FY 2027 Tentative Budget Presentation

Naperville Community Unit School District 203

May 4, 2026

Board of Education

NotebookLM

Navigating the New Financial Reality

Pandemic Recovery Era

Temporary Federal ESSER Funding & Favorable State Reimbursements

Sustainability Era

Reliance on Core Operations & Local Resources

The Expiration of Temporary Relief

The complete phase-out of federal ESSER funding mandates a return to operational self-reliance.

Declining State Support

Proration of state reimbursements (costing the district $2.3M in FY26) places heightened strain on local revenue streams.

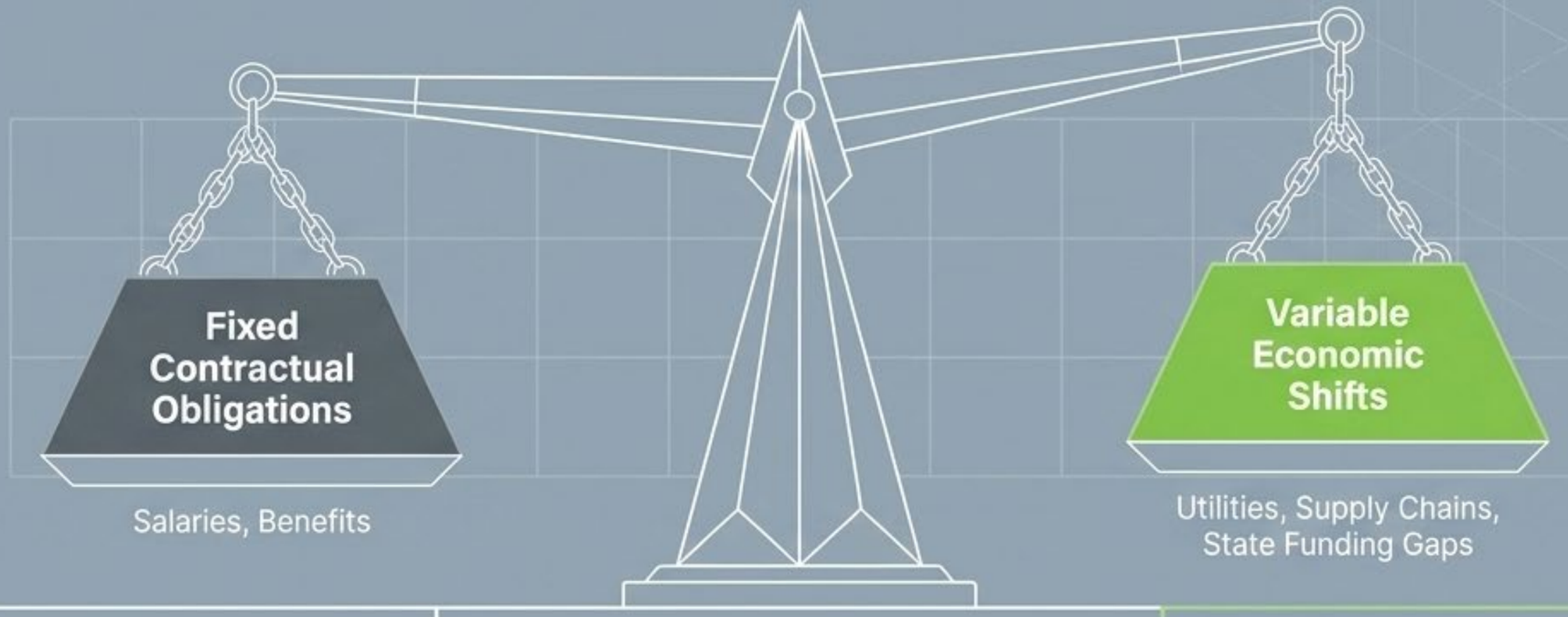
Rising Contractual Obligations

Unavoidable compensation increases across all labor work groups continue to exert upward pressure on total expenditures.

The Bottom Line: FY27 represents a profound pivot from pandemic-era funding back to strict, long-term fiscal discipline.

NotebookLM

Budgeting through the “Science of Assumptions”



1	2	3
Beyond Statutory Compliance	**Meticulous Stewardship**	**The Core Mandate**
While fulfilling School Code requirements, this budget serves as a strategic roadmap calibrated to withstand shifting economic complexities.	The 'Science of Assumptions' means every figure is calculated with architectural precision, anticipating variables before they impact the classroom.	Steward taxpayer dollars with surgical care while fiercely protecting student learning, safety, and well-being.

