



2025/26 BUDGET

BOARD OF EDUCATION

June 25, 2025

Vision: One District, One Population with One Core Purpose

Mission: Preparing Students to be Successful for Life

2025/26 BUDGET

Executive Summary - 6/25/25

This report presents the Budget for Fiscal Year 2025/26.

Timeline:

<i>June 11, 2025</i>	Resolution authorizing public display of the budget and setting date for public hearing
<i>June 25, 2025</i>	General review of tentative budget
<i>July 1, 2025</i>	Tentative budget is placed on display and notification of a public hearing is placed in the newspaper. Illinois School Code requires the budget document be placed on display for 30 days prior to the public hearing or adoptions.
<i>August 6, 2025</i>	Review of any changes and public hearing of final budget
<i>September 30, 2025</i>	Final budget adoption
<i>October 31, 2025</i>	Final budget submitted to ISBE by this date

As this process spans over an entire year, there are several variables that affect changes over time. Budget managers review proposals, grants are revised, and audit accruals and variance analysis typically result in adjustments after July 1. This budget document attempts to provide information which will give Board members a comprehensive knowledge of the sources and uses of District funds.

General Budget Parameters:

At the October 2, 2024 meeting, the Board of Education authorized administration to move forward with developing a budget. The budget was built based on the following parameters:

- In accordance with Board approved Fund Balance Policy 4:25;
- Allocate costs associated with implementing the District's Strategic Plan;
- Project based on the Resource Allocation Plan;
- Allocate salary costs based on Board authorized percentage increases and negotiated agreements;
- Allocate insurance benefit costs based on projections and plans as identified through the Insurance Committee process;
- Allocate facilities, equipment and capital improvement project costs adopted by the Board of Education;

- Allocate funds to support the District technology plan;
- Allocate funds to support District initiatives;
- Restructure budgets as deemed necessary to meet financial goals;

Key Developments:

In February of 2024, the Board of Education approved the Brentwood Addition by hiring Nicholas and Associates. This project estimate totaled \$15,000,000. The architect for this project is Wold, and the construction manager is Nicholas and Associates. The project is scheduled to break ground in September, with completion in August before the 25/26 school year. The majority of the payment will occur in this coming fiscal year.

The Early Learning Center has an unreliable heating, ventilation, and air conditioning system (HVAC). The overall system has a consistent history of functionality issues. Maintenance far exceeds the norm in terms of frequency. This has disrupted the learning environment at the ELC due to the system's failures. An alternative has been explored, which would be energy efficient and reliable for cooling and heating. A replacement was formally discussed at the July 10, 2024 meeting. The work will take place over summer of 2025. Costs after tax incentives equate to \$5.1 million. Work on this started in June.

In February of 2024, the board approved of Wold Architects to conduct an educational facility study. This study assisted in determining next steps for facility planning and improvements. Currently, the district is tabling the Long Range Facility Plan until the Strategic Plan is reviewed.

The board of education approved of a mobile for John Jay Elementary, fully functional in August. The mobile will consist of two classrooms with working washrooms and HVAC. This will aid in spatial issues at the building before making long-term decisions.

Over the last several months, the district has worked with RSP on a boundary and enrollment analysis. The presentation occurred on 6/11/25 and can be seen [here](#).

The certified teachers' contract combined with the ESP contract. It is currently ratified and will be enacted on 7/1/25 pending board approval on 6/11/25. The CAMEO (maintenance and custodial staff) contract runs through 2028.

Budget Highlights:

The district continues receiving awards by the Association of School Business Officials International (ASBO Intl) and the Government Finance Officers Association (GFOA) for its Annual Comprehensive Financial Report (ACFR).

Since the 2020-21 year, the district has a balanced operating budget, where the revenues received in that fiscal year equal or exceed the expenses for the same time period, across all operating funds.

The district continues running a balanced operating budget for the 2024-25 school year, presented to the Board on June 25, 2025. The FY26 Final Budget's revenue exceeds the expenses by \$1,339,068 in the operating funds as presented to the Board on the 25th. To achieve this goal, the district continues utilizing surpluses in order to keep up with building maintenance while avoiding taking out a bond. The district has also implemented a five-year ladder for investments, increasing the anticipated revenues from \$440,000 to over \$4,000,000. It was not necessary to terminate any staff members for financial reasons to meet this goal.

