



District 23

SUSTAINABLE FINANCING

Board of Education Presentation

May 14, 2026

Part III



4.1 Develop and articulate plan for sustainable financing.

4.1 Maintain and monitor annual budget for cost savings opportunities.

4.1 Implement budgeting strategies to meet Boards Policy Fund Balance target.

4.2 Facilitate Construction design, bid process, and selection of vendors for Eisenhower Addition (FDK) and Phase 2 Windows, Siding, and Doors Project (MacArthur).

4.4 Continued implementation of zero-based budgeting.

Overview

PART I

FINANCE
FOUNDATION

EXPENDITURE &
REVENUES

FUND BALANCE
HISTORY &
INFLUENCES

PART II

CURRENT
BUDGET
ASSUMPTIONS

FDK
NEEDS/IMPACT

SETTING OUR
NEW “BASELINE”

PART III

FORECASTING
FORWARD

BUDGET
SCENARIOS

FUNDING
STRATEGIES

Presentation Objectives and Financial Context...

- Clarify the district's financial position
- Establish a shared understanding of sustainability
- Articulate the gap between revenue and expenditures based on future projections
- Identify action steps for the District based on the Board's vision

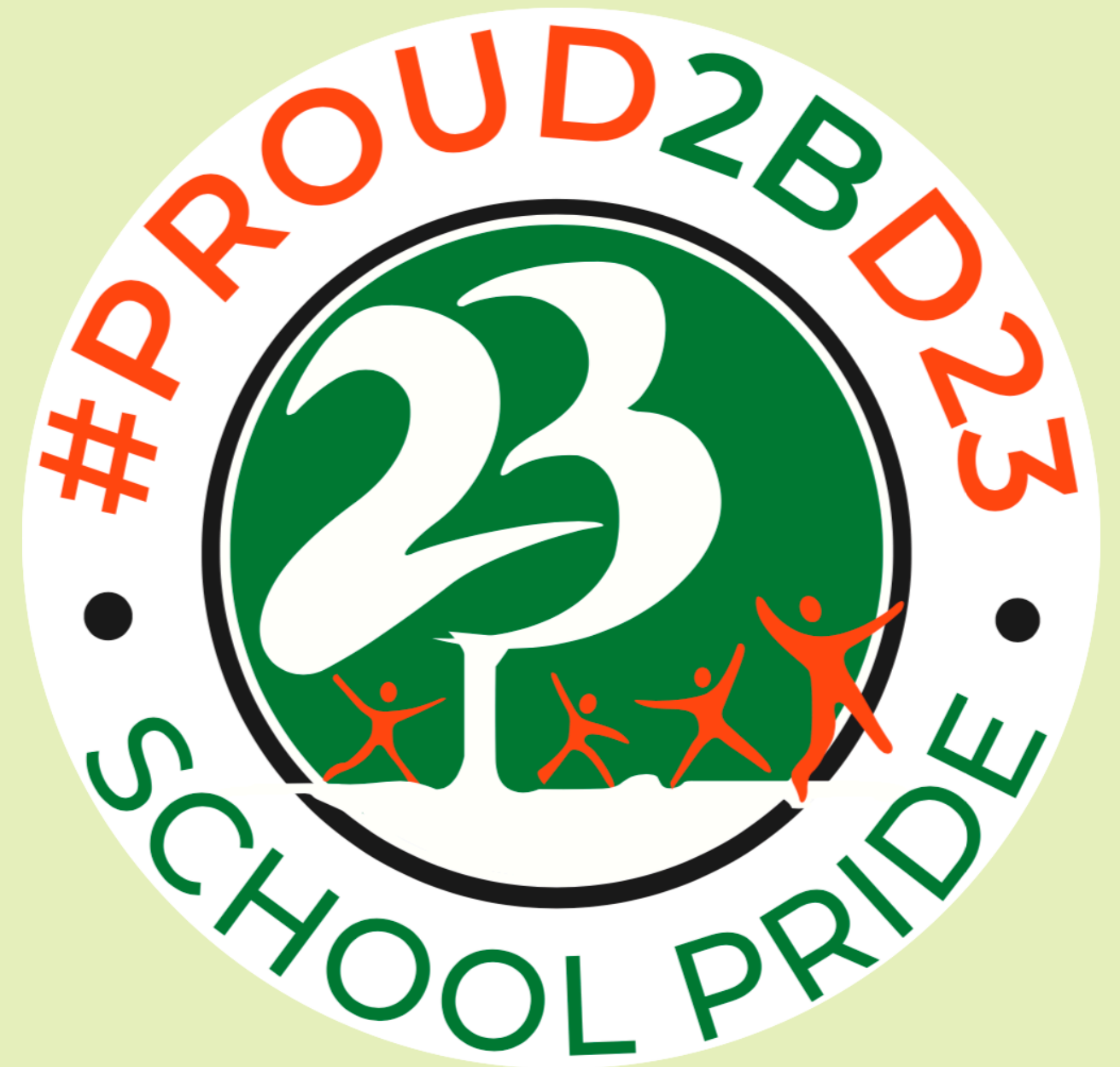
Articulate the roadmap for fiscal stability and pursuit of Strategic Plan goals, both operational and educational.

Definition of Sustainability

Making data-driven decisions today that protect the core student experience for the next decade. It means ensuring that a child entering Kindergarten this year has the same (or better) access to resources when they reach 8th grade.

- **Financial Sustainability:** Matching ongoing expenses with recurring revenue.
- **Operational Sustainability:** Maintaining safe and appropriate facilities and learning spaces.
- **Educational Sustainability:** Meeting student needs and community expectations for programs and services.

FORECASTING FORWARD



Projections vs Budget

- Planning exercise to inform decision making
- Forecasting financial position based on assumptions
- Provides time for communication, prevention, and/or corrective action

There WILL BE GAPS between projections and budget.



**Budget matches
Expenditures to
Revenues**



**Projections
identify potential
gaps between
Expenditures and
Revenues**

Why are there GAPS?

