

Executive Summary: FY27 Staffing Plan, Reduction in Force (RIF), and Strategic Reinvestment

This report outlines a recommendation for a Reduction in Force (RIF) and strategic staffing realignment for the FY27 school year. The administration proposes the elimination of 7.0 FTE teaching positions. These reductions are partially offset by the creation of one temporary, two-year Teacher on Special Assignment (ToSA) - AI Specialist. The net result of these changes is a reduction of 6.0 FTE and an estimated total savings of ~\$545,000. This plan addresses three critical challenges:

1. **Financial Solvency:** Addressing a recurring structural deficit and preserving the District's eroding fund balance.
2. **Staffing Efficiency:** Realigning elementary staffing with declining enrollment trends.
3. **Program Effectiveness:** Restructuring an instructional coaching model that has not yielded consistent academic returns proportional to its cost.

Financial Context & Imperative

The primary driver for this Reduction in Force is the District's financial trajectory. We are currently operating in a deficit for the fourth time in the last six years. Without structural corrections, the District risks depleting its reserves below sustainable levels. We are not in an immediate financial crisis. However, to ensure the long-term financial health and sustainability of our district, we must align our staffing levels with our financial reality.

Operating Fund Deficits

The total operating funds (Education, O&M, Transportation, and Working Cash) have shown a concerning trend of expenditures exceeding revenue:

Year	(10) Education	(20) O & M	(40) Transportation	Total Operating Funds (10, 20, 40, and 70)*
2021	2,491,852	388,882	384,056	3,316,440
2022	(938,009)	(1,075)	(384,100)	(1,263,159)
2023	(511,791)	14,786	(186,686)	(581,068)
2024	980,083	(318,396)	(140,961)	641,943
2025	(1,606,978)	(249,447)	(482,833)	(2,204,553)
2026**	(1,595,666)	545,215	(501,474)	(1,420,108)

*The significant fluctuations in EOY fund balance is partially due to the district receiving an unequal distribution of \$2,749,564 in ESSER funds over the years FY21-FY24.

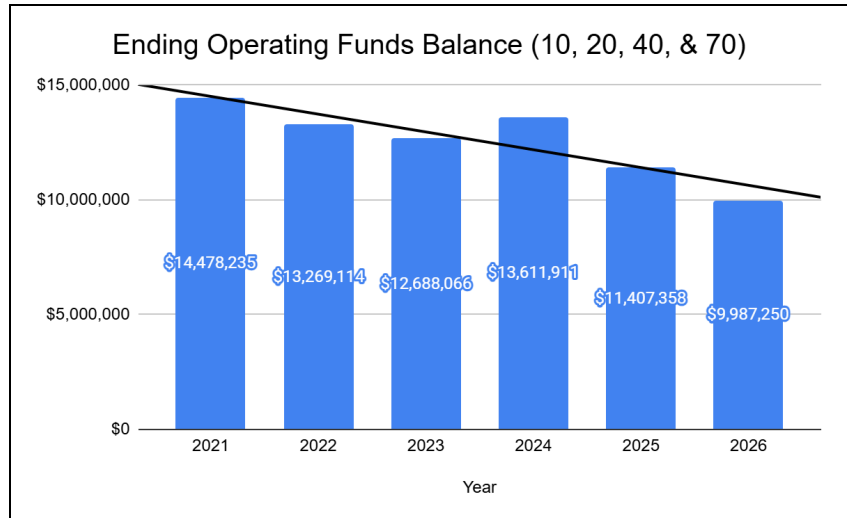
** Estimated

Fund Balance Erosion

Repeated deficits have significantly impacted our ending total operating funds balance (Education, O&M, Transportation, and Working Cash), reducing our financial cushion:

- **2021:** \$14,478,235
- **2022:** \$13,269,114
- **2023:** \$12,688,066
- **2024:** \$13,611,911
- **2025:** \$11,407,358
- **2026 Projection:** \$9,987,250

Specifically, the FY26 Education Fund is estimated to end with a deficit of \$1,595,666, highlighting that our core instructional costs are outpacing revenue. This is driven mainly by salary and benefit expenses.



The table below shows our audited fund balances at the beginning of the fiscal year and our estimated ending balances based on our budget.

