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Preliminary FY27 Budget

Purpose

The purpose of this report is to provide the Board of Education with an overview of the preliminary budget for the Fiscal Year 2026-2027 (FY27). This is an informational item to ensure the Board is aware of the initial fund projections and the comprehensive three-year strategy designed to proactively eliminate structural deficit spending.

Background and Information

An initial review of the preliminary figures shows a projected ending aggregate operating fund balance of \$19,192,657. However, a closer look reveals localized structural deficit spending in several areas. While the *Education* fund projects an \$802,145 surplus, other core funds face projected shortfalls, including *Operations & Maintenance* (-\$388,378), *Transportation* (-\$362,008), *IMRF/SS* (-\$26,845), and the non-operating *Tort Liability* fund (-\$993,791).

To protect the district's long-term fiscal solvency, the administration is committing to a structured, three-year deficit reduction process that prioritizes sustainable operational systems through three core avenues:

- The district will maintain strict enforcement of zero-based procurement workflows by continuing the implementation of the needs assessment purchasing process.
- The administration will execute a systematic staff utilization analysis of employee assignments and attrition trends to optimize scheduling efficiencies across all buildings.
- The district will align all short and long term building and operations expenditures with an updated five-year facility plan to prevent emergency infrastructure costs within the operations and maintenance fund.

Timeline and Statutory Process

The district will adhere to a rigorous schedule to ensure all Illinois State Board of Education and statutory transparency requirements are met.

- A comprehensive budget update and formal tentative budget will be compiled and presented to the Board later this summer.
- The district will post the upcoming tentative budget for public inspection for a minimum of 30 days.
- We will publish all required legal notices in the local newspaper to satisfy the 30-day notice requirement for the public hearing.
- The Board of Education will host a formal public hearing and take final action to adopt the budget at a subsequent regular meeting.

Administrative Recommendation

This report is provided for informational purposes only. No formal board action is required at this time. The Board should be prepared to review these preliminary metrics as foundational reference points for the formal tentative budget display and public hearing cycles later this fiscal year.