

A New Budget Reality

Who says “budget” has to be a bad word? Join us for a fresh look at buying habits, operational hacks, and the secret to maintaining your building on a budget that actually works. We’ll dig into practical strategies, clever cost-cutting ideas, and ways to grow your team’s skills without shrinking morale—or your wallet.

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Introductions

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Overview



Redefining the “B” Word: Break the stigma that “budget” is a bad word and discover how it can actually work for your facility.



Smart Strategies: Explore practical buying habits, operational hacks, and clever cost-cutting ideas.



Empowering the Team: Learn how to grow your staff’s skills and morale without shrinking your wallet.

Our Goal



Cost Center



Efficiency Engine

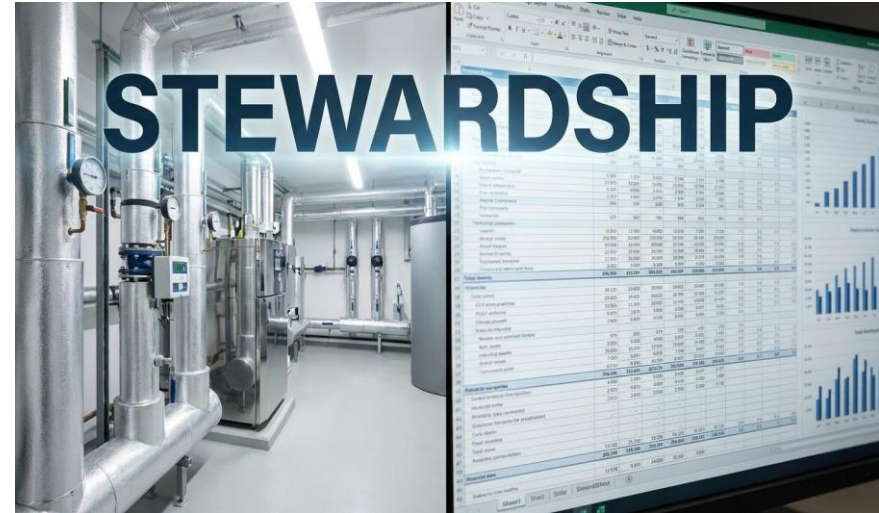
Transforming your department from a “Cost Center” into an “Efficiency Engine”

"Budget" Isn't a Bad Word

It's not about how much we spend, but how long the equipment lives.

The budget is a moral document; it reflects our commitment to student safety and comfort.

The Goal: Moving from "Crisis Management" to "Asset Management."






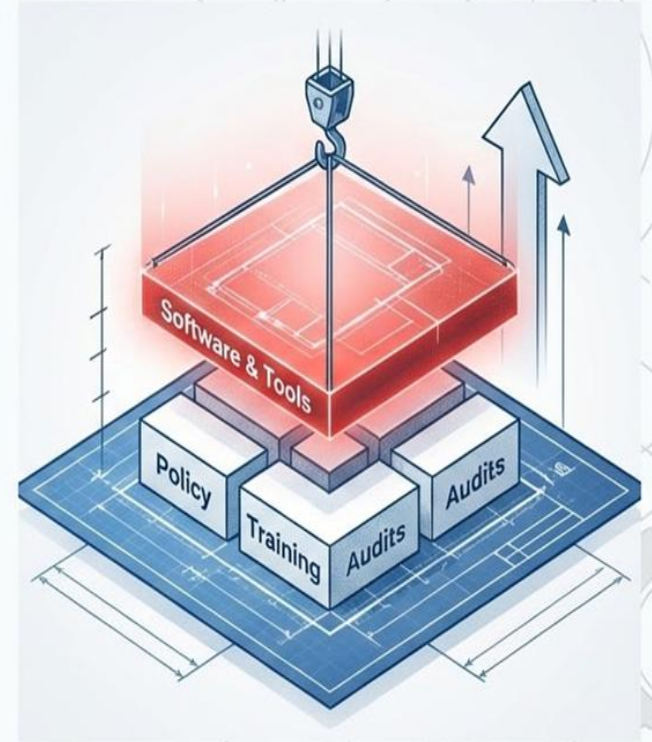
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Where do I start?

-  Start with low- or no-cost items like policy changes, staff training, and walkthrough audits.
-  Then layer in software/tools as budgets allow.
-  Prioritize based on your district's biggest expense categories for the fastest impact.



The Reality of the “Tier” System

Tier 1: Patching for the Present



Evidence-Based Funding (EBF) formula. In Tier 1 districts, the O&M levy is often “maxed out,” meaning every penny counts.

HLS Survey: The Roadmap



Navigating the 10-Year Health Life Safety (HLS) Survey. It shouldn't be a surprise; it should be a roadmap.