Assumptions

Strategic Plan priorities

Program and staffing choices

Adequacy projections

Budget strategies/philosophy

Unanticipated student needs

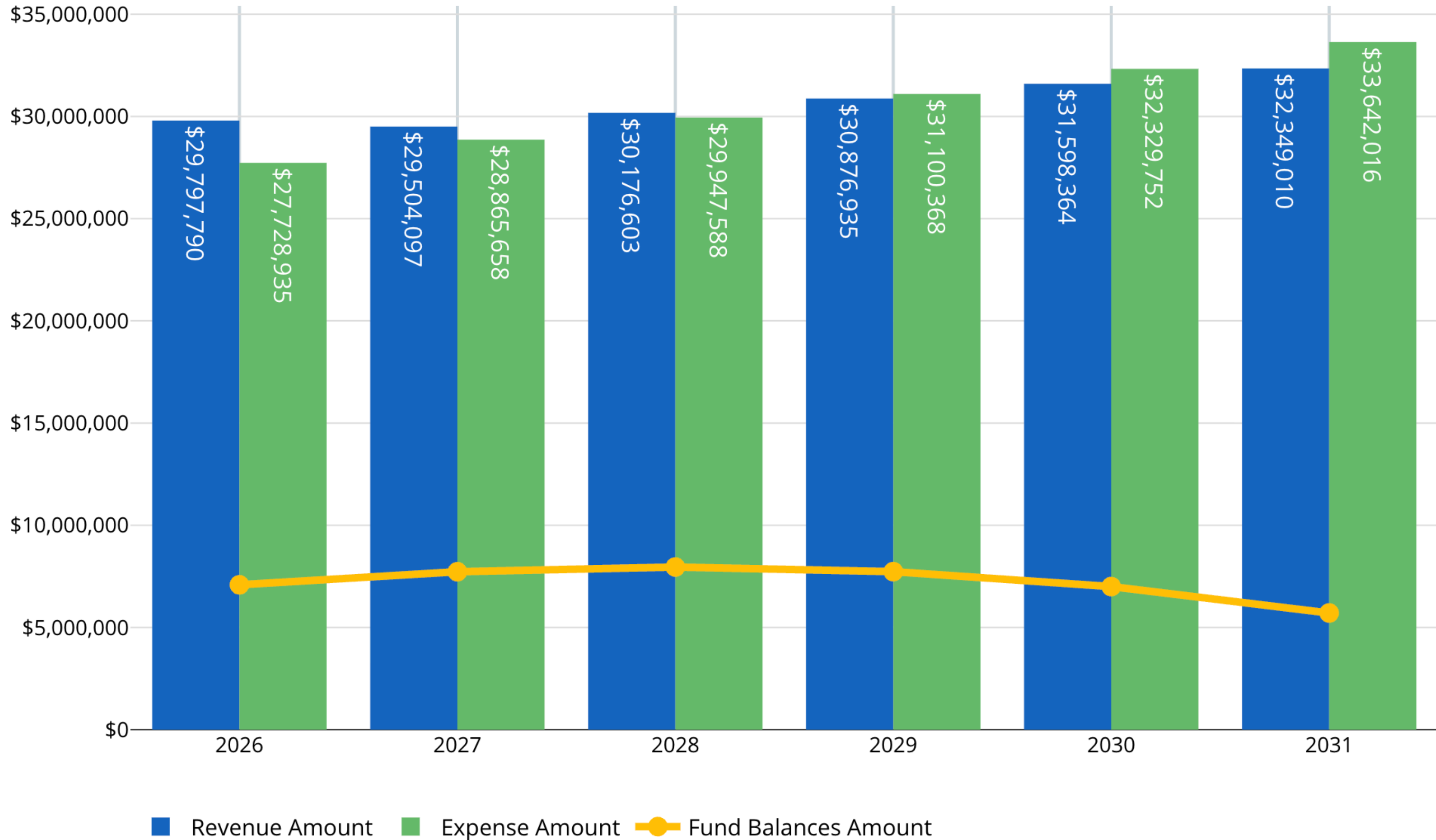
New Baseline Assumptions

Revenue	Prior Assumptions	New Baseline Assumptions
Local Tax Collections Rate	98%	96%*
State EBF	0%	0%
MCATS	0%	0%
Federal Grants	0%	0%
		*addl collections to fund balance rebuild
Expenditures	Prior Assumptions	New Baseline Assumptions
Salary	Negotiated Agreement/ 3%	3%
Change in FTE - Staffing Plan	Flat	Flat
Benefits - Medical Insurance	7%	15%, then 10%
Benefits - Dental Insurance	2%	5%
Purchased Services - Ed. Fund	0%	1%
Purchased Services - O&M	2%	2%
Purchased Services - Transp.	4%	7%
Supplies and Materials	0%	5%

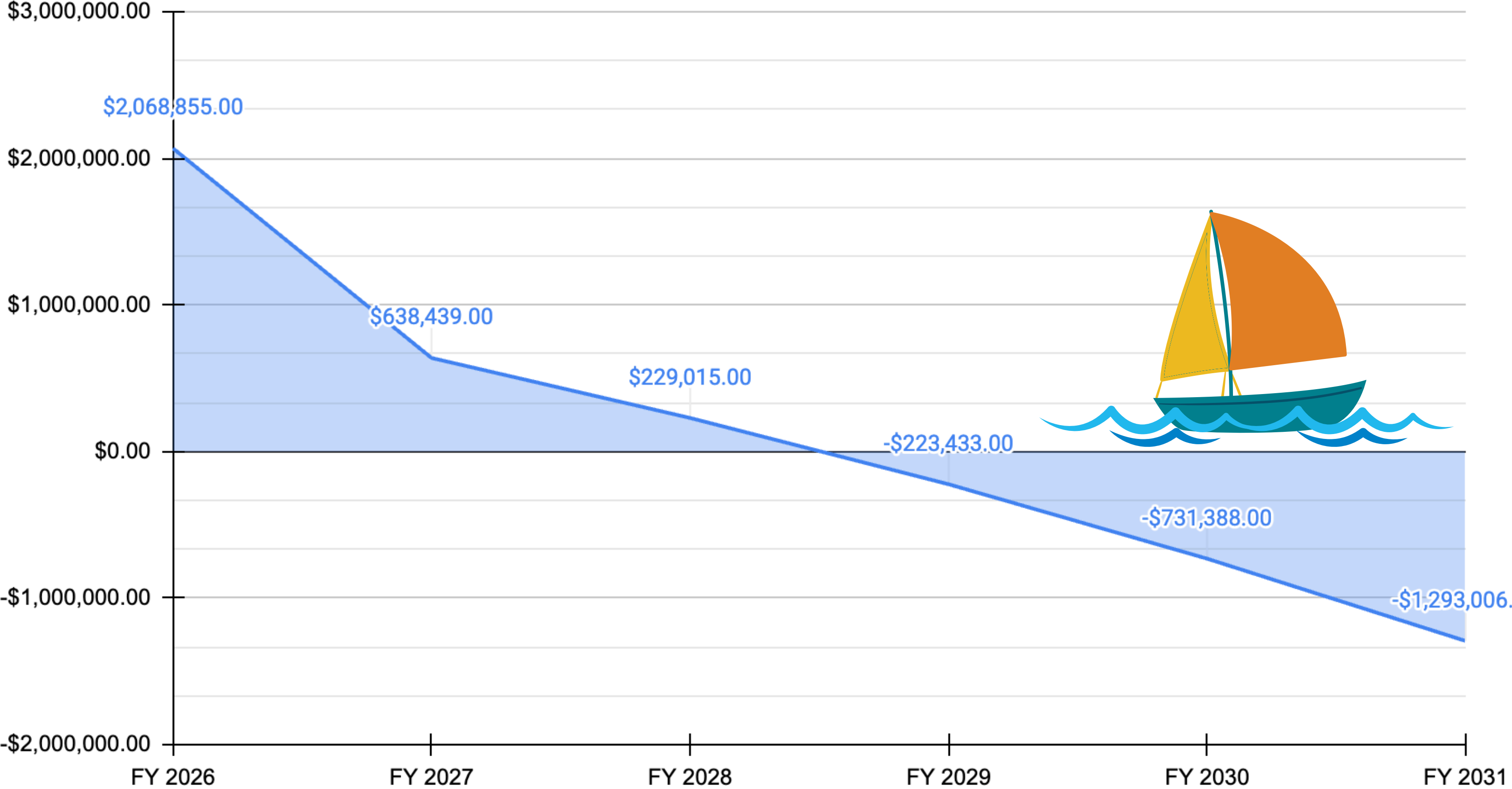
Other Baseline Assumptions

- **Implement reductions to offset costs for Full-Day Kindergarten**
- **Flat staffing plan**
- **Continued practice of Zero-Based Budgeting**
- **Continued Special Education cost containment (in-district services)**
- **Deferred/phased purchases and projects**
- **Commitment to rebuilding fund balance to 33%**

Projected Financial Summary Base Model



Funding Gap to Maintain



BUDGET SCENARIOS



Budget Scenario Variables

Revenues

- Local Property Tax Rate
- Collection Rate
- CPI Impact
- State/Federal Contributions

Expenditures

- Fund Balance
- Capital Projects Reserve
- Staffing Plan (Salaries/Benefits)
- Transportation Costs
- Unfunded Special Education Mandates



Budget Scenarios

- 1. Maintain Current Programming and Rebuild Fund Balance (33%)**
- 2. Additional Build Project Reserve - \$500K allocated towards Capital projects**
- 3. CPI/Inflation Increase - 2.5% Increase to Educational Programs and Services**
- 4. ISBE Adequacy Target- Approximate \$2M Gap to Adequacy**
- 5. Innovation - Additional revenues allow for programmatic growth and savings for the future**

