,232,461.74	$	433,950.59	35%
Special Ed.	$	1,481,604.03	$	1,659,553.41	$	2,089,623.22	$	724,452.50	35%
Vocational Ed.	$	19,464.14	$	28,856.38	$	31,950.24	$	13,576.50	42%
Fuel	$	259,138.91	$	239,475.85	$	235,057.74	$	84,240.28	36%
Activity Buses	$	96,026.35	$	106,382.82	$	126,248.39	$	44,255.31	35%
	$	2,998,921.82	$	3,146,247.42	$	3,715,341.33	$	1,300,475.18	35%

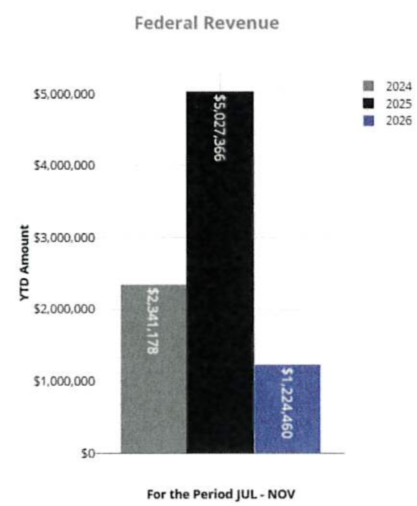
Top graph represents statewide Mandated Categorical Payments. The second graph is the statewide claims data.

Dixon USD 170
Year to Date Revenue Overview - Operating Funds*
November 2025

Local Revenue	State Revenue	Federal Revenue
$22,946,960	**$3,192,247**	**$1,224,460**
85.92% of Budget	32.62% of Budget	46.37% of Budget







	FY 2024 YTD Amount	FY 2025 YTD Amount	FY 2026 YTD Amount	FY 2026 Annual Budget	FY 2026 % YTD Budget
LOCAL REVENUE					
1100 Ad Valorem Taxes	$17,604,747	$19,404,584	$21,037,297	$22,259,000	94.51%
1200 Payments in Lieu of Taxes	$2,070,772	$1,312,625	$1,014,836	$2,940,000	34.52%
1500 Earnings on Investments	$404,600	$407,548	$390,505	$840,000	46.49%
1600 Food Service	$15,292	$10,728	$10,059	$35,000	28.74%
1900 Other Revenue from Local Sources	$95,118	$123,047	$207,915	$360,000	57.75%
ALL OTHER LOCAL REVENUE	$281,408	$292,129	$286,348	$274,000	104.51%
TOTAL LOCAL REVENUE	$20,471,937	$21,550,661	$22,946,960	$26,708,000	85.92%
STATE REVENUE					
3000 Unrestricted Grants-in-Aid	$2,514,328	$2,562,608	$2,624,744	$7,215,000	36.38%
3100 Special Education	$652,051	$303,418	$13,620	$665,000	2.05%
3300 Bilingual Education	$12,921	$11,405	$8,992	$26,500	33.93%
3500 State Transportation Reimbursement	$797,884	$395,220	$403,563	$1,460,000	27.64%
ALL OTHER STATE REVENUE	$168,199	$144,374	$141,328	$421,000	33.57%
TOTAL STATE REVENUE	$4,145,383	$3,417,025	$3,192,247	$9,787,500	32.62%
TOTAL FEDERAL REVENUE	$2,341,178	$5,027,366	$1,224,460	$2,640,500	46.37%
TOTAL REVENUE	**$26,958,498**	**$29,995,052**	**$27,363,667**	**$39,136,000**	**69.92%**
OTHER FINANCING SOURCES	$0	$0	$0	$0	0.00%
TOTAL REVENUE & OTHER FINANCING SOURCES	**$26,958,498**	**$29,995,052**	**$27,363,667**	**$39,136,000**	**69.92%**

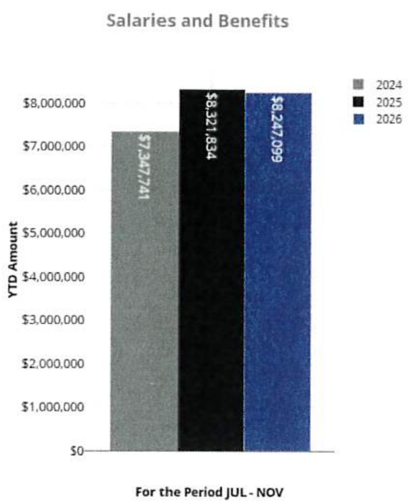
Revenue Insight:

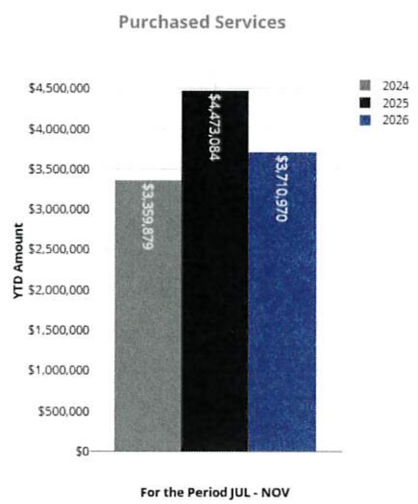
Operating Funds (excluding transfers) YTD revenues totaled $27,363,667 through November 2025, which is -$2,631,385 or -9.6% less than the amount received last year for this period. The YTD difference is driven by a decrease in 4000 Federal Sources of -$3,802,905, an increase in 1000 Local Sources of $1,396,299, and a decrease in 3000 State Sources of -$224,778.

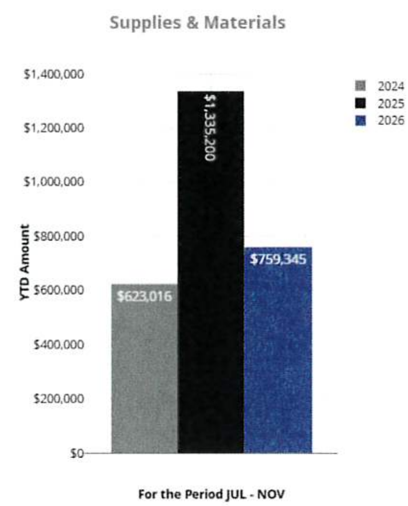
*Operating Funds = Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Dixon USD 170
Year To Date Expense Overview - Operating Funds*
November 2025

Salaries and Benefits	Purchased Services	Supplies & Materials
$8,247,099	**$3,710,970**	**$759,345**
28.41% of Budget	43.33% of Budget	51.21% of Budget







	FY 2024 YTD Amount	FY 2025 YTD Amount	FY 2026 YTD Amount	FY 2026 Annual Budget	FY 2026 % YTD Budget
SALARIES AND BENEFITS					
100 Salaries	$4,693,752	$5,218,415	$5,425,128	$19,942,100	27.20%
200 Benefits	$2,653,989	$3,103,419	$2,821,971	$9,087,600	31.05%
TOTAL SALARIES AND BENEFITS	$7,347,741	$8,321,834	$8,247,099	$29,029,700	28.41%
OTHER EXPENSES					
300 Purchased Services	$3,359,879	$4,473,084	$3,710,970	$8,564,300	43.33%
400 Supplies & Materials	$623,016	$1,335,200	$759,345	$1,482,875	51.21%
500 Capital Outlay	$309,660	$1,953,113	$153,113	$315,000	48.61%
600 Other Objects	$680,825	$775,959	$715,052	$2,409,350	29.68%
700 Non-Capitalized Equipment	$0	$0	$0	$0	0.00%
800 Termination Benefits	$0	$0	$0	$0	$0
TOTAL OTHER EXPENSES	$4,973,380	$8,537,356	$5,338,480	$12,771,525	41.8%
TOTAL EXPENSES	**$12,321,121**	**$16,859,190**	**$13,585,579**	**$41,801,225**	**32.5%**
OTHER FINANCING USES	$0	$0	$0	$100,000	0.00%
TOTAL EXPENSES & OTHER FINANCING USES	**$12,321,121**	**$16,859,190**	**$13,585,579**	**$41,901,225**	**32.42%**

Expense Insights:

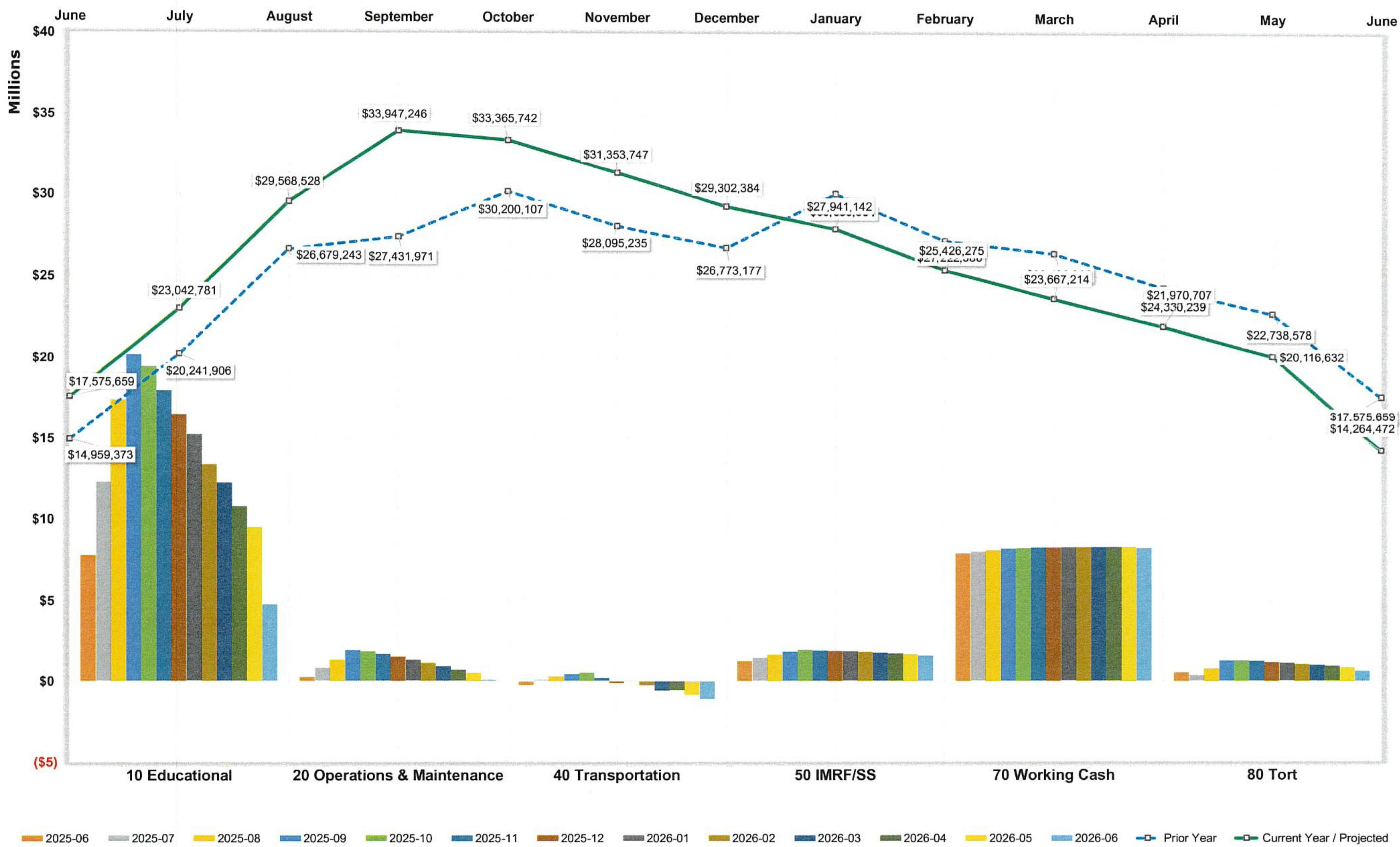
Operating Funds (excluding transfers) YTD expenses totaled $13,585,579 through November 2025, which is -$3,273,611 or -24.1% less than the amount spent last year for this period. The YTD difference is driven by a decrease in 500 Capital Outlay of -$1,800,000, a decrease in 300 Purchased Services of -$762,114, and a decrease in 400 Supplies & Materials of -$575,855.

*Operating Funds = Educational, Operations & Maintenance, Transportation, Illinois Municipal Retirement & Social Security, Working Cash, Tort

Month-End Fund Balances

For the Period Ending November 30, 2025

Educational | Operations and Maintenance | Transportation | IMRF/SS | Working Cash | Tort



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