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To: The Board of Education and Dr. Patrick Broncato, Superintendent  
From: Curt Saindon, Assistant Superintendent for Business Services/CSBO  
Date: February 20, 2026  
Subject: Budget Development – Revenue Projections for FY2026-2027

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As we begin to develop our budget for next year, one that will include just over \$63M in total projected revenues, we find that Local revenues will see modest increases (maybe 3% at most) while State revenues will be flat (0% increase projected) and Federal revenues will be declining (by at least \$1M). Overall, revenues will grow only from about \$62.5M to \$63.1M, or about 1%. We get about 84% of our revenues from Local sources (around \$53M projected), 12% from State sources (about \$7.5M projected) and 4% from Federal sources (around \$2.6M). However, we do have adequate reserves in place (around \$50M+) to help cover any temporary shortfall that might occur due to flat or lower State and/or Federal funding. These revenues do not include about \$15M in projected State “on behalf payments” made to TRS on our behalf, nor does the budget include an equal amount of projected “on behalf expenses” for those benefit payments...adding those in would give us a budget of about \$78M, but as those “on behalf” payments and expenses don’t run through our books or touch our accounts, it makes more sense to ignore them focus on the approximately \$63M of direct revenues that we do receive.

Local revenues are comprised mainly of Property Tax Receipts (~ \$49.5M), Interest Income (~ \$3M), Corporate Personal Property Tax Receipts (~ \$250K), Food Service Revenues (~ \$50K), Transportation Receipts (~\$25K), Registration Fees (~\$150K) and other Miscellaneous Local Revenues (~\$150K). We are only expecting an overall increase of about 1% in Local revenues from this year to next year, with property taxes accounting for most of this increase and being partially offset by decreases to CPPRT receipts and Interest income. This is the lowest growth rate for Local revenues in several years, and when coupled with flat State revenues and declining Federal revenues, will lead to a very challenging FY26-27 budget indeed.

The State provides an important piece of funding support (about \$7.5M in total), mainly through Evidence Based Funding (~\$4.75M), Special Education Categorical Reimbursements (~\$500K), Food Service Reimbursements (\$100K), Construction Grant proceeds (\$50K), Transportation Categorical Reimbursements (\$1.6M) and Early Childhood Programming Support



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(~\$500K). The State is facing a projected \$2.5B budget deficit next year (on a \$54B budget, or a 4.6% shortfall) and although ISBE has asked for about \$750M more to increase EBF and Mandated Categorical Programs, and maintain food service reimbursements and early childhood support, the cuts will have to come from somewhere to balance the budget. Funding public education has been a priority for Governor Pritzker over the years, but with the economic realities of the times, and the significant loss of Federal monies that supported the State budget recently, we are probably looking at some lean years ahead regarding increases for public education. Additionally, there is an impending Tier II Pension Fix that could cost anywhere from \$500M to \$1B that is not included in the projected deficit, and the near certain reduction in Federal funds will further exacerbate our situation. We should know more soon, as the Governor is set to provide his Budget Address to the General Assembly this week, and the State Budget will then begin to take shape. Overall, we expect State support to be somewhere around \$7.5M (the same as last year), and we will be plugging that number into our initial revenue estimates.

The loss of ESSER Grant Funds (we received almost \$4M over the past 5 years), no new/additional Solar Tax Credit monies (a \$1M decrease in Federal funds), and potentially flat or decreased support across other Federal programs will most likely lead to significantly lower overall support from the Federal government. We are expecting about \$500K in USDA Food Service Revenues, about \$500K in ESEA Title Grant Funding, maybe \$800K in IDEA Special Education Support, about \$500K in HHS Medicaid Reimbursements, and maybe \$300K from Other Federal Sources. That adds up to about \$2.6M in total Federal funding, down from \$3.7M expected this year. Additionally, future Federal funding for public education is even more in doubt, as the current Administration would like to eliminate the Department of Education, cut various related programs, rollback others, and promote school choice, private school vouchers, and push the responsibility for funding public education back to the State and Local levels. It remains to be seen if this will happen and what it will look like, but one thing is certain, Federal funding for public education is likely to decline in the near term. Decreased Federal support for schools puts more pressure on State and Local resources to make up for a Federal shortfall.

In summary, we are expecting a very slight increase in local funding that will hopefully offset decreases in State and Federal support, with about \$63M in total revenues projected (a 1% increase). Local revenues are fairly certain right now and the picture for State and Federal funding should become clearer in the next few months. I will keep you updated as we move through the spring and into summer regarding revenue forecasts and their impact on our budget and financial projections. If necessary, we will make spending adjustments, as needed, to help ensure that we live within our means, continue to balance our budget, minimize any projected deficits, and use existing funds balance reserves sparingly to cover those shortfalls. As always, please let me know if you have any questions. Thank you.