Tier 4: Building for the Future



Tier 4s build for the future.

The Secret Sauce

The “Hack” is finding the Tier 4 efficiency on a Tier 1 budget. The Secret Sauce: Use your HLS survey to “force” the board's hand on preventative items by categorizing them under “Safety” rather than “Capital Improvement.”



Capital Improvements/Health Life Safety



3, 5, 10
year plan



Health Life
Safety Plan



Security
Assessment/Plan



Custodial
Equipment Life
Cycle Plan



Easy to say no with plans in place.



Share this with your
Committees and the
Board of Education.
Change of Administration.

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Don't Wait For The Drip



- An Infrared Roof Scan is the best \$3,000 you'll ever spend. It tells you if you need a \$500k total replacement or a \$50k targeted patch of wet insulation.



- Roofing is a "Capital Asset", properly maintained roofs extend the useful life of the building on the district's financial statement.



- Using HLS (Health Life Safety) funds for "Building Envelope" issues. If a roof leak leads to mold, it becomes a safety issue, not just a maintenance one.



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Shifting the Mindset: The “Why” Behind the Wallet

The Old Mindset: “Boiler Room” & “Spend”



When we call it a “**Boiler Room,**” we treat it like one.

Stop using the word “**Spend.**”



The New Mindset: “Mechanical Hub” & “Invest”



When we call it a “**Mechanical Hub,**” the mindset shifts. Start using the word “**Invest.**”

You don’t “spend” money on a roof; you “**invest**” in the protection of the interior assets.

Growing People When You Can't Grow Paychecks

Empowering Staff and Fostering Ownership



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Making It Stick: Your 90-Day

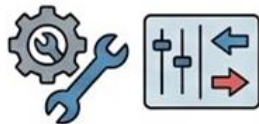
A New Budget Reality: The 3-Month Utility Savings Initiative

Phase 1: The Audit (Month 1)



- Identify the top three energy and water waste sources in your facility.

Phase 2: The Adjustment (Month 2)



- Modify facility purchasing and usage habits based on the Audit findings.

Phase 3: The Advocacy (Month 3)



- Present the "Savings Report" to the Chief School Business Official (CSBO). This report should quantify the reduction in utility usage (kWh, gallons) and the total monetary savings achieved.
- Request to reinvest 50% of the documented savings back into the facility for staff training, equipment upgrades, or additional personnel.



The Strategy: The "Success Loop"



The key is using the savings generated by these small, quick-win changes to fund larger, strategic improvements. This makes the facility department a self-funding entity for ongoing efficiency projects.

From Guessing to Governance: Building Your First Facility Budget

The "Three-Bucket" Strategy



Operational Bucket (O&M):
Daily "blood flow". Covers utilities, custodial salaries, consumable supplies.



Capital Bucket (Site & Construction):
Reserved for "big stuff"—roofs, boilers, parking lots.



Safety Bucket (HLS):
Utilizing Health Life Safety levies for state-mandated repairs.

The Asset Inventory



You cannot budget for what you haven't counted. Start with an Asset Tagging initiative. (How many RTUs? Oldest water heater?)

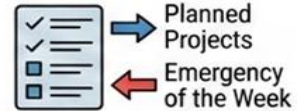


Use the 1.5% Rule: Aim to reinvest ~1.5% to 3% of building's Replacement Value annually.

The 5-Year Capital Improvement Plan (CIP)



The bridge between the presenters. A living document that ranks projects by "Urgency" vs. "Impact".



Prevents the "Emergency of the Week" from dictating fiscal policy.

From Friction to Function: The CSBO & Facility Director Partnership



The Partnership: The CSBO provides the "Financial Guardrails"; the Facility Director provides the "Operational Roadmap."



Shared Language: Move from talking about "costs" to talking about "Asset Stewardship."



The Goal: A school building that is "Invisible"—where the lights work, the air is clean, and the budget is stable, allowing teachers and students to focus entirely on education.



The "No-Surprises" Rule. Meet for 30-60 minutes every Tuesday morning. When the CSBO knows about a failing compressor on Tuesday, it isn't a "crisis" when the requisition hits their desk on Friday.

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Preventive Maintenance on a Budget

The Real Secret Sauce

- Pay now with minutes or later with Dollars
- Preventing Emergencies, Down Equipment
- Micro-Preventive Maintenance SOP
- Reactive Preventive Maintenance
- Get in the Boiler Rooms!
- Weekly Rotating Maintenance, Doors/Hardware, Restrooms, Mechanical rooms.
- How does your day custodian play into this?
- Most facilities budgets bleed from:
 - last-minute supply runs
 - buying from whoever has it today
 - paying shipping to fix planning.
- Use run-time scheduling + setpoint discipline (HVAC)

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Preventive and Routine Maintenance

Shifting from reactive "fix-it-when-broken" repairs to proactive maintenance can cut emergency repair costs by 3-9 times.

