

Financial Workshop

Monday, January 26, 2026 7:00 PM

Downers Grove Civic Center, 850 Curtiss Street, Downers Grove, Illinois 60515

1. Opening Items

1.A. Call to Order and Roll Call

2. Pledge of Allegiance

3. Financial Workshop

3.A. Financial Workshop Presentation

4. Public Comment

4.A. Public Comment Guidelines

5. Announcements

5.A. Upcoming Meetings & Events

6. Adjournment



Downers Grove Grade School District 58

We Envision. We Seek. We Believe.

Financial Workshop

Monday, January 26, 2026

Financial Challenges for District 58

1. The District has to balance its budget in an environment where expenditures are increasing more quickly than new revenue is being generated
2. Because of diminished year-end fund balances, the District does not start the year with enough cash in reserves to manage the May low-cash point
3. Despite a balanced budget in current fiscal year, there are no available resources to invest in long-term infrastructure projects or maintenance (post-referendum)



How Did We Get Here: Local Dollars

- Significant reductions in our Corporate Personal Property Replacement Tax (CPPRT)
- Dwindling interest rates
- Slowing inflation bringing down the Consumer Price Index (CPI) which is used to calculate new property tax dollars



How Did We Get Here: State Dollars

- A 'Tier 4' designation under the Evidence-Based Funding (EBF) model yields an insignificant amount of revenue growth from the state
- Proration to Mandated Categoricals (MCATs) means the District is being reimbursed less for increasingly expensive programs like transportation and private facility tuition