Maintain reductions and rebuild to 33% Fund Balances

All current reductions remain in place

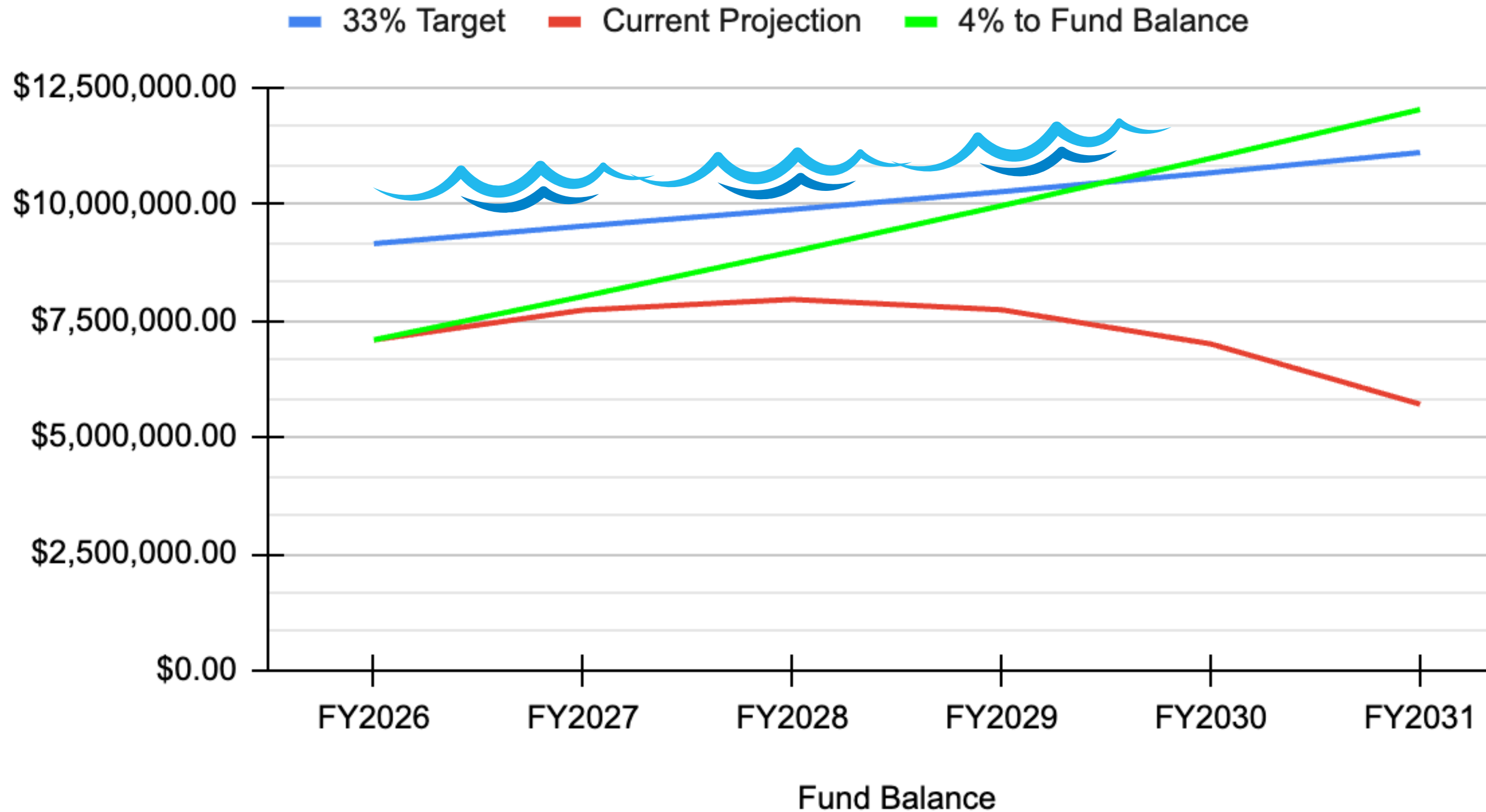
Programming dependent on Year to Year forecast

Rebuild Fund Balance to 33%

Property Tax Revenues are budgeted with only 96% being allocated to expenditures. The remaining 4% is prioritized for Fund Balance rebuild.

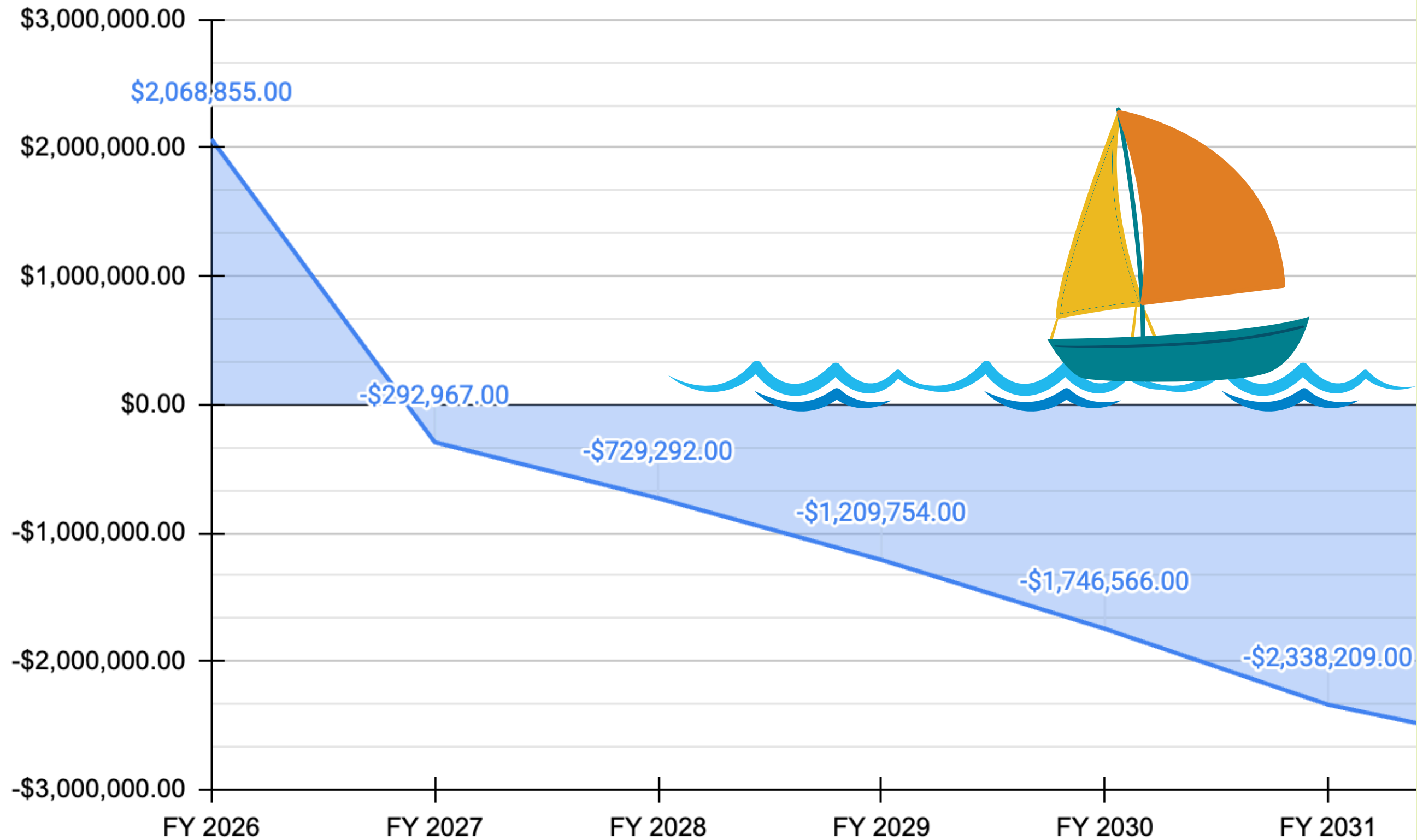
Good News!!! We can get there!

