May 2025 Busine$$ Report   BY MARC CAMPBELL

Head Start zeroed out in Trump's preliminary budget plan – *April 17, 2025*
Written by: Kara Arundel for K-12 DIVE and Distributed Online by IASA through Eye on Education Email Listserv at;
https://www.k12dive.com/news/head-start-eliminated-hhs-draft-budget-child-care-preschool/745721/

While some conservatives have called the early education program ineffective, supporters point to academic, social and economic benefits.

Dive Brief:

- Head Start would be eliminated under a draft fiscal 2026 budget that the Trump administration is preparing to send to Congress, according to a preliminary budget planning document acquired by K-12 Dive's sister publication Healthcare Dive.
- The program is among other initiatives targeted for termination that support low-income families and children — including the Low Income Home Energy Assistance Program and the Community Services Block Grant — under the preliminary budget document for the U.S. Department of Health and Human Services.
- Even if sent to Congress as currently drafted, however, the proposals have a long road to travel before gaining congressional approval and being finalized. Still, advocates and policymakers are raising alarms, with one advocacy group — The Child Care for Every Family Network — calling the potential elimination of Head Start an "absolute disaster for families and [the] economy."

Dive Insight:

The budget cuts would be in line with the Trump administration's efforts to dramatically reduce the size of the federal government. For FY 2024, Congress funded Head Start at about $12.2 billion, the Community Services Block Grant at around $758 million, and LIHEAP at $4 billion.

HHS did not respond to a request for comment Thursday.

Some Republicans in Congress and conservative organizations have criticized Head Start in the past as unsafe and ineffective at increasing children's academic performances. Project 2025 — a blueprint for the current Republican administration issued during the presidential campaign by the Heritage Foundation, a conservative think tank — recommended zeroing out the program.

But the National Head Start Association, an advocacy organization that represents program leaders, families and children, points to research showing positive academic, social and economic returns on investment from Head Start.

The program, which celebrates its 60th anniversary next month, serves nearly 800,000 infants, toddlers and preschool children from families with low incomes. More than 17,000 Head Start centers operate nationwide. A companion Early Head Start program provides prenatal services.

The proposal to terminate Head Start "reflects a disinvestment in our future," said Yasmina Vinci, executive director of NHSA, said in a Thursday statement. "Eliminating funding for Head Start would be catastrophic. It would be a direct attack on our nation's most at-risk children, their well-being, and their families."

The Head Start system is already under fiscal strain, advocates say. Mass layoffs at HHS on April 1 led to the closing of five Office of Head Start regional offices: Boston, New York, Chicago, San Francisco and Seattle. Those offices are to be consolidated into the five remaining offices in Philadelphia, Atlanta, Dallas, Kansas City and Denver. The regional offices provide guidance on federal policy, training and technical assistance to Head Start providers.

However, in an April 3 announcement to Head Start grant recipients, Laurie Todd-Smith, HHS deputy assistant secretary for early childhood development, said the closures would not impact "critical services."

Sen. Patty Murray, D-Wash., vice chair of the Senate Appropriations Committee, said in a Wednesday statement that data shows the Trump administration issued nearly $1 billion less in federal grants to Head Start centers nationwide to date this year compared to the same period last year — a 37% decrease.

"So far this year, Trump has slow-walked $1 billion in funding from going out the door to Head Start programs, and we are beginning to see the devastating consequences: centers closing, kids kicked out of the classroom, teachers losing their jobs, and entire communities losing out," Murray said.

President Donald Trump is expected to release his proposed FY 2026 budget later this month or early next month, according to news reports. Congress will then debate the recommended allocations before sending appropriations bills to the president for signature. The federal fiscal year starts Oct. 1.

Once an Illinois darling, electric school bus maker Lion faces likely liquidation – *May 6, 2025*
From Chicago Tribune: Nara Schoenberg and Distributed by IASA Online through Eye on Education Email Listserv at; https://www.chicagotribune.com/2025/05/05/lion-electric-joliet-electric-school-bus/

This is an abbreviated section of the article
Lion Electric opened its sprawling 900,000-square-foot plant near Joliet in 2023, touting the potential for 1,400 new jobs.

The Quebec-based electric school bus maker found eager customers in Illinois school districts, which wanted to take advantage of generous federal grants, reduce pollution and give kids a cleaner, quieter ride to school.

But the bad news about Lion, which has been building for months, got worse Monday, with a court-appointed monitor saying there is a "very high" likelihood that the company will be liquidated, according to the Globe and Mail and other outlets.

"It's a bit of a sad story, because it's the right company with an interesting product," said Yan Cimon, a professor of business strategy at the Université Laval in Québec City. He said Lion followed an ambitious path — including a bold expansion into the United States — and ultimately the company's sales didn't keep up.

"Had Lion been a bit more conservative, maybe they wouldn't be where they are," he said.

Economic News Briefs…

- ***Market and Economic Highlights: May 2025***
  - U.S. stocks were mostly lower in April, although they ended the month well off the lows
  - Short and intermediate bonds gained for the month
  - Tariff policy and China trade tension dominated headlines
  - GDP turned negative in Q1 on higher imports ahead of tariffs
  - Fed speak continued to highlight conflicting risks of inflation and slower
    Source: Bloomberg, FactSet
- ***Stocks Gain From Early April Lows:*** Returns for U.S. stocks were mostly lower in April and volatility was high, particularly early in the month. Headlines, largely related to evolving tariff policy, broadly drove stock prices up and down as correlations across stocks were high. The S&P 500 closed below 5,000 on April 8th as uncertainty and market volatility peaked. After a 90-day pause was announced on April 9th, the S&P 500 rallied over 11% from the April 8th close. Looking across sectors, technology was notably higher for the quarter with the NASDAQ posting slightly positive returns. Energy was another noteworthy sector with prices down 14% due to less demand and higher levels of supply. *Sources: Bloomberg, FactSet*
  Taken from the ISDLAF+ Market Update May 2025 prepared by PMA Asset Management, LLC

DPS Business Department Briefs…

- ***Capital Watch:*** A subject matter hearing was held during the committee meeting to address the growing impact of rising health insurance costs on school district budgets. Lawmakers heard testimony from both school employees and employers, highlighting the ongoing financial strain caused by escalating premiums and instability in current insurance structures. The Illinois Education Association voiced support for House Joint Resolution 12 (Stuart; D-Collinsville), which would create the Educator Health Insurance Task Force to explore the feasibility of regional health insurance pools for school districts. The discussion underscored the growing tension between employees, who are increasingly looking to districts to absorb more of the cost or preserve coverage, and employers, who are forced to balance these expectations against difficult budget realities, including potential staff reductions, cuts to student services and pressure on local tax rates. This concept has also gained formal support from the Illinois Association of School Boards. At its November 2024 meeting, the organization approved a resolution backing the creation of a unified health plan by the Department of Central Management Services that school districts could opt into. *Source: IASBO Advocacy Alert Capital Watch Email – 4/25/25*
- ***Capital Watch:***
    - SB2655 (Loughran Cappel; D-Crest Hill) proposes a $1.306 billion appropriation to mandated categorical line items in the FY26 budget, most notably, restoring regular and special education transportation funding to proration levels in the mid-80% range. It is important to note that, unlike substantive legislation, appropriations bills do not move through the traditional committee process for a vote. Instead, they serve as starting points for negotiation as the broader state budget takes shape. Ensuring adequate funding for these critical programs remains a top priority for school management groups and we continue to advocate strongly for increased support for these mandated services.
    - SB191 (Morgan; D-Highwood) will require all newly purchased school buses after July 1, 2031 to be equipped with seatbelts. The bill received traction this year after BlueBird announced it would begin installing seat belts in all new buses as a standard safety feature at no additional cost.
    - A subject matter hearing on HB1654 (Williams, J; D-Chicago) drew significant attention in committee, as lawmakers examined a proposal that would allow K-12 and higher education support staff to receive unemployment benefits during the summer months—and potentially during winter and spring breaks as well. The bill would amend the Unemployment Insurance Act to allow these employees to collect benefits over the summer, even with a reasonable assurance of employment during the next academic term. It remains unclear whether certified staff would also be eligible under the proposed language. Cost concerns loomed large in the discussion, with universities and school districts warning of steep financial impacts, which would be shouldered by students at universities and local property taxpayers for school districts. The committee chair emphasized the importance of the feedback shared and indicated that the unemployment working group will continue working on the proposal. *Source: IASBO Advocacy Alert Capital Watch Email – 5/9/25*
- ***Whitson's Color Dye Removal:*** Whiton's has notified the District that they will be making changes to the menu in SY 25/26 regarding foods with certain dyes. Effective for the 2025–2026 school year, products containing the following artificial dyes will be phased out from all of our programs: Red 40 (Allura Red AC), Yellow 5 (Tartrazine), Yellow 6 (Sunset Yellow), Blue 1 (Brilliant Blue FCF), Blue 2 (Indigo Carmine), Green 3 (Fast Green FCF), Citrus Red 2, and Orange B.

Countywide Sales Tax – After December FY 25 receipts were the highest monthly total since the creation of the program, the January 2025 receipts again showed tremendous growth over the previous years. January 25 receipts were $179,000 which is 27% greater than FY 24 and 33% greater than FY 23. January receipts have traditionally been low due to it following holiday spending and the weather being cold throughout the years. The CFST receipts are three months in arrears so the funds received in May represent the taxes paid by consumers in January. 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 over the life of the program with a comparison of FY 24 vs. FY 25.

Countywide Sales Tax Revenues					
					Difference
	FY 22	FY 23	FY 24	FY 25	FY 24 v. 25
July	$154,600.29	$167,736.37	$166,297.20	$177,241.56	$10,944.36
August	$151,914.91	$157,646.19	$171,178.89	$177,589.47	$6,410.58
September	$147,769.08	$160,407.90	$175,220.50	$176,058.42	$837.92
October	$149,779.51	$162,719.99	$165,535.70	$157,162.56	-$8,373.14
November	$151,772.24	$157,766.14	$168,001.90	$171,171.84	$3,169.94
December	$173,545.72	$167,486.45	$178,755.19	$201,004.74	$22,249.55
January	$120,886.90	$134,425.96	$141,195.76	$179,547.38	$38,351.62
February	$116,109.65	$123,815.53	$141,802.17	$0.00	$0.00
March	$148,860.94	$154,850.14	$165,591.32	$0.00	$0.00
April	$151,074.10	$159,801.14	$168,718.21	$0.00	$0.00
May	$176,921.12	$182,291.57	$195,620.51	$0.00	$0.00
June	$179,688.24	$181,283.06	$186,682.55	$0.00	$0.00
	$1,822,922.70	$1,910,230.44	$2,024,599.90	$1,239,775.97	$73,590.83

The next payment obligation for 2018A & 2019A Alternate Revenue Bonds will be an interest only payment in July 2025. The payment will be allocated out of CFST receipts on a monthly basis to meet the obligation. Then in January 2026, a principal and 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.

Corporate Personal Property Replacement Tax (CPPRT):

As discussed over the past couple of years, CPPRT revenue is a key statistical point of the financial success of the District. In May 2024 the following was shared.

Illinois Department of Revenue: May 2024 PPRT Statement

Effective July 2023, IDOR adjusted its tax processing system to more accurately estimate future reallocations of Personal Property Replacement Tax (PPRT) and Local Government Distributive Fund (LGDF) distributions as required by statute. Due to the timing of the tax processing system update, it was expected that the reconciliation of payments and returns for tax year 2022 would result in a similar reallocation as occurred in 2021. However, due to a substantial quantity of amended tax returns, the reconciliation of tax year 2022 resulted in a greater reallocation than in tax year 2021.

The reallocation of tax year 2021 and 2022 receipts was caused by tax policy changes, such as the federal government enacting the State and Local Tax (SALT) deduction cap, the State of Illinois creation of the Pass-Through Entity Tax (PTE), and large increases in business income tax receipts.

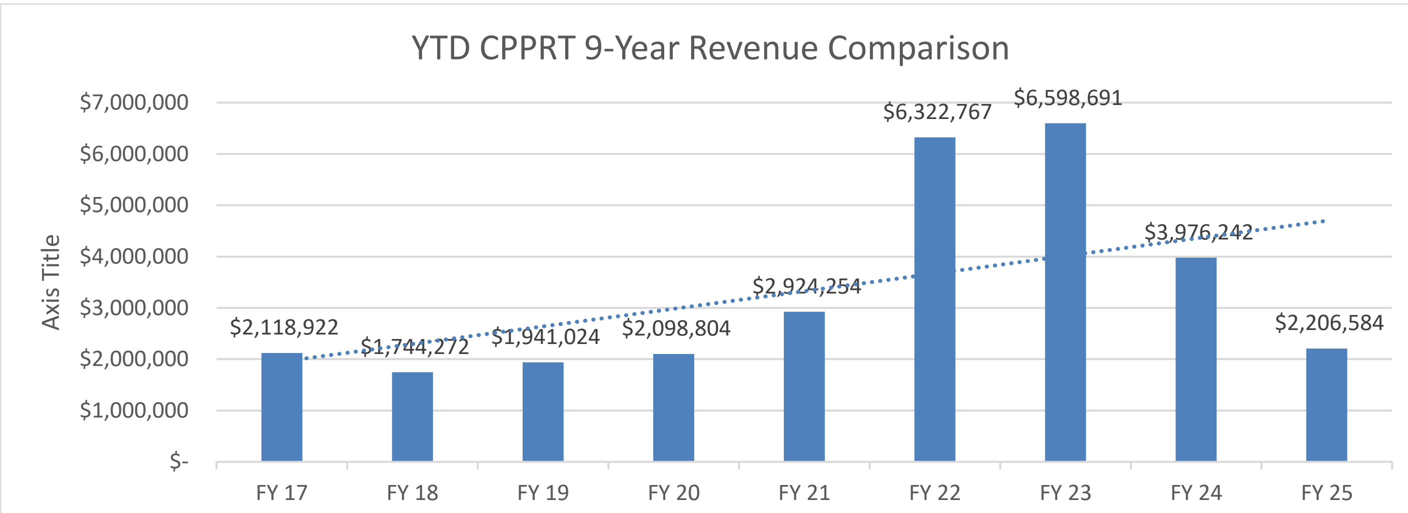
The reallocation in fund distributions, which state statutes require, resulted in an increase in FY'24 LGDF allocations and a reduction in FY'24 PPRT allocations to taxing districts. The same will occur for the upcoming FY'25. ***This reallocation will result in a PPRT reduction for FY'25 of $1.021 billion compared to the $818 million reduction that occurred in FY'24***.

May 30, 2024

https://tax.illinois.gov/localgovernments/localtaxallocation/may-2024-pprt-statement.html

Below is the summary to date for FY 25.

CPPRT Revenue Comparison FY 25 vs. FY 24									
FY 23 Receipts			***FY 24 Receipts***			***FY 25 Receipts***		**Diff**	
8/4/2022	$	118,270	8/3/2023	$	167,763	8/5/2024	$	125,610	$ (42,153)
10/5/2022	$	1,395,312	10/4/2023	$	862,465	10/3/2024	$	513,573	$ (348,892)
12/6/2022	$	456,936	12/5/2023	$	267,667	12/4/2024	$	160,674	$ (106,993)
1/5/2023	$	1,007,960	1/3/2024	$	591,893	1/6/2025	$	426,470	$ (165,423)
3/3/2023	$	499,320	3/5/2024	$	349,040	3/6/2025	$	175,719	$ (173,321)
4/5/2023	$	793,274	4/3/2024	$	311,321	4/3/2025	$	166,747	$ (144,574)
5/3/2023	$	1,287,075	5/7/2024	$	752,651	5/5/2025	$	637,791	$ (114,860)
7/6/2023	$	1,040,543	7/3/2024	$	673,442		$	-	
	$	6,598,690		$	3,976,242		$	2,206,584	$ (1,096,216)
Sum thru May	$	5,558,147	Sum thru May	$	3,302,800			% Inc/(Dec)	-33%



Treasurer's Report – April 2025

In your Board Packet, you will find the Treasurer's Reports for April 2025. The summary graphs represent FY 25 fund balances through April 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 $1.79 million. A quarterly assessment payment to LCSEA for approximately $900,000 was the primary reason for the decrease in the Education fund. Transportation remains a negative balance as the state owes the District the fourth quarter categorical payment but the deficit amount improved slightly after the 3rd quarter categorical payments were received. The operating funds decreased by $1,9 million representing normal expense operations. Fund balances remain strong with the exception of Transportation. The Business Office will continue to monitor cash flow throughout the second half of the year as we anticipate declining fund balances moving forward.