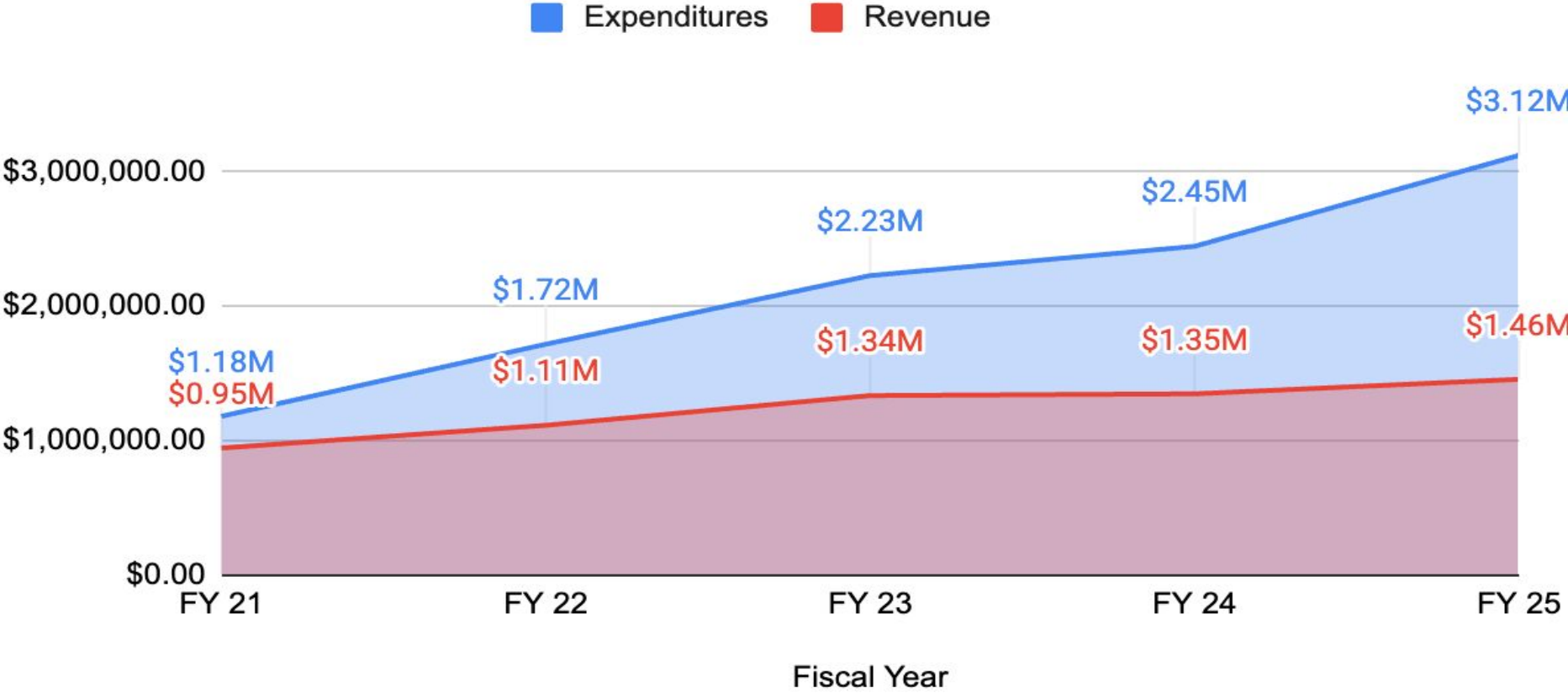


Proration in a Nutshell

- Greg borrows \$10 each from 7 Board Members
- Greg only has \$50 to pay them all back, so each Member gets **\$7.14**
- Next year Greg borrows \$11 from each member
- Now Greg has \$53 to pay them all back, so each Member gets **\$7.57**
- Each Member got an additional 43¢ but they had loaned Greg an extra dollar
- Each member receives 71.4% in year one, but only 68.8% in year two



SPED Transportation Mandated Categorical: Expenditures vs. State Reimbursement



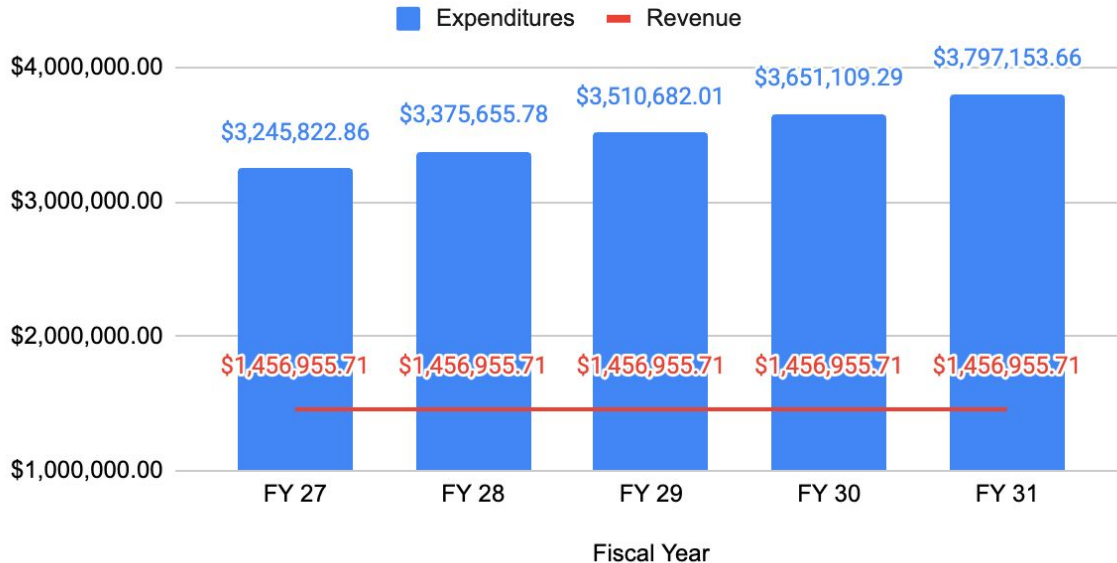
The Impact of Proration on District 58

- Over the last five years, Special Education transportation costs have increased by 164% while state reimbursements have only increased by 54%
- If District 58 were reimbursed at the same percentage in current fiscal year as it was in the previous fiscal year, the District would have an additional **\$264K** in revenue
- **THIS IS JUST ONE MANDATED CATEGORICAL FOR ONE YEAR!**
- The District's five-year plan forecasts the problem will worsen, with signs pointing to no new money being allocated for mandated categoricals in the next state budget
- The projections call for increases to transportation costs above CPI and flat reimbursements from the state



The Impact of Proration on Five-Year Planning

Special Education Transportation: Forecasted Expenditures and State Reimbursements FY 27-31



If new money was allocated by the state sufficient to reimburse District 58 in FYs 2027-2031 at the same rate as FY 25, the District would receive an additional \$2.4M during this time period.

These calculations do not include other mandated categoricals like regular transportation and private facility tuition.