NotebookLM

Addressing the Operating Structural Deficit

-$3,975,408

The Baseline Reality:
Projected FY27 Operating Deficit

The Board's Directive

In March 2026, the Board of Education modified its initial directive for an immediately balanced budget, voting against a broad reduction-in-force.

The Strategy

Implement a gradual closing of the structural deficit.

The Rationale

This calculated, phased approach acts as a shield, protecting current student programming from sudden disruptions while the district methodically realigns its fiscal framework.

NotebookLM

The Three-Pillar Stabilization Framework

Long-Term Fiscal Sustainability

Pillar 1: Strategic Reductions

Eliminating non-essential discretionary spending at both the school and department levels. (No new initiatives for FY27).

Pillar 2: Staffing Streamlining

Right-sizing the workforce to align with pre-pandemic enrollment trends without compromising educational quality.

Pillar 3: Revenue Maximization

Adjusting user fees to ensure specific programs do not disproportionately burden the general operating budget.

NotebookLM

Pillar 1: Strategic Reductions in Discretionary Spending

School-Based Efficiency

15% reduction in individual school site budgets, yielding a 7.7% district-wide reduction in total supply costs. Duplicative tools and printing practices have been aggressively optimized.

Department-Based Discipline

25% mandate reduction in discretionary spending. Systematic cuts to professional learning, conferences, travel, catering, and employee events. Tasks previously utilizing outside consultants brought in-house.

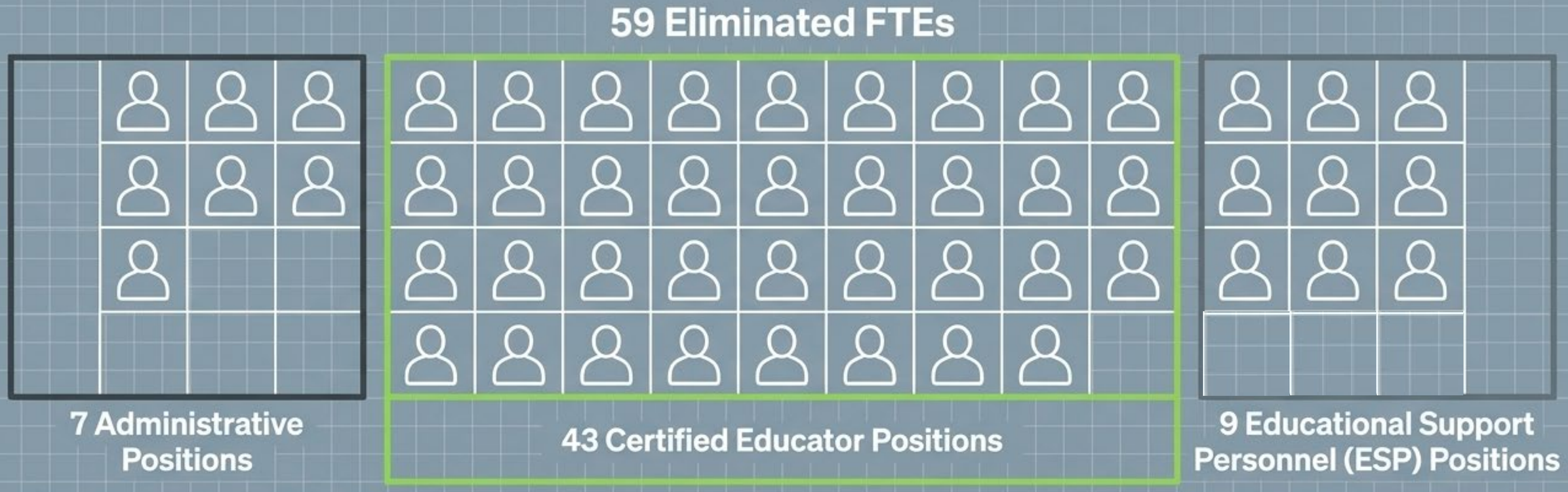
Software Elimination

Rigorous efficiency audits resulted in the total elimination of non-essential/duplicative platforms including Zoom, DUO, Screencastify, and MyOn.

NotebookLM

Pillar 2: Data-Informed Staffing Streamlining

The Objective: Safely return to pre-pandemic staffing levels, systematically eliminating positions added temporarily during the recovery period to match current student enrollment trends.