	Audited Beginning	FY26 BUDGET SUMMARY (Estimated)			Estimated Ending
	July 1, 2025	Revenue	Expenditures	Difference	June 30, 2026
(10) Education	9,586,437	17,240,252	18,835,918	(1,595,666)	7,990,771
(20) Operations & Maintenance	15,471	2,919,806	2,374,591	545,215	560,686
(30) Debt Service	999,052	1,648,675	1,649,118	(443)	998,609
(40) Transportation	678,995	1,235,296	1,736,770	(501,474)	177,521
(50) IMRF/Social Security	562,256	805,014	859,207	(54,193)	508,063
(60) Capital Projects	7,390	1,000	0	1,000	8,390
(70) Working Cash	1,126,455	131,817	0	131,817	1,258,272
(80) Tort	649,067	1,206,467	1,220,350	(13,883)	635,184
(90) Fire	224,279	133,290	75,000	58,290	282,569

Prevention & Safety					
TOTAL	\$13,849,402	\$25,321,617	\$26,750,954	(\$1,429,337)	\$12,420,065

Prior Cost Savings Measures

It is important to note that this RIF recommendation follows a series of aggressive cost-saving measures implemented over the last 18 months. We have already attempted to close the gap through attrition and operational efficiency, including:

- **Personnel:** Not filling 4 vacated paraprofessional positions (\$129,597) and 1 food service position (\$13,542); replacing a full-time science position with a part-time role (~\$55,000).
- **Operations:** Cutting 3 transportation routes (\$36,750) and switching to index natural gas pricing (\$3,912).
- **Technology & Curriculum:** Switching hotspot providers, non-renewing unused software (\$8,000), and utilizing open-source curriculum.
- **Facilities:** Utilizing grant funds for facility repairs rather than operating budgets and using substitutes in place of part time or full time employees.

Despite these efforts, the structural deficit remains, necessitating the proposed staffing reductions.

Elementary Staffing & Enrollment Analysis

Analysis of district enrollment trends and class size guidelines indicates overstaffing in specific elementary grade levels. Total district enrollment has declined from 1,664 students in 2018 to 1,463 in 2026, yet staffing levels in certain areas have remained constant.

Proposed Reductions

- **Kindergarten:** Reduction of 2.0 FTE (From 6 to 4 sections).
- **3rd Grade:** Reduction of 2.0 FTE (From 6 to 4 sections).

Class Size Impact & Justification

- **3rd Grade:** With 98 students projected, reducing to 4 sections results in an average class size of 24.5. This is consistent with peer districts like Dixon, Harlem, Kinnikinnick, Oregon, Prairie Hill, Rochelle, and Rockton.
- **Kindergarten:** Enrollment is currently TBD. However, the plan allows for flexibility; these reductions will be re-evaluated immediately following registration to ensure class sizes remain desirable. This year's average kindergarten class size of fewer than 17 is too small and not fiscally prudent. For comparison purposes, here are publicly posted class size guidelines for some other Illinois districts: Barrington 220 K-2 (21-23), Harlem 122 K-3 (25), Prairie Hill 144 K-4 (25), and Rockton 140 K-2 (22).

Proposed Elementary Class Sizes for 2026-2027

Grade Level	FY 27 Student Count	FY26 Staffing	FY27 Proposed Staffing	Difference	FY26 Avg Class Size	FY 27Avg Class Size
K	TBD	6	4	-2	16.8	TBD
1st	101	5	5	0	20.4	20.2
2nd	102	5	5	0	19.6	20.4
3rd	98	6	4	-2	18.5	24.5
4th	111	5	5	0	22.6	22.2
5th	113	5	5	0	20.8	22.6

Academic Performance Review

A key factor in the decision to restructure our instructional coaching model is the inconsistency of our academic results. Despite significant investment in coaching and resources at the elementary level, student proficiency data (IAR) reveals stagnation in several key areas when compared to Byron, Forrestville Valley, Oregon, Polo, and Rochelle.

IAR MATH	
3rd Grade	5th in 2025, 4th over last five years
4th Grade	3rd in 2025, 3rd over last five years
5th Grade	5th in 2025, 5th over last five years

IAR ELA	
3rd Grade	5th in 2025, 5th over last five years
4th Grade	5th in 2025, 5th over last five years
5th Grade	5th in 2025, 5th over last five years

This data suggests that our current investment in instructional coaching is not translating into the broad-scale academic growth required to justify its continued expense in a deficit budget.