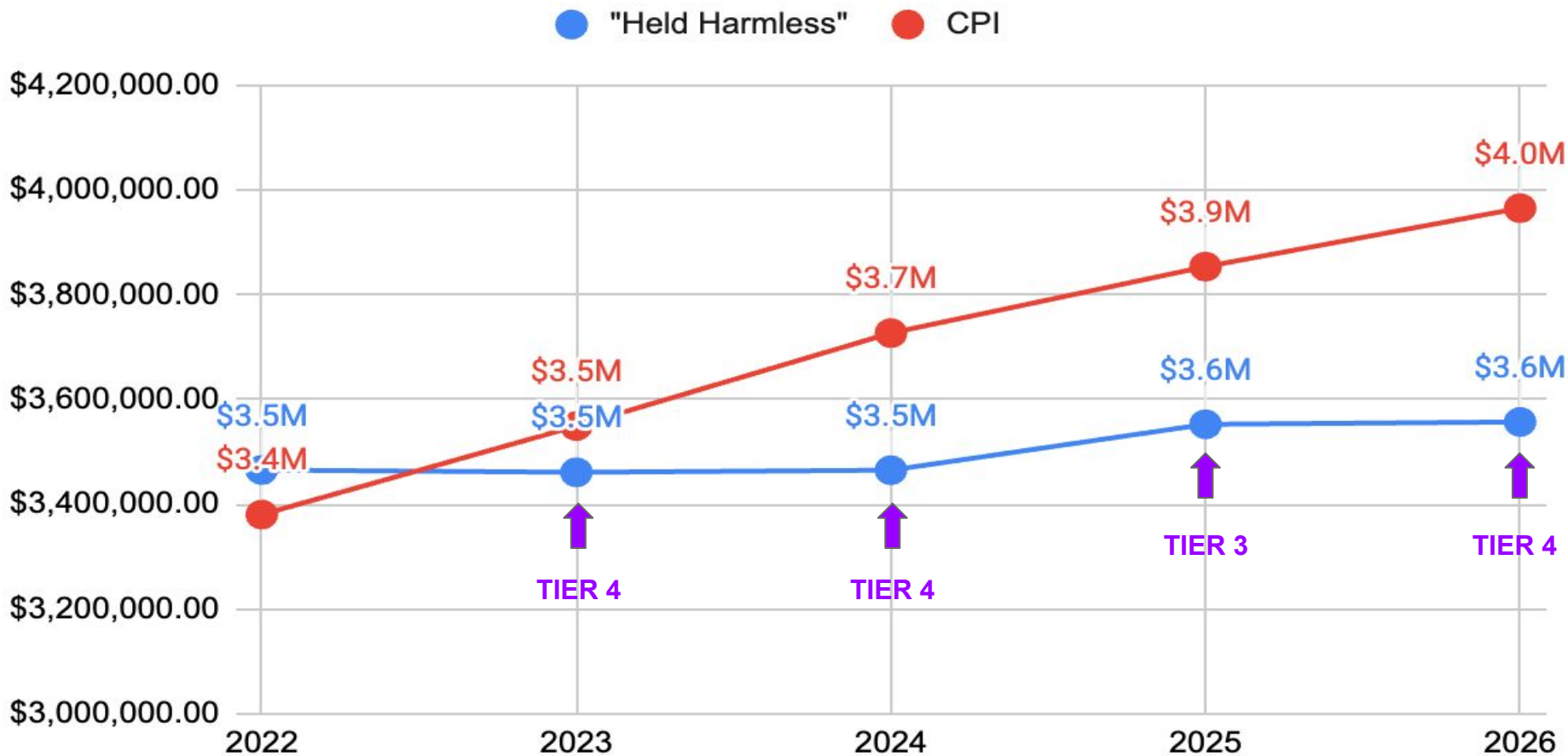


The Impact of Evidence-Based Funding on District 58

- Although the District has bounced back and forth between tiers 3 and 4, the five-year plan assumes the District will remain in Tier 4 going forward
- New EBF money in FY 2026 is expected to be \$4,435, or an increase over the previous year of 0.12% during a time period when CPI is at 2.7%
- If CPI were used to calculate increases to state funding over the past five fiscal years instead of the Evidence-Based Funding model, the District would be receiving an additional **\$400,000** in revenue from the state of Illinois this year alone
- Practically speaking, a district is only “held harmless” when the program(s) funded by EBF are not increasing in cost
- As this is not the case for District 58, the District has to make up the lost revenue from being “held harmless” with other sources (property taxes, etc.)

