



EVANSTON/SKOKIE
SCHOOL DISTRICT 65

2022-2023
Fiscal Year

Budget-at-a-Glance



Every Child, Every Day, Whatever it Takes.

TABLE OF CONTENTS

Introduction

The Budget at-a-Glance document has been prepared in an effort to give the District 65 community a better understanding of the budget process, expenditure types, revenue sources and their limitations. The information contained in this document is considered supplemental to the entire FY23 budget document. The Budget-at-a-Glance and other financial documents can be found on the District 65 website at www.district65.net/business.

District Overview

TABLE OF CONTENTS	1
Introduction	1
District Overview	1
Budget Message	2
Budget Process	3
Board of Education	3
Mission Statement	4
District 65 Quick Facts	4
Student Enrollment	5
History and Projections	5
Budget Highlights	6
Revenue Sources	7
Consumer Price Index and State Funding	8
Expenditures by Fund and category	9
Instruction Takes Top Priority	10
Fund Balance and Future Investments	11
Fund Balance	11
Future Investments - 5th Ward School	11
MIRACLES Framework Overview	12
Contact Us	13

Budget Message

Dear District 65 Community -

On behalf of our School Board and Leadership Team, I am pleased to present the 2022-2023 school year budget. As we continue to navigate the challenge of the pandemic, I believe this budget is truly reflective of our instructional and operational priorities and was developed with equity at the center.



We believe strongly in remaining sound public stewards of our tax dollars. We do not take this responsibility lightly and have been working to that end. In 2022, the Illinois State Board of Education (ISBE) recognized District 65 as being in the highest category of financial strength, Financial Recognition, on the ISBE School District Financial Profile. This independent financial rating looks at a variety of indicators and we are pleased to have earned the highest rating.

In addition, we remain budget conscious and continue to creatively seek outside dollars to fund key district priorities. Over the past year, District 65 was awarded nearly \$2 million in competitive grant funding to support initiatives such as the CREATE 65 Teacher Residency Program and PREP 65, Academic Skills Centers, mental health needs, family engagement, and more.

We are well aware of the impact of property taxes on our families and community overall. As part of our newly approved Student Assignment Plan, District 65 has secured funding to build a new K-8 school in the Fifth Ward without creating an additional burden to taxpayers. The estimated cost of \$40 million will be fully covered through the issuance of Lease Certificates which are long-term financial commitments exclusively used for funding new school construction.

I continue to look forward to working alongside our community to ensure all children have access to a high quality, robust educational experience and to ensure we are doing so in a fiscally responsible manner. I encourage you to check out our Business Services page of our website (district65.net/business) for more information about our strategic priorities and budget. I also encourage you to review our MIRACLES in Action Reports (district65.net/miracles) to learn more about all of the incredible work we have going on in support of our students and schools!

Thank you for your continued support of our students and our schools.

Sincerely,
Dr. Devon Horton
Superintendent of Schools

Budget Process

Each year, District 65 Business Office must create a budget that presents the district's strategic goals and values in financial terms. The budget is the school district's plan for how it will allocate and expend revenues. It is the basis for the school district's tax levy.



The tentative budget must be displayed on public display for at least 30 days prior to its adoption. A public hearing must be held before the adoption of the budget. The district also publishes a legal notice to provide an opportunity for the public to inspect the tentative budget, including the date, time, and location of the public hearing (105 ILCS 5/17-1).

District 65 School Board is charged with approving and adopting an annual budget by the end of the first quarter of the fiscal year. September 30 is the end of the first quarter of the fiscal year for most Illinois school districts, including District 65, and is the last day to adopt the annual budget.

Board of Education

Board President
Sergio Hernandez
(2023)

Board Vice President
Soo La Kim
(2025)

Board Member
Mya Wilkins
(2023)

Board Member
Joseph Hailpern
(2025)

Board Member
Donna Wang Su
(2025)

Board Member
Elisabeth "Biz" Lindsay-Ryan
(2025)

Board Member
Tracy Olasimbo
(2023)

School Board Secretary
Adeela Qureshi

District 65 is governed by a locally-elected, seven member board. School Board members serve, uncompensated, for four-year terms. The Board of Education is responsible for hiring a superintendent to ensure that schools are managed in accordance with State of Illinois laws and policies set forth by the school board. The Board of Education also sets educational goals for the schools - based on state laws and community values - and ensures that the superintendent as well as all district staff members vigorously pursue those goals.

Mission Statement

As part of the District's strategic planning process, a mission statement was developed with extensive input from faculty, staff, students, families, and community members. Our mission states:

Working together as a community, we will inspire creativity and prepare each student to achieve academically, grow personally, and contribute positively to a global society.

Every Child, Every Day, Whatever it Takes.

District 65 Quick Facts



18
Schools



6,661
Total Enrollment



658
Teachers



\$21,373 Per Pupil
Operational Spending



35%
Low-Income
Students



16%
Students with
IEPs



15%
English Learners



6%
Student Mobility

District 65 has ten attendance-area elementary schools serving students in grades K-5; three middle schools serving students in grades 6-8; and two magnet schools serving students in grades K-8. In addition, the Joseph E. Hill Early Childhood Center offers programming and services for children ages birth through five years. Park School is a self-contained special education school that serves students ages 3-22. It is jointly funded and operated by District 65 and District 202. Rice Education Center is a private residential treatment center.