Restructuring Instructional Coaching

The District is investing \$571,890.86 this year in salaries and benefits for the instructional coaching program which includes 5 veteran teachers and a consultant. The proposal recommends a reduction of 3.0 Instructional Coach FTE.

Survey Data & Challenges

Recent survey data highlights a disconnect between the coaching program and classroom needs, particularly in the intermediate grades (3-5):

- **Low Engagement:** Only 22.7% of teachers in grades 3-5 participated in a coaching cycle.
- **Low Value Perception:** Grades 3-5 teachers rated the "Overall Value" of coaching at 2.77/5, the lowest in the district.
- **Experience Gap:** Mid-career teachers (6-15 years) reported the lowest participation (21.1%) and lowest value scores (3.0), suggesting the model is failing to support our core teaching force.
- **Teacher Feedback:** Qualitative feedback cited "program overload" and lack of time as primary barriers. Teachers feel overwhelmed by initiatives rather than supported by them.

Acknowledged Benefits of the Program

While the recommendation is to reduce the scale of the program, we must acknowledge the specific successes achieved by our coaches, including:

- **Special Education Integration:** Coaches successfully facilitated common resource use across grade levels and supported the design of Specially Designed Instruction within CKLA.
- **Curriculum Alignment:** They helped bridge intervention and core curriculum, ensuring a sharper focus on grade-level standards.
- **Collaboration:** Teachers who did engage highly valued the non-judgmental support and collaborative planning opportunities provided.

Restructuring Note: The remaining coaching staff will refocus efforts to maintain these specific benefits while reducing the overall financial footprint. The two remaining coaching positions, one math and one language arts, could be allocated K-12 or one primary and one secondary.

Strategic Reinvestment: AI Specialist

To address the root causes of staff burnout identified in the Great Place to Work survey, specifically "time poverty" and administrative overload, I propose the creation of a temporary (2-year) Teacher on Special Assignment (ToSA) - AI Specialist. This is in direct response to feedback from our teachers.

Rationale & ROI

Unlike a traditional coach, this role is a technical specialist focused on operational efficiency.

- **The Problem:** 60% of K-12 educators report burnout due to administrative tasks. Our own staff has cited this as a critical stressor.
- **The AI Dividend:** Research indicates that utilizing AI automation can save teachers approximately 5.9 hours per week. Saving just 2 hours per week for our certified staff would return over 200 hours of productivity to the District weekly.
- **Duties:** The specialist will build automated workflows (e.g., grading, communication logs, IEP data summaries) and develop a District AI Guide.
- **Cost:** Approximately \$65,000 (varies based on experience and education).
- **Sunset Clause:** This position is limited to two years. By the end of year 2, the systems built will be self-sustaining, and the role will dissolve.

Financial Impact Summary

The proposed FY27 Staffing Plan will result in the following financial adjustments:

Action	Position Count	Estimated Savings/Cost
Retirements (4 positions)	-4.0 FTE	~\$424,731
Honorable Dismissals (4 positions)	-3.0 FTE	~\$156,237
New Position (AI Specialist)	+1.0 FTE	~\$65,000 (New Cost)
TOTAL NET SAVINGS	-6.0 FTE	~\$545,000 (includes 5% salary increase per CBA but does not include the anticipated 20-26% health insurance increase for FY27)

Note: The savings calculation includes salaries and benefits. The "Honorable Dismissals" include 3 of our most recently hired teachers as determined by SB7.

Summary of Proposed Reduction in Force

Position	# of Reductions	# of New Positions
Kindergarten*	2	
3rd Grade	2	
Instructional Coach	3	
ToSA - AI Specialist		1

*Will be re-evaluated after registration

Total Change: -6.0 FTE

Timeline for Board Action

To ensure compliance with Illinois School Code and collective bargaining agreements, we are adhering to the following approximate timeline:

- **February 25, 2026:** Distribution of the Sequence of Honorable Dismissal (SOHD) List to the Stillman Valley Education Association.
- **March 4, 2026:** Board of Education takes official action on the Reduction in Force (RIF).
- **April 15, 2026:** Deadline for delivery of official RIF notices to affected staff.

Recommendation

I recommend the Board of Education discuss the proposed FY27 Staffing Plan tonight and take action at the March 4th regular meeting.

This plan represents a fiscally responsible approach to our budget deficit while responding directly to staff concerns regarding workload. By right-sizing our elementary staffing and restructuring our coaching model, we can ensure the long-term financial health of the District without significantly compromising overall academic outcomes.