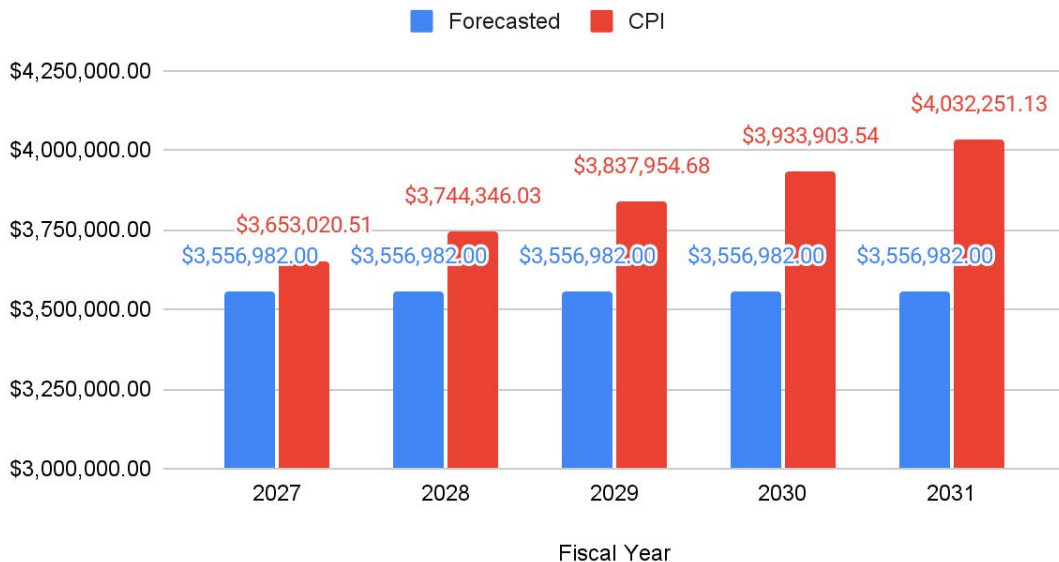


Impact of Evidence-Based Funding Model



The Impact of EBF on Five-Year Planning

Linking EBF to CPI*, 2027 - 2031



Linking Evidence-Based Funding dollars to CPI instead of the “held harmless” status quo would have a \$1.4 million impact on the District over the next five years alone.

* Assumes CPI of 2.7% for December of 2025 and 2.5% for every year thereafter



How Did We Get Here: Federal Dollars

- COVID-era emergency dollars (ESSER) funded certain initiatives that the District hoped could continue when the dollars were gone
- Several federal grants (Titles I-IV) are in jeopardy of being slashed or cut altogether



How Did We Get Here: Expenditures

- Illinois Law (PTELL) capped new property tax revenue at 5% when CPI was running at 7% and 6.5% in 2021 and 2022 respectively
 - Cost of various expenditures were inflating significantly higher than the District's ability to capture new dollars
 - This phenomenon directly impacted Fiscal Years 2023-2025, with the compounding effects still being felt in FY 2026
- Transportation costs especially have skyrocketed since the pandemic due to driver shortages, spikes in fuel costs, and homeless routes due to the IHC
- Special education costs have also increased post-pandemic



Financial Outlook

- Must determine an amount of cuts that would need to be made in Fiscal Year 2027 to accomplish the following:
 - Stabilize the budget and ensure no deficit spending
 - Make available funds for annual capital improvements
 - Increase fund balances over time to combat May cash flow problem
- \$1.5M is approximately 1.7% of the FY 2026 budget
 - Erases deficits going out through FY 2031
 - Enables a \$750,000 annual investment in infrastructure
- While a reduction \$1.5M in annual expenses keeps us out of deficit spending, the FAC and Board must continue to work to solve the low cash point issue (as discussed in previous meetings)



How Did We Get Here: NOT the Referendum

- Operating dollars and referendum dollars are not and cannot be commingled
- Proceeds from the referendum-approved bond sales are accounted for in an entirely separate, non-operating fund
- Therefore, referendum spending has had **no** impact on the operating budget and has nothing to do with the District's current financial challenges



Our Process

- How do we get to 1.5M in sustainable reductions
 - Transportation, Staffing, Operations, Resources, Revenue Opportunities
 - Priorities
 - Maintaining class size targets as established
 - Minimizing the impact to instruction and programming to the greatest extent possible



Financial Summary

Category	Amount
Operations	\$266,000.00
Resources	\$86,000.00
Staffing	\$766,500.00
Transportation	\$395,360.00
Total	\$1,513,860.00