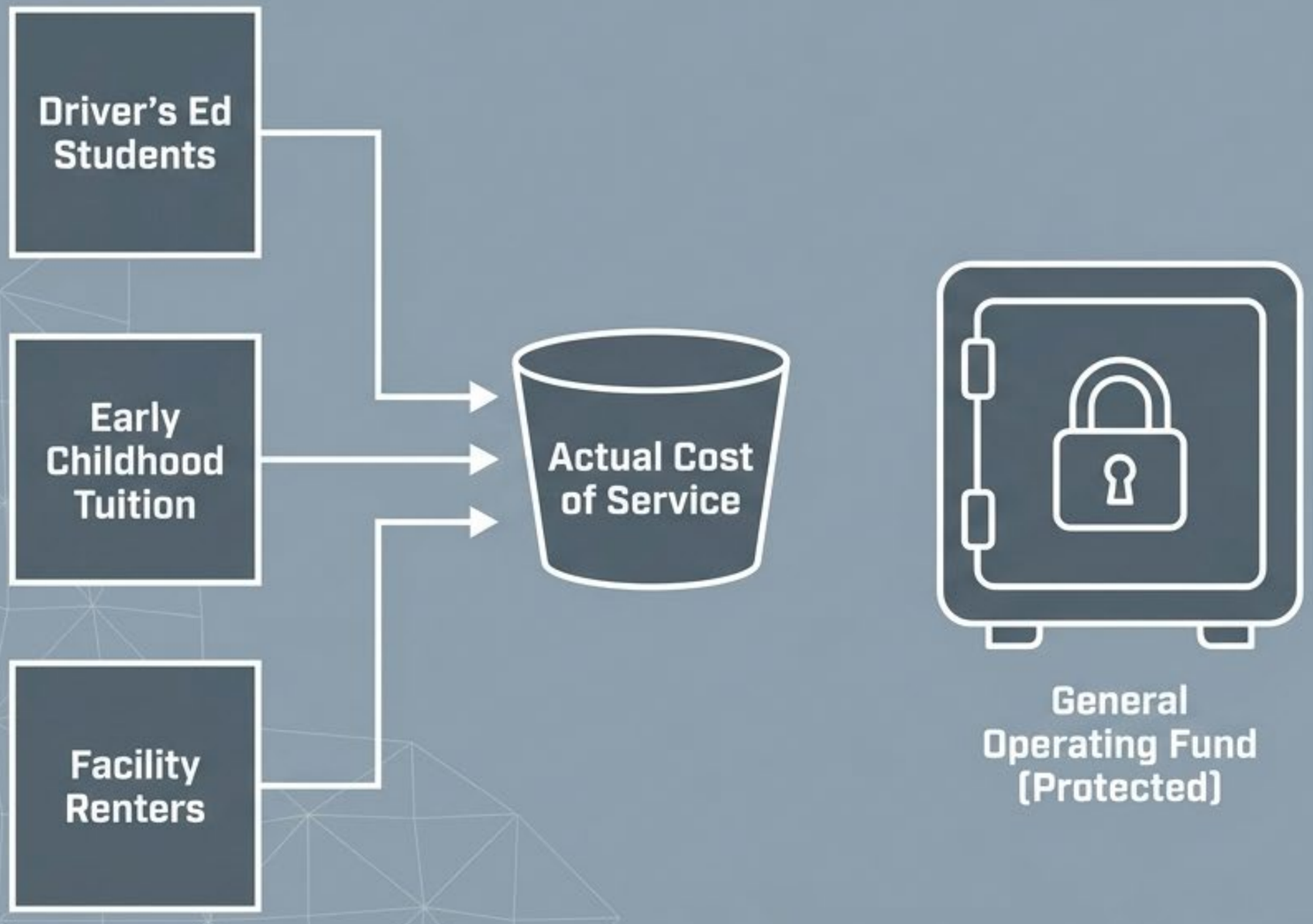


The Ongoing Challenge

Despite these 59 eliminations, personnel costs (the district's largest investment) continue to rise to $238.6M for Salaries (+2.8%) and $59.5M for Benefits (+3.4%) strictly due to contractual obligations.

NotebookLM

Pillar 3: Maximization of Revenue & Resources



Operational Equity

Fee adjustments ensure that user costs accurately reflect the actual cost of materials and services. This prevents programs that benefit specific individuals or outside groups from placing a disproportionate burden on the general budget.