Fund Balance Comparison



However...With dedicated allocations to Fund Balances, reductions and revenues would still be needed to close the gap.

Funding Gap with 4% to Fund Balance



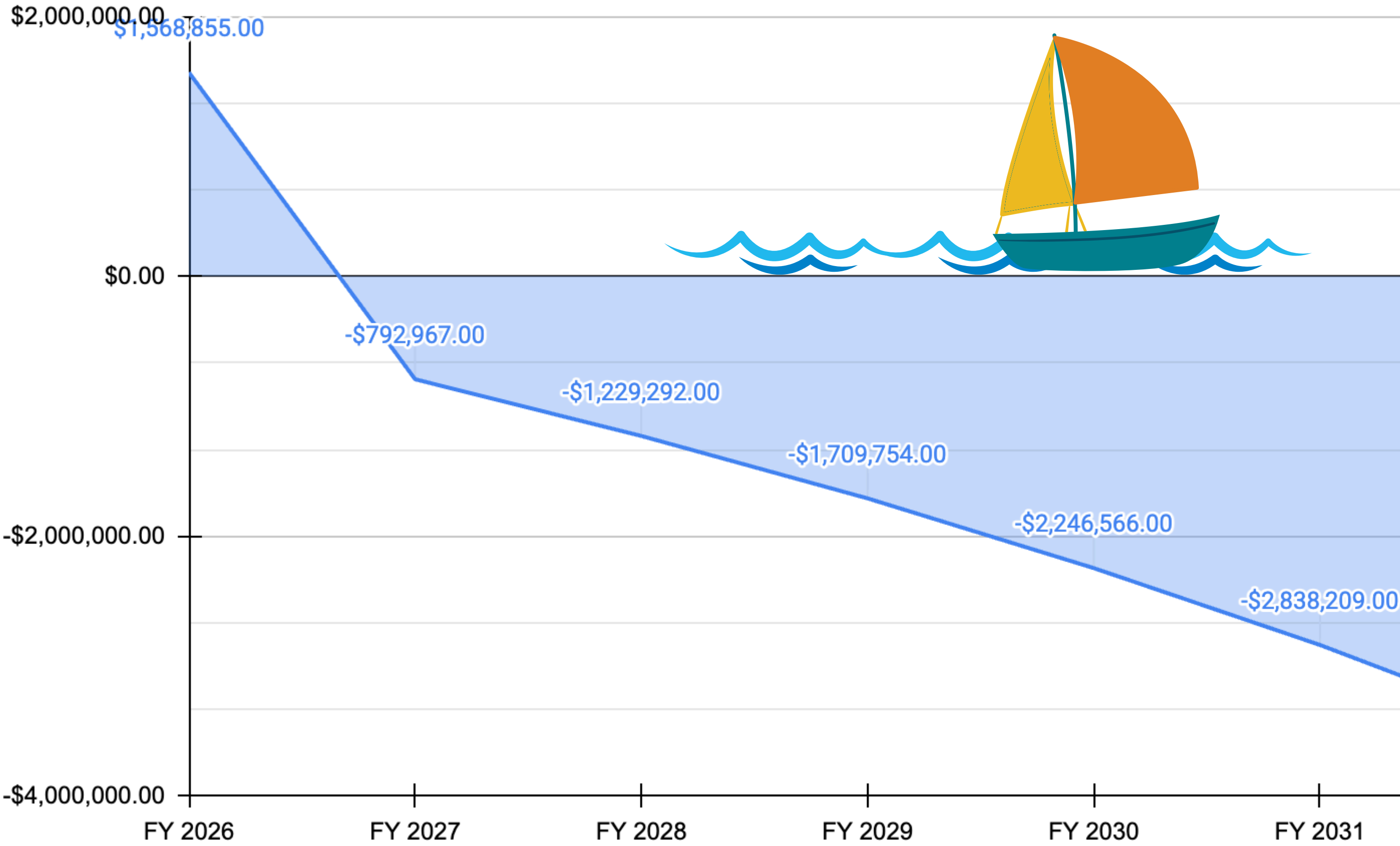
**Maintain reductions, rebuild to 33% Fund
Balances, and
Build Capital Projects Reserve**

**Annual Contribution to fund Capital Projects -
\$500,000**

**Dedicated funding to address any unanticipated
capital needs until DSEB capacity is restored**

Reduce reliance on HLS Tax Increase: Non-Referendum

Funding Gap with 4% + \$500,000 to Capital Fund



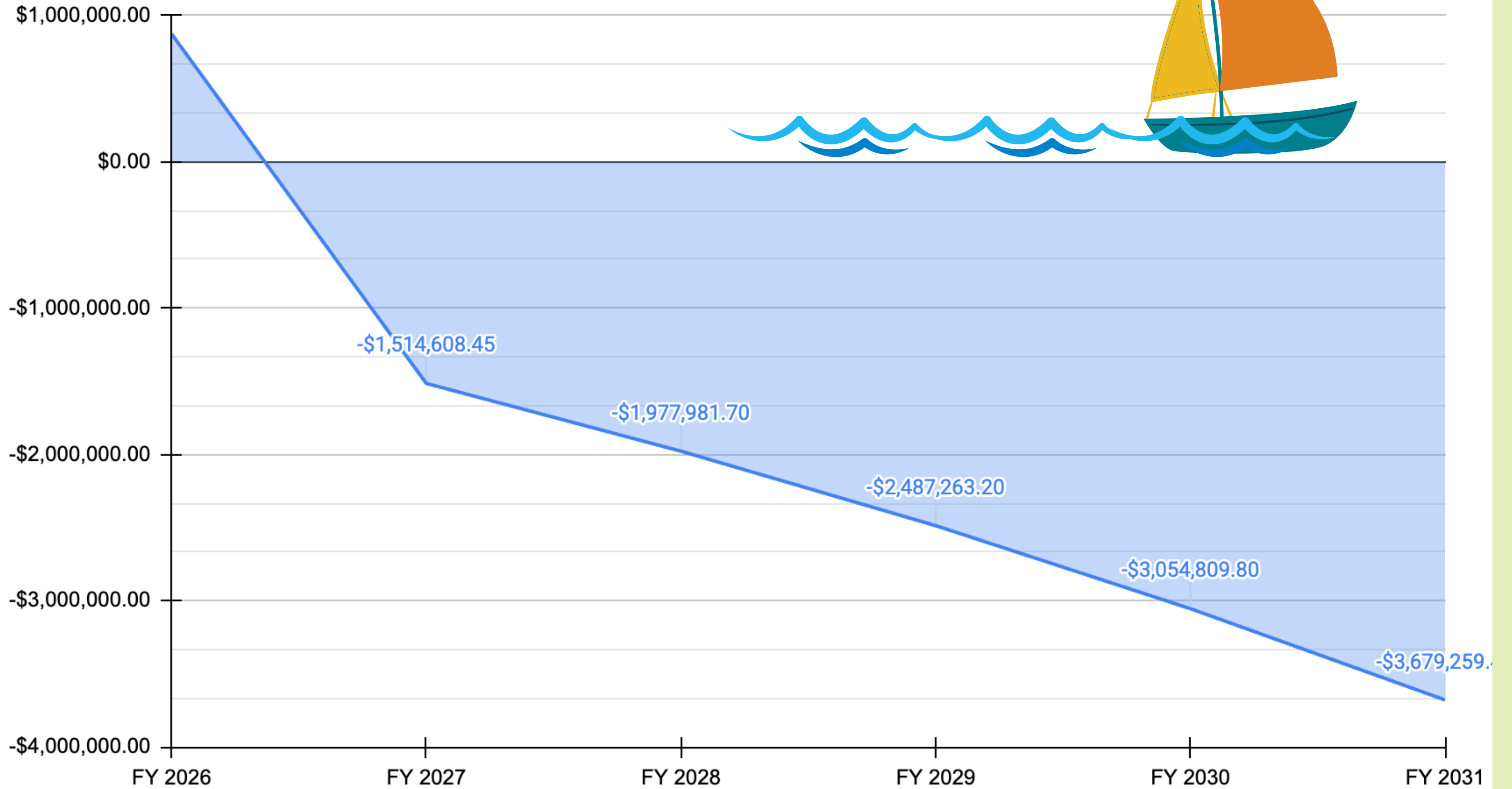
CPI/Inflation Increase

Increase of 2.5% to Educational Programs and Services

Maintain revenues to mitigate inflationary cost increases for supplies, materials, dues and fees, and equipment.