Transportation

- Elimination of Gifted Route - \$15,360
- Elimination of Middle School Early Bird Routes - \$130,000
- Transportation Savings (efficiencies and parochial) - \$250,000



Operations

- Mid-day Math - 1st period instruction at middle school, students ride existing MS bus route to school - \$110,000
- Reduce Pony to 1x/week - \$6,000
- Changes to Copying Practices - \$50,000
- Additional SASSED Rentals (5 Rooms) - \$100,000



Resources

- Scholastic Subscriptions - Efficiency in Ordering - \$3,000
- Eliminate Middle School Resources - \$10,000
 - EdPuzzle and Formative
- Technology Shifts - \$48,000
 - Securly Student Content Filter - move to free tool
 - PowerSchool Registration - find alternative
- Reduce Days of SASSED IST Support - \$25,000



Staffing

Additional Changes based on the 6-8 Transition

- Middle School Administrative Support
 - Additional .5 FTE Assistant Principal at Herrick and O'Neill
 - Additional administrative support based upon increased enrollment with the addition of 6th grade
- Middle School Clerical Support
 - Additional Part-Time Secretary at each middle school
 - Increase in student enrollment
 - Emphasis on health office support (entering health events into PowerSchool, maintenance of 6th grade physicals, etc.)



Staffing

- Administration
 - Asst. Supt. of Technology => Director of Technology - \$55,000
 - Shift in administrative role based upon vacancy for next year
 - Maintaining core technology responsibilities while realigning the role with current district needs; shifting student learning responsibilities to other administrators
 - Reduction of 1.0 Special Education Coordinator - \$145,000
 - Redistribution of specialized program and outplacement responsibilities among remaining special education administrative staff
 - Reduction of 0.5 FTE Curriculum Coordinator (role shift to 0.5 O'Neill Assistant Principal)
 - Redistribution of curriculum and professional learning responsibilities
 - Reduction of 0.5 FTE Assistant Principal at Lester (role shift to 0.5 Lester/0.5 Herrick Assistant Principal)
 - Enrollment-based change



Staffing

- Educational Support Staff
 - Instructional Assistants in Blended Preschool Classrooms - \$11,000
 - Maintain staff:student ratio of no more 1:6
 - Hire staff based upon current enrollments rather than anticipated/expected enrollments throughout the year; increase IA support as students join the program
 - Reduce 1.0 FTE District Office Receptionist Position - \$41,000
 - Redistribution of office responsibilities among remaining District Office support staff roles and departments
 - Reduce Part-Time Secretary Positions at Elementary Schools - \$50,000
 - Maintain full-time secretary and RN at each building
 - Create 3-hour part-time secretaries to maintain office coverage at most critical points of the day



Staffing

- Certified Staff
 - Reduction of .6 FTE Certified School Nurse \$52,000
 - Redistribution of CSN responsibilities among remaining staff
 - Maintain full time RN support in each building
 - Reduction of 1.5 FTE Interventionist Positions \$112,500
 - 1.5 FTE was paid using ESSER funding which no longer exists
 - Continue to allocate positions based on Tier II and Tier III student:staff ratios
 - Reduction of 4.0 Instructional Coaching Positions \$300,000
 - Discontinuation of the Instructional Coaching Program
 - Redistribution of professional learning and curriculum support responsibilities
 - Maintain Behavioral Coach Position



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Moving Forward/Summary

- The District must put itself on a path of fiscal sustainability
 - Low cash point must be solved (ongoing work w/ the FAC)
 - Capital expenditures must be budgeted
- Several factors caused us to be in this situation
 - Inflation/rising prices beyond what can be captured in revenue
 - Proration of State funds
 - Federal funding has significantly changed (e.g., ESSER)
 - Further reductions will likely come to the title programs
- The District has revamped its 5 Year projection Model (based on cash)
- Numerous school districts are in this situation and it is not unique to DG 58



Moving Forward/Summary

- The District has made significant reductions over the past several years.
 - Each reduction carries an impact that progressively make things more challenging
 - The goal remains to reduce expenditures in a manner that impact students and staff as minimally as possible
 - Placing the District on a sustainable path via further reductions will have an impact
 - We will continue to monitor our financial situation closely
 - If further efficiencies can be achieved, some reductions may not be necessary
 - If costs continue to increase, further reductions may become necessary



Questions