Revenue Assumptions:

To establish revenue budgets, the District relies on historical as well as the ongoing monitoring of legislative activities. The following are highlights of the District's major revenue sources:

- Tax revenue assumptions - The 2024 Tax Levy receipts are received at 55% of their total this fiscal year, and 2025 Tax Levy receipts will come in at 45% of their total. Estimates are developed as part of the levy adoption process and assumed receipt of taxes within the timeframe established during the 2025/26 fiscal year. Current estimates assume a triennial assessment occurring in 2025. The consumer price index used in the tax levy calculation estimates is 2.9%.
- Corporate Personal Property Replacement Taxes (CPPRT) assumptions - These are based on estimates provided by the Illinois Department of Revenue (IDOR) per Illinois statute (50 ILCS 420/4.1). These estimates are periodically updated, particularly in May. Our initial assumption is that CPPRT will decrease slightly in FY26. Additional funding further decreased per estimates due to supplementing waivers at the state level. Therefore, CPPRT, which has been higher in years' past at \$15.3 million, is down to an anticipated \$5,803,789. The end of ESSER/COVID-19 dollars meant that corporations had less funding to spend, leading to less CPPRT dollars. Due to the large industrial base within District 59's boundaries, CPPRT is a major source of revenue.
- Student Fee assumptions - Student fees are waived, as they have been over the past several years.
- Interest earnings assumptions - The FY25 interest earnings budget is based on the projected five-year ladder with an interest rate of over 5%. In FY23, interest was approximately \$400,000. For FY26, the projected interest is \$4,000,000.
- State funding assumptions - The FY25 budget reflects the district being in Tier 4. Tier 4 districts receive 0.1% of all new funding at the state level. The district will receive approximately \$12,056,979 in this Evidence Based Funding (EBF) formula.
- Transportation reimbursement assumptions - The regular education transportation and special education transportation funding formula has been prorated over time. Special education transportation reimbursement is estimated to be at 60% of what is owed to the district, whereas regular education is projected to be funded at 70% of what is owed.
- Federal grant funding assumptions - The federal grants remain flat. However, Title grants will see a decrease. ESSER dollars are no longer available. Federal funding may decrease in future years.

Expense Assumptions:

EDUCATION FUND

Salary assumptions reflect increases based on contracted and negotiated agreements for our existing staff and assumed contract amounts for new positions.

- Staffing has been adjusted to reflect the resource allocation plan presented at the February 19, 2025 meeting. The district added 0.5 staff for the Director of Safety and Security role.
- Benefit assumptions - For FY26, there will be an increase of 13.9% in medical PPO insurance and an increase of 4.7% in the medical HMO. There is an increase in dental insurance of 6.9%. State TRS employer payments are expected to not increase and Federal TRS is yet to be announced.
- Purchased Services assumptions - Workers' compensation insurance is budgeted at an 2.8% increase. Contractual food services expenses will increase 2.9%. Other purchased services assume a 3-4% increase due to inflation.

OPERATIONS AND MAINTENANCE FUND

- Salary assumptions - Reflect increases based on contracted and negotiated agreements for existing staff and assumed contract amounts. This is based on the agreement that was approved by the board on June 10, 2024.
- Staffing assumptions - Staffing is flat for the coming year.
- Benefit assumptions - For FY26, CAMEO will be following the benefits negotiated through the Insurance Committee.
- Purchased Services assumptions - There will be a 2.8% increase in workers' compensation insurance. A 3% increase has been budgeted for water/sewer services. All other purchased services accounts are increased per inflation.
- Supplies assumptions - We are planning for an increase for gasoline and natural gas costs. Electricity is expected to stay flat.
- Equipment assumptions - We are planning on purchasing two maintenance vehicles this fiscal year.

DEBT SERVICE FUND

- Principal and interest payment assumptions for the March 2020 bond.

TRANSPORTATION FUND

- Salary assumptions - Reflect increases based on contracted agreements for Safeway and for our two in-house employees.
- Staffing assumptions - The district has two staff members in-house. No additional staff will be added.
- Benefit assumptions - For FY26, the two staff members will be following the benefits negotiated through the Insurance Committee.
- Purchased Services assumptions - For FY26, the transportation increase is 2%.
- Supplies assumptions - We are planning for an increase for gasoline.
- Equipment assumptions - We are not purchasing any buses this fiscal year.

ILLINOIS MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

- Benefit assumptions - Budget allocations include changes in staffing and changes in salaries. The employer required contributions for IMRF is to be determined..

CAPITAL PROJECTS FUND

- In February of 2024, the Board of Education approved the Brentwood Addition by hiring Nicholas and Associates. This project estimate totaled \$15,000,000. The architect for this project is Wold, and the construction manager is Nicholas and Associates. The project is scheduled to break ground in September, with completion before the 25/26 school year.
- The Early Learning Center has an unreliable heating, ventilation, and air conditioning system (HVAC). The overall system has a consistent history of functionality issues. Maintenance far exceeds the norm in terms of frequency. This has disrupted the learning environment at the ELC due to the system's failures. An alternative has been explored, which would be energy efficient and reliable for cooling and heating. A replacement was formally discussed at the July 10, 2024 meeting. Costs after tax incentives equate to \$5.1 million.
- John Jay Elementary will

WORKING CASH FUND

- The working cash fund will not be accessed this fiscal year.

General Revenue Information:

Approximately 86.8% of the District's revenue is received from local sources, inclusive of bond proceeds. The major sources are property taxes, corporate property replacement taxes, and interest earnings. Other local revenue includes such items as donations and lunch fees. Tuition includes fee-paying preschool students.