- Schedule regular inspections and tune-ups for HVAC, boilers, plumbing, and roofs to extend equipment life and avoid breakdowns.
- Use work order/maintenance management software to track tasks, prioritize work, and reduce downtime.
- Train staff on best practices to prevent small issues from becoming expensive ones.



Preventive Maintenance on a Budget

The Real Secret Sauce

The 5 Biggies That Bankrupt Budgets When Ignored

- Water Leaks
- HVAC
- Doors Hardware
- Restrooms
- Roof/Drains/Exterior



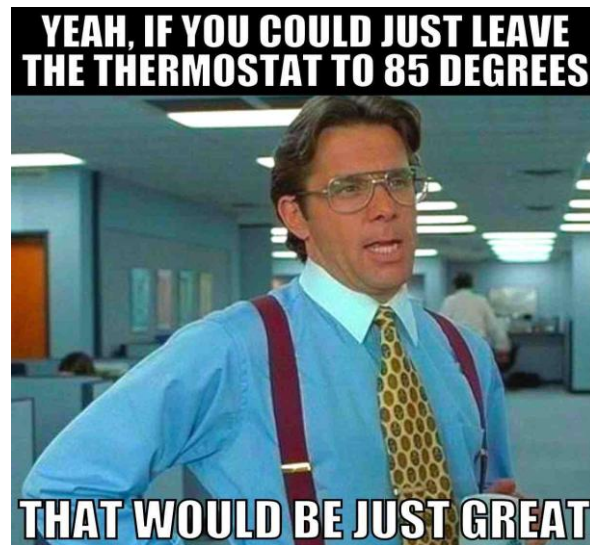
Water Leaks

- Mechanical Rooms
- Undersinks
- Water Fixtures in Classrooms & Mechanical Spaces
- Humidity
- Restrooms, Urinals Toilets
- Ice Makers
- Roof



HVAC

- Filters, belts, batteries, bearings: replace when they show measurable/visible wear, not just by calendar.
- Supply and Return Vents
 - Keep Clean and clear. Air flow most important
- Condensate Drain Flush
- Seasonal, preheat, pre-cooling, short cycling. Listening!
- Avoid “all-on” Starts (stagger HVAC starts)



Doors/Hardware

- Security
- Latch Function
- Alignment
- Door Closers
- Weather Seals
- Have High Demand Stocked Parts



Restrooms

- Has the highest Traffic & easiest Failure Area
- Running toilets and urinals
- Slow Drains & Floor Drains
- Leaks
- Flush Valve Operation
- Partition Repair/Vandalizim








Roof/Drains/Exterior

- Follow Roof Maintenance for Warranty
- Keep Roof Drains Clear
- Look for water ponding, Downspout Issues
- Caulking/Separation
- Water Ponding
- Record Keeping



School Operations: Achieving Efficiency on a Budget

-  • Manages key non-instructional functions: Facilities, Maintenance, Transportation, Energy/Utilities, Custodial Services, Purchasing.
-  • Goal: Significant cost reductions and efficiencies.
-  • No sacrifice of service quality.
-  • No direct impact on classroom resources.
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Energy and Utilities Efficiency

Energy often represents one of the largest operational expenses. Districts can achieve 5-20% savings through better management without major capital outlays.

- Implement strict shutdown procedures for lights, computers, HVAC, and plug loads during off-hours and weekends.
- Use energy management software or tools to track usage, identify waste, and set thermostats for setbacks.
- Switch to LED lighting, Energy Star appliances, and efficient fixtures where feasible.
- Conduct regular building walkthroughs to spot issues like poor insulation or uncontrolled devices.
- Partner with utility providers for audits, incentives, or demand-response programs.
- SEM (Strategic Energy Management) - free resources to reduce energy costs AND receive incentive rebate checks.
- Tracking utility tracking - ALL



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Transportation Optimization

Transportation is frequently a top budget item, especially in larger or rural districts.

- Optimize bus routes using software or shared services with neighboring districts to reduce fleet size, fuel use, and mileage.
- Explore shared or consolidated services across districts for buses, drivers, and maintenance.
- Consider alternatives like four-day weeks in some cases (which can cut busing by up to 20%, though this has broader implications).
- Maintain vehicles preventively to improve fuel efficiency and lower repair needs.



Purchasing, Supplies, and Inventory Management

Smarter buying and tracking can yield quick wins.



Implement centralized purchasing, bulk buying, or join cooperatives/consortiums for better pricing on supplies, custodial items, maintenance materials, and fuel.