Increases to Salaries, Benefits, Purchased Services, Transportation Services, and Operations & Maintenance are included in the base model.

Funding Gap - CPI/Inflation Increase to Educational Programming



ISBE Adequacy Model

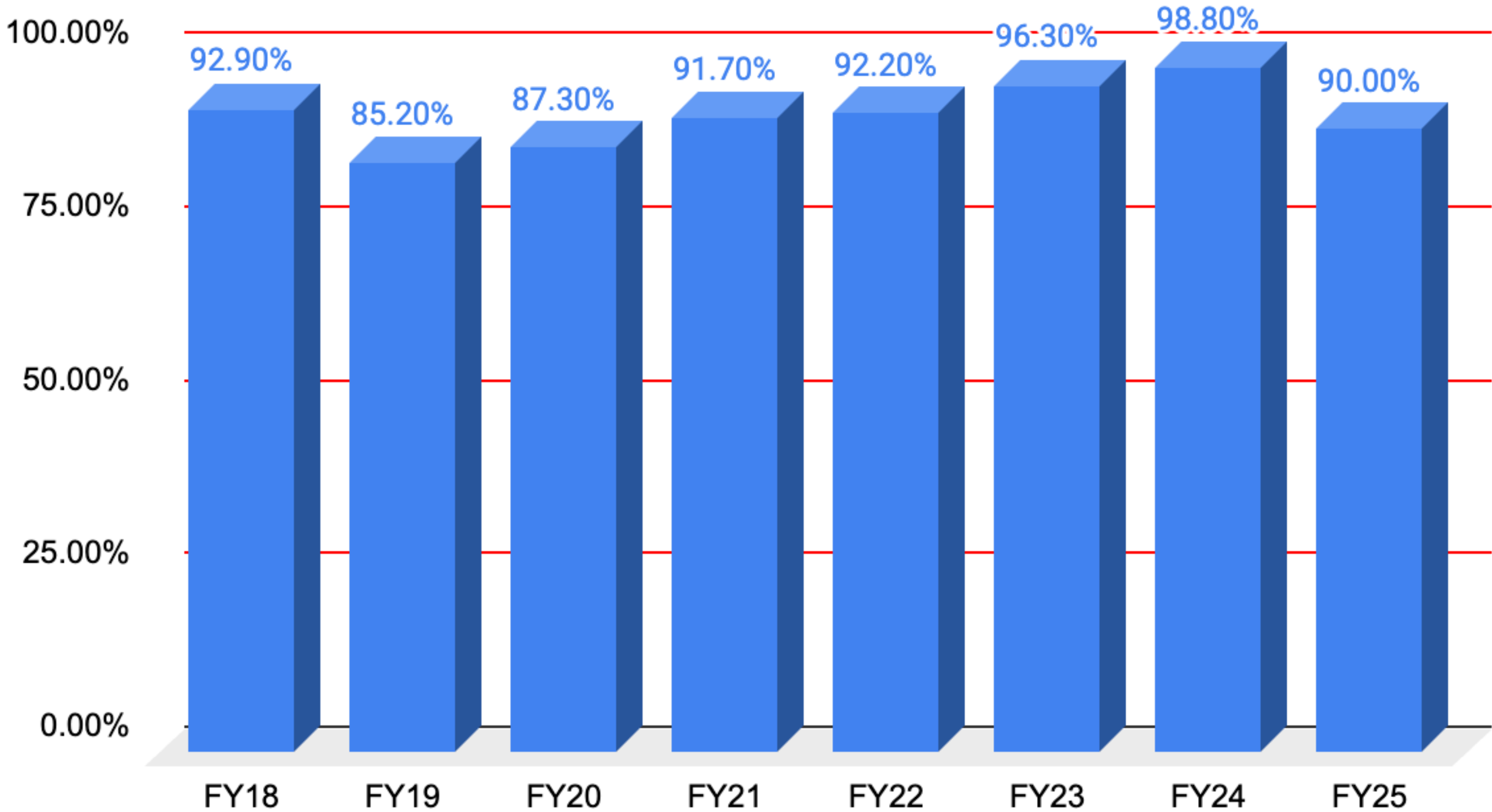
Each year ISBE calculates an “Adequacy Target” based on 34 factors tied to student enrollment, needs, and services which serves as an objective cost projection to provide an “Adequate” education.

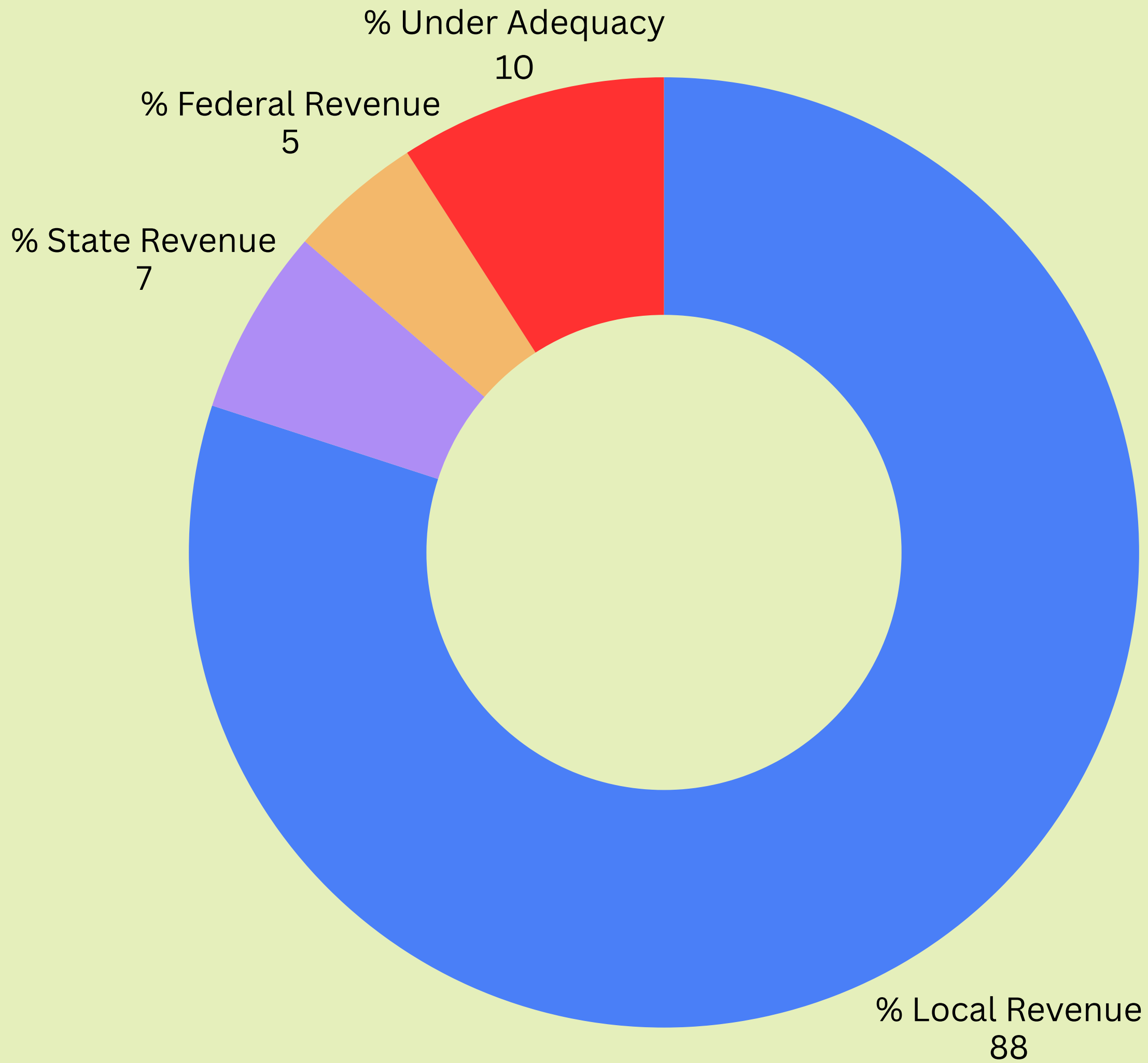
Districts are assigned a Percentage of Adequacy that is the result of dividing the district’s calculated Resources by the Adequacy Target.