Property taxes are levied on a calendar year basis, but must be budgeted on a fiscal year basis. Therefore, property tax revenue in the budget includes two different levies. The fall installment assumes approximately 55% of the 2024 levy, and 45% of an estimated 2025 levy.

Corporate Personal Property Replacement Tax (CPPRT) revenue fluctuates in response to economic conditions. The amount due the District can be applied to any fund deemed to have the greatest need. With a view on the long-term, CPPRT is typically spread across the Operations and Maintenance, Capital Projects, Educational and IMR/SS Funds. Budget estimates are provided by the Illinois Department of Revenue, but are adjusted during the fiscal year.

Earnings on investments will be adjusted during the final audit process to reflect market value in accordance with GASB 31 requirements. The FY26 interest earnings budget is based on the projected interest earnings from the five-year ladder of investments.

State revenue budget accounts for approximately 10.1% of total revenue. With the Evidence Based Funding (EBF) formula, categorical grants have been eliminated with the exception of transportation grants. CCSD59 has been designated as a Tier 4 school district for the EBF formula. In the event that there is a state funding shortfall, Tier 1 and Tier 2 school districts will receive funding prior to Tier 3 and Tier 4 school districts.

Federal programs provide for the final 3.1% of the district's revenue. The FY26 federal revenue figures are based primarily on estimated grant allocations and participation by low-income students in the National School Lunch Program.

General Expense Information:

The expenditures budget is developed with the input of budget managers at the schools and the central office department levels. These managers are responsible for allocating resources to the operations of their respective departments.

Contingencies have been added in some funds for the purpose of accommodating any unanticipated or emergency expenditures. Expenses will be monitored throughout the year.

Expenditures are traditionally presented in two ways: by object or by function. Object categories consist of salaries, benefits, purchased services, supplies, non-capitalized equipment, capital outlay, etc. Functions include instruction, support services, school administration, and various central services. Designations are established by the Illinois Program Accounting Manual.

General Inter-Fund Transfer Information:

Funds may be transferred between funds in accordance with State Code. A transfer from a fund represents an expense (use) to the fund but is not considered an expense to the district. Likewise, the fund that receives the dollars records it as a revenue (source), but this does not represent a revenue to the District. Transfers can be used to provide additional resources to a fund above and beyond the traditional sources of revenue.

Fund Balance Policy:

During FY12, the board of education adopted its first fund balance policy. Policy states that the district shall maintain an aggregate no less than the 50-60% range in the Educational, O&M, Transportation, and Working Cash Funds. The FY25 budget falls within fund balance policy criteria.

Fund Balance Designations:

GASB 54 reporting requirements have established designations within fund balances. District 59's presentation within each fund identifies fund balances as either assigned or unassigned as required by this pronouncement.

Fiscal Year 26 Tentative Budget

Fund	Revenue	Expenses	Difference
10 - Educational Fund	\$118,625,267	\$114,621,217	\$4,004,050
20 - Operations & Maintenance Fund	\$11,227,393	\$10,992,981	\$234,412
30 - Debt Service Fund (including debt payment)	\$5,327,322	\$5,001,500	\$325,822
40 - Transportation Fund	\$6,937,852	\$9,837,246	-\$2,899,394
50 - IMRF/FICA Fund	\$3,036,823	\$3,957,766	-\$920,943
60 - Capital Projects Fund	\$50,000	\$17,609,139	-\$17,559,139
70 - Working Cash Fund	\$0	\$0	\$0
80 - Activity Fund	\$0	\$0	\$0
90 - Health Life Safety Fund	\$0	\$0	\$0
Total	\$145,204,657	\$162,019,849	-\$16,815,192
Operations	\$136,790,512	\$135,451,444	\$1,339,068

The operating funds are in fund 10, 20, 40, and 70.

*Note: Capital Projects For FY26 include the following:

Brentwood Addition
 Early Learning Center HVAC
 John Jay Mobiles
 Routine Maintenance in the 10-Year Plan

Any questions, please contact Ron O'Connor at occonnor.ron@ccsd59.org



BUDGET REPORTS

- The official form that is sent to the state can be found [here](#). This is a function/object document which also splits spending by fund. It is a mid-level excel document with tabs.
- All individual accounts with descriptions can be found [here](#). This is a comprehensive document, listed by line item in an excel format.
- The monthly cash flow document can be found [here](#). This assists in predicting when revenues and expenses are incurred throughout the current year, based on past trends.
- The Treasurer's Reports will be found [here](#). This folder will be updated monthly, with an in-depth report that is also shared in the board packet.
- The Illinois Program Accounting Manual (IPAM) can be seen [here](#). This is the standard guide for coding revenues and expenditures across the state.
- The state regulations/law for interfund transfers can be found [here](#). This is put to practice with the district when it comes to interest in investments at the end of the fiscal year.