Combine purchase orders to minimize shipping fees and negotiate better terms.



Network with surrounding school districts / government entities for "power purchasing" opportunities.



Bid out contracts competitively (e.g., for copiers on total cost of ownership, natural gas, or vendors) rather than defaulting to state contracts.



Track inventory rigorously to avoid over-ordering, reduce waste, and prevent stock outs or excess storage costs.



Evaluate outsourcing select non-core functions (e.g., certain maintenance, custodial, or transportation) if third-party providers can deliver at lower cost with similar quality.



Construction Delivery Models

Design-Bid-Build (DBB)

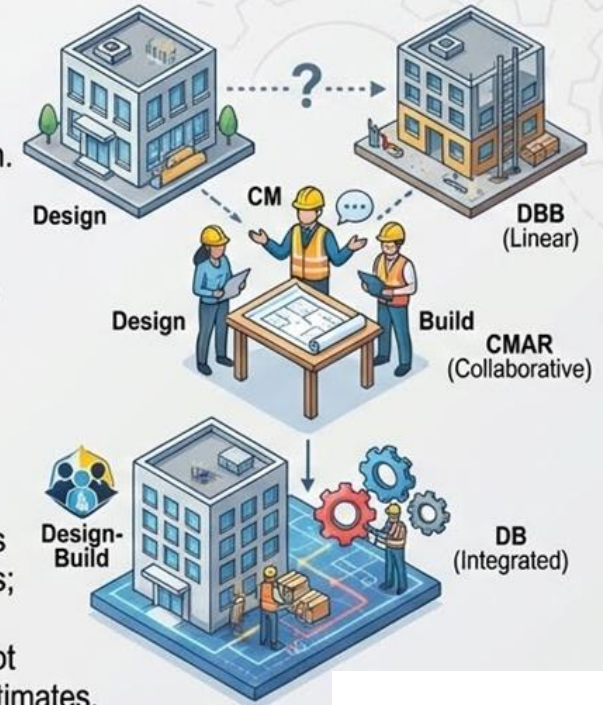
- **Pros:** Promotes the lowest initial bid price through open, competitive bidding.
- **Cons:** Often leads to higher overall costs due to limited early contractor input → design flaws, change orders, and overruns common. Some studies show DBB superior in certain cost metrics for public schools, but risks of surprises remain high.

Construction Manager at Risk (CMAR)

- **Pros:** Early CM involvement enables value engineering, better cost estimating, constructability reviews, and risk reduction; GMP provides cost certainty and caps owner exposure. Often yields better overall cost control than DBB in complex projects.
- **Cons:** Higher upfront fees for pre-construction CM services; total costs may exceed DBB's low bid in some cases.

Design-Build (DB)

- **Pros:** Integrated team drives efficiencies, value engineering, and potential savings (e.g., via innovative/energy-efficient designs); faster delivery reduces indirect costs; greater cost certainty through early alignment and fewer change orders.
- **Cons:** Proposals on partial designs make direct cost comparisons difficult; may not deliver the absolute lowest bid (focuses on best value); higher risk if team underestimates.



Facility Utilization and Revenue Generation

Make better use of existing assets.

- Rent out school facilities (gyms, auditoriums, fields) to community groups, sports leagues, or events during off-hours to generate revenue that offsets operational costs.
- Go paperless or greatly reduce paper usage through digital forms, communications, and processes to cut supply and printing expenses.



Automation and Process Improvements

Technology can streamline operations and cut labor/administrative time.

- Automate work orders, invoicing, inventory tracking, and routine tasks to reduce manual effort and errors.
- Use software for energy monitoring, preventive maintenance scheduling, or procurement to improve efficiency.



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Seek and Find!

- Solicit cost-saving ideas from staff and the community—many districts find hidden opportunities this way.
- Conduct regular audits (internal or external) to identify inefficiencies in operations.



Conclusion



The “**New Budget Reality**” is not about doing less with less; it’s about **purposefully doing more**. By shifting our mindset from simple spending to **strategic investment**, we can transform our facilities into **engines of district success**.

Key Takeaways



Asset Stewardship: Moving from reactive "Crisis Management" to proactive "Asset Management" extends equipment life and ensures student safety.

The Power of Planning: Comprehensive 3, 5, and 10-year plans make it easier to say "no" to distractions and "yes" to long-term stability.

The Partnership Model: Success relies on the "No-Surprises" rule—a transparent, weekly collaboration between the CSBO and Facility Director.

Empowering People: Growing your team's skills and fostering a "Pride of Ownership" is the most sustainable way to protect your budget.



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Questions and Answers

We thank you for your time!

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Thank You !

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