(District Local Capacity Target (LCT) + Corporate Personal Property Replacement Taxes (CPPRT) + Base Funding Minimum (BFM))

ISBE Adequacy Model

Gap to ISBE Adequacy

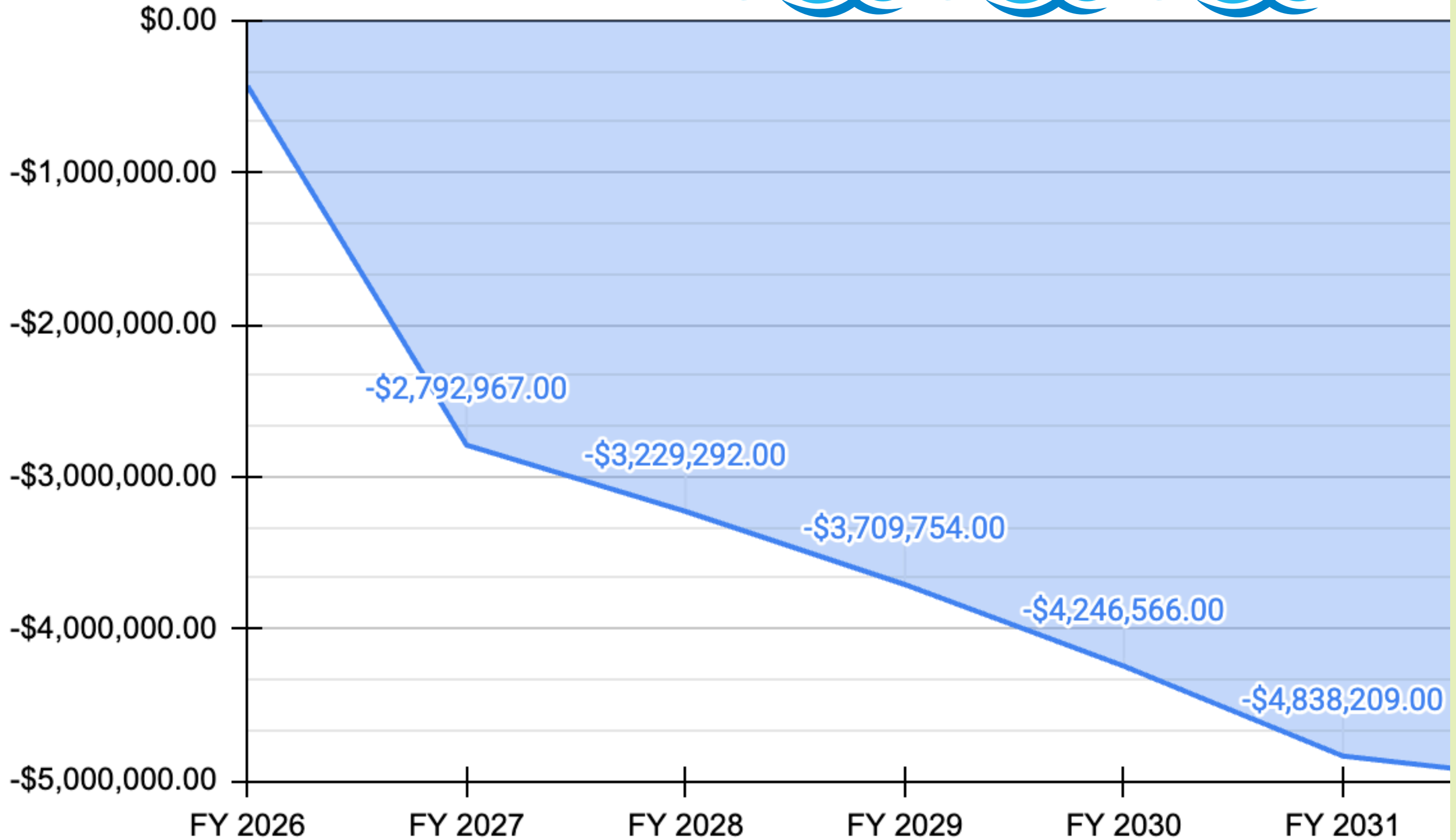




Gap to Adequacy in FY25 was \$2,190,138

New revenue targeted at \$2M

Funding Gap to ISBE Adequacy Model



Innovative Programming

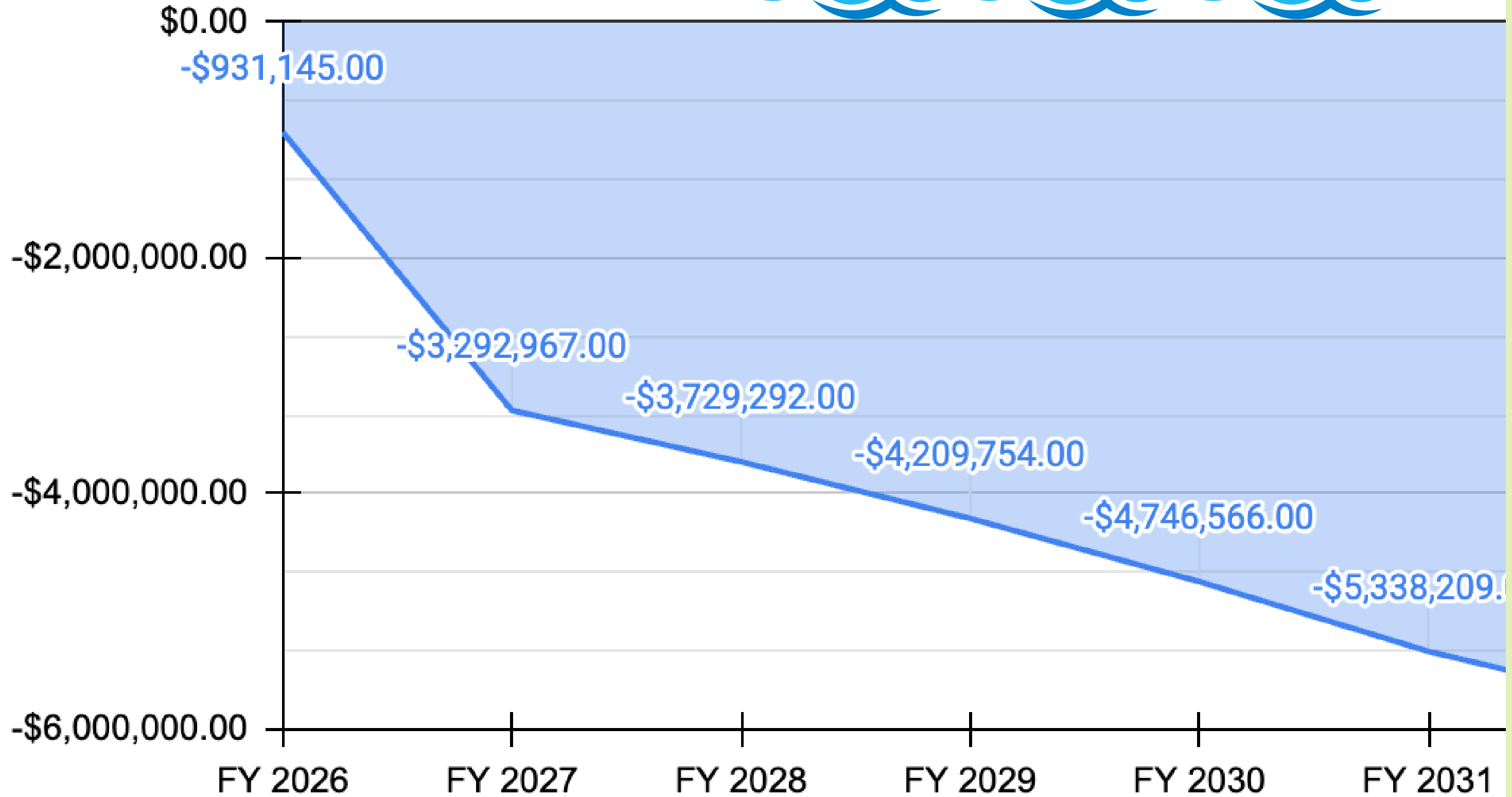
**An additional \$500,000 to the base
above adequacy provides revenue for:**

New Programs/Services

Expansion of Current Programming

Enhancements to Facilities

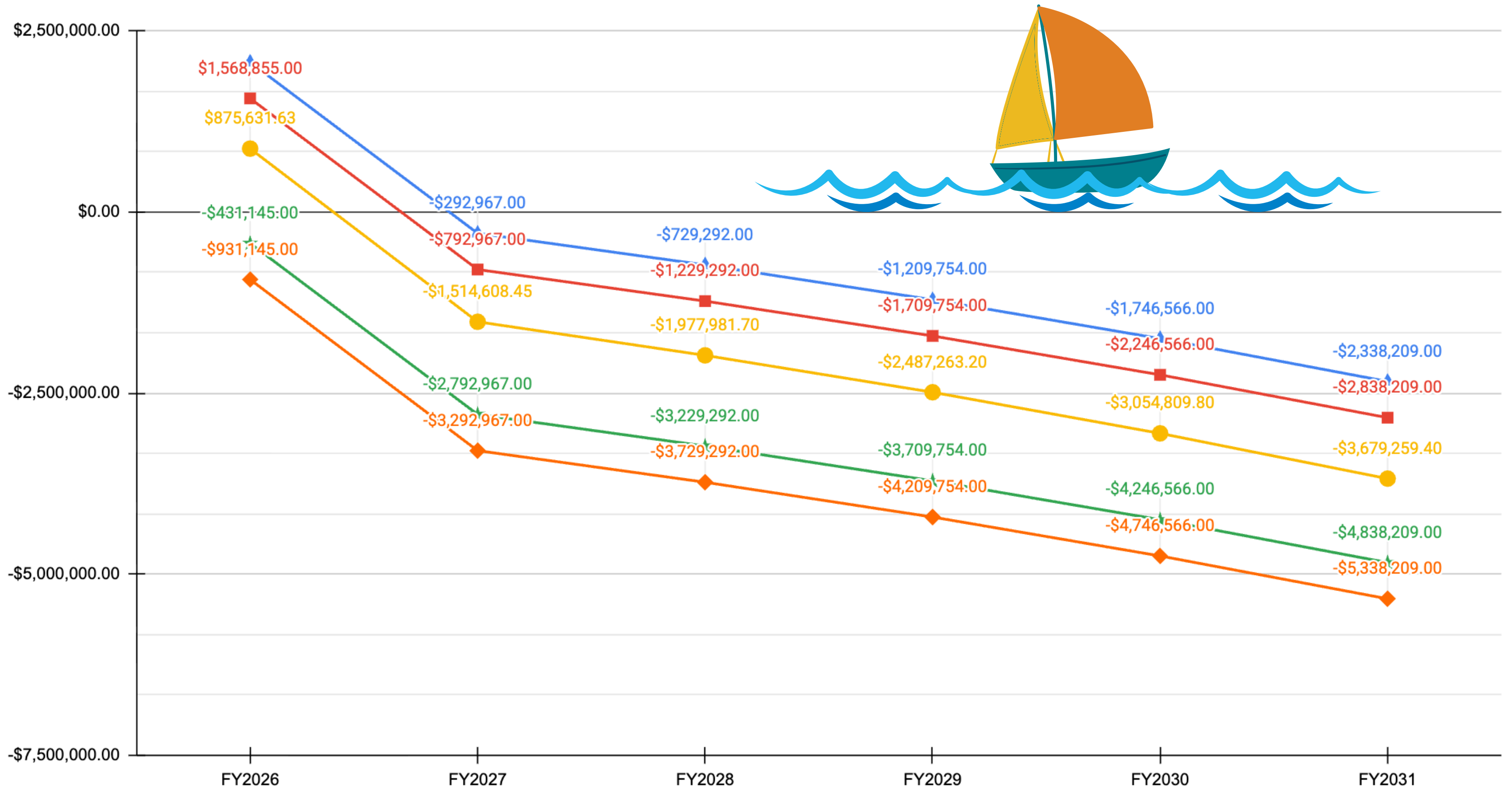
Funding Gap to Innovation



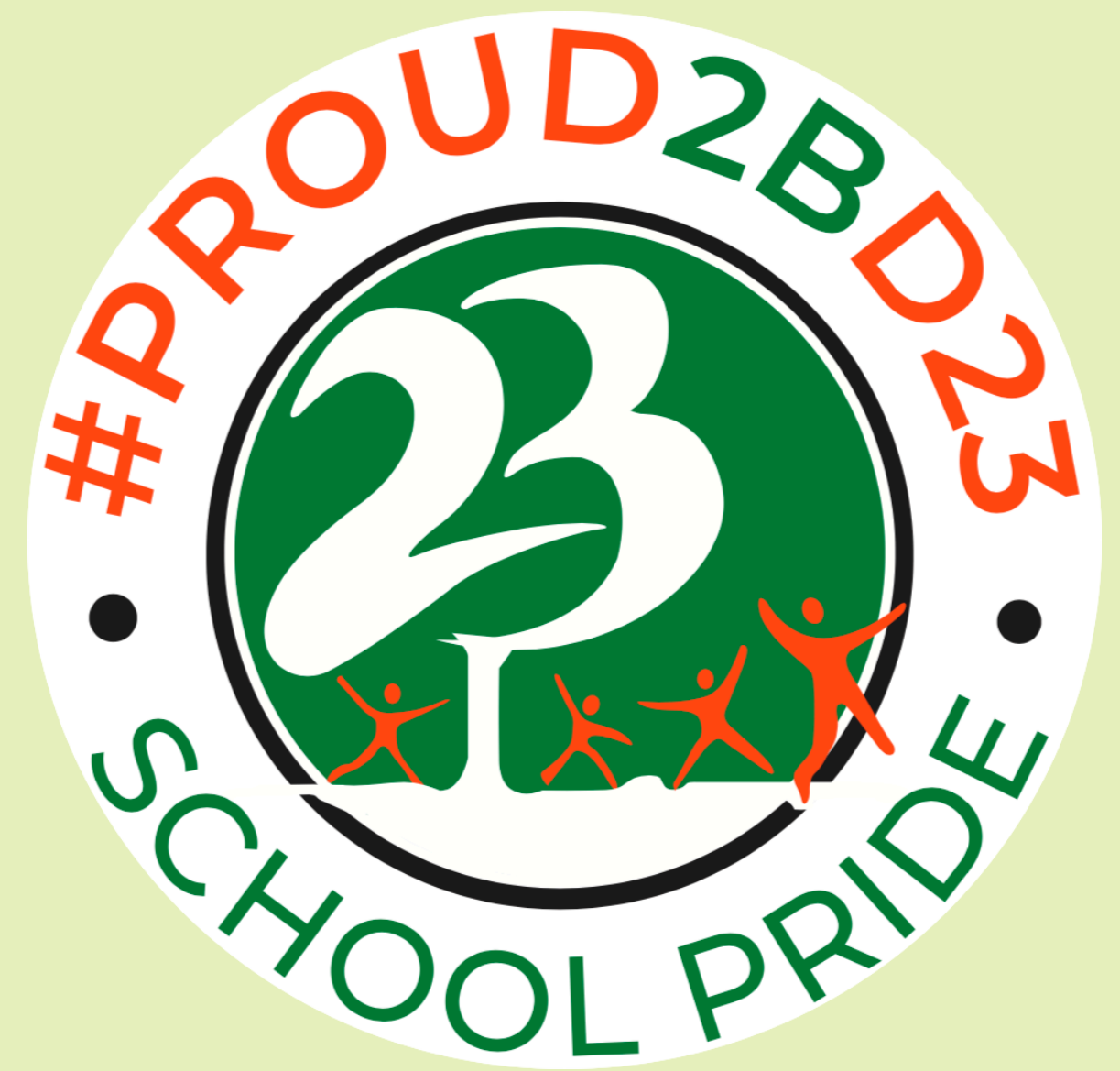
Innovation

Funding Gap Comparison Across all Scenarios

▲ MAINTAIN w/ 4% to FB ■ \$500K Capital Projects Contribution ● CPI/Inflation 2.5% ★ Gap to Adequacy ◆ Innovation

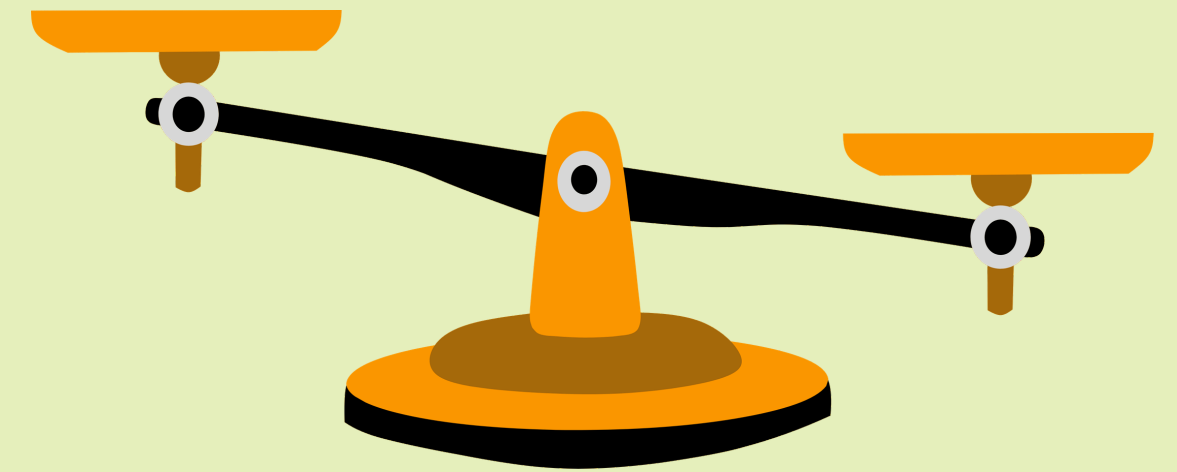


FUNDING STRATEGIES



D23 Moving Forward

The District 23 Community is faced with a structural deficit with costs increasing faster than revenues. This is not sustainable and will require action and prioritization by the community.



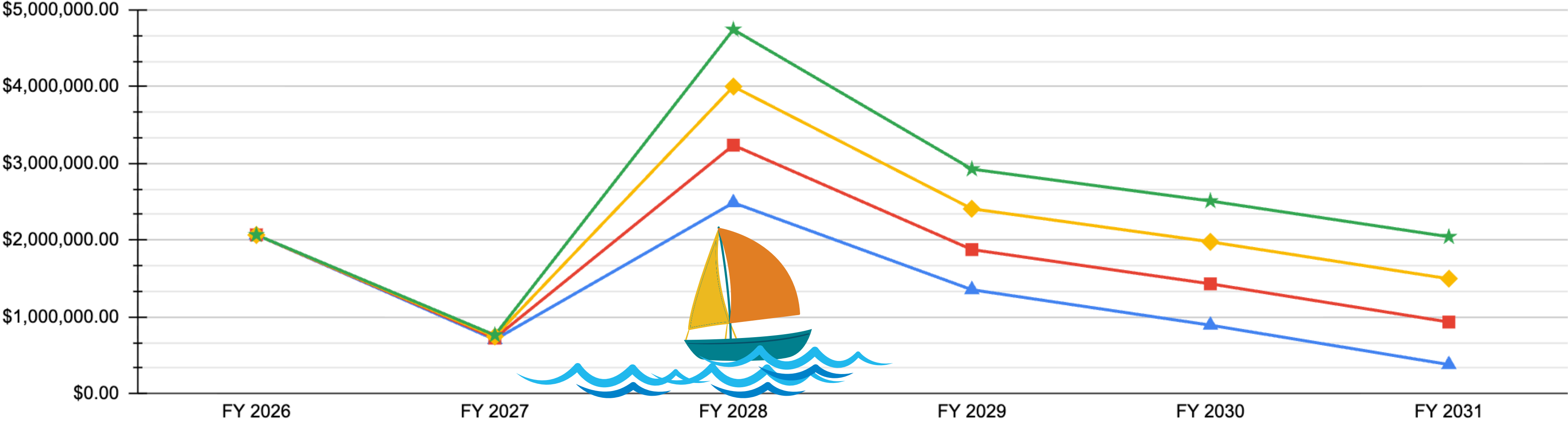
The likely best solution is a combination of increases in revenue, reductions in programs and services, and modifications to assumptions.

Revenue Elements

- Increase Student Fees: Registration and/or Activity
- Establish and facilitate a nonprofit foundation to supplement the needs of the District through private and corporate donations
- Identify additional State, Federal or Private grant opportunities
- Increase rental use of facilities
- Increase tax revenue through referendum and/or Health Life Safety Levy

Base Model Surplus w/ Additional Revenue

▲ \$1.5M ■ \$2M ◆ \$2.5M ★ \$3M



Total 100% Collections with Addl. Referendum Revenue less Total Exp.

Expenditure Elements

- Reductions in programs and services through staffing
 - Increase class sizes
 - Reduce or eliminate non-mandated programs
 - Reduce or eliminate extra-curricular programs
- Reduce transportation costs by modifying guidelines
 - Increase travel times
 - Reduce number of stops
- Reduce allocations to curricular supplies/materials through extended replacement cycles or process changes
 - In-District curriculum development
 - Reduction of 1:1 device replacements
- Continue deferred and phased maintenance projects

Assumption Shifts

- Lower Fund Balance Target to 25-30%
- Reduce/Eliminate Capital Project Fund
- Continued Monitoring of Assumptions year over year for budget development
 - Salary
 - Benefits
 - Purchased Services
 - Transportation, etc.



Key Takeaways

- There is a growing gap between revenue and expenditures, even with reductions in programming and staffing.
- Federal and State funding, which was once more dependable, is in flux.
- Maintaining this new baseline will require reductions, increased revenue, and modified assumptions.
- Review of desired expectations and outcomes will drive action planning.





QUESTIONS & DISCUSSION