- Approved Adjustments include: General student fees, course fees, driver's education, Early Childhood tuition, and facility rentals.

Note on Cafeteria Fund

Acknowledging a projected $1.6M deficit due to rising lunch supervision costs. This requires future fee evaluations to prevent ongoing general fund subsidies.

NotebookLM

FY 2027 Tentative Financial Summaries

OPERATING FUNDS (Day-to-Day Operations)		ALL FUNDS (Includes Capital & Debt Service)	
Total Revenue	**$366,159,604** (+3.39%)	Total Revenue	**$367,718,062** (+3.38%)
Total Expenditures	**$370,135,012** (+2.76%)	Total Expenditures	**$407,503,012** (+5.51%)
Operating Deficit	**($3,975,408)**	**Total Deficit**	**($39,784,950)**
Est. Ending Fund Balance	**$61,502,496**	Est. Ending Fund Balance	**$65,479,844**

NotebookLM

Capitalizing on Departmental Efficiencies

Information Technology (IT)

$1.65 Million Saved

Original 5-Year Capital Expense Plan projected $7.29M.

Through aggressive renegotiation of installation contracts and strategically reducing new device counts, expenditures were revised down to $5.64M.

Transportation

$1.2 Million Saved

Strategic reduction in discretionary capital spending by temporarily reducing the number of replacement buses purchased for FY27.

Maintains safe, reliable student transit while capturing immediate savings to offset rising operational transport costs.

NotebookLM

Protecting the Foundation: O&M (Fund 20) & Capital Projects (Fund 60)

The 'False Economy' Principle: Deferring required facility maintenance inevitably leads to significantly higher costs and disruptive emergency repairs. Therefore, the Board approved a $7M budget for the 5-Year Facility Improvement Plan.

Junior High Renovations

Concluding FACS (Family and Consumer Science) and PLTW (Project Lead the Way) spaces at Washington and Kennedy.

Kennedy Modernization

Eliminating aging mobiles, converting courtyard to permanent learning spaces.

Naperville North HS

Ongoing addition and renovation for facility equity and safety.

Transportation Facility

Demolishing temporary trailers to construct a permanent operations and maintenance garage.

NotebookLM

FY 2027 Budget Process & Transparency

May 4, 2026

Board of Education receives and reviews the Tentative Budget presentation.

May 8 – June 15, 2026

Tentative Budget is placed on Public Display (Available at the Administrative Center, Nichols Library, Naper Boulevard Library, and the District website).

June 15, 2026 (7:00 PM)

Public Hearing on the Budget, followed by official Board of Education Adoption.

NotebookLM

Next Steps: The Glide Path to Alignment

The Work Continues

The $3.97 million structural deficit underscores the critical need for unyielding fiscal discipline in the coming years.

Future Alignment

Additional budget reductions will be necessary in future cycles to fully align ongoing expenditures with localized ongoing revenue.

Our Commitment

Every fiscal decision, structural cut, and long-term projection will continue to be meticulously calculated to serve the best interests of Naperville 203 students and taxpayers.

NotebookLM

PA 102-0895 Disclosure

Fund Balances - YTD

	Fund Balance July 1, 2025	Revenues	Expenditures	Other Sources/(Uses)	Fund Balance April 30, 2026
Operating Funds:					
Educational	$67,672,222	$283,333,128	$209,459,337	$0	$141,546,013
Operations and Maintenance	7,278,597	32,859,629	24,482,452	0	15,655,774
Transportation	12,046,931	14,731,271	12,539,799	0	14,238,403
IMRF/SS	4,616,546	11,124,303	7,788,574	0	7,952,275
Working Cash	2,925,017	1,173,087	0	0	4,098,104
Tort	998,243	1,806,692	1,497,265	0	1,307,669
Total Operating Funds	**$95,537,556**	**$345,028,110**	**$255,767,427**	**$0**	**$184,798,239**
Non-Operating Funds:					
Debt Service	$552,108	$155,839	$151,000	$0	$556,947
Capital Projects	39,705,561	2,562,213	17,125,277	0	25,142,496
Fire Prevention and Safety	0	0	0	0	0
Total Non-Operating Funds	**$40,257,669**	**$2,718,051**	**$17,276,277**	**$0**	**$25,699,443**
TOTAL ALL FUNDS	**$135,795,225**	**$347,746,162**	**$273,043,705**	**$0**	**$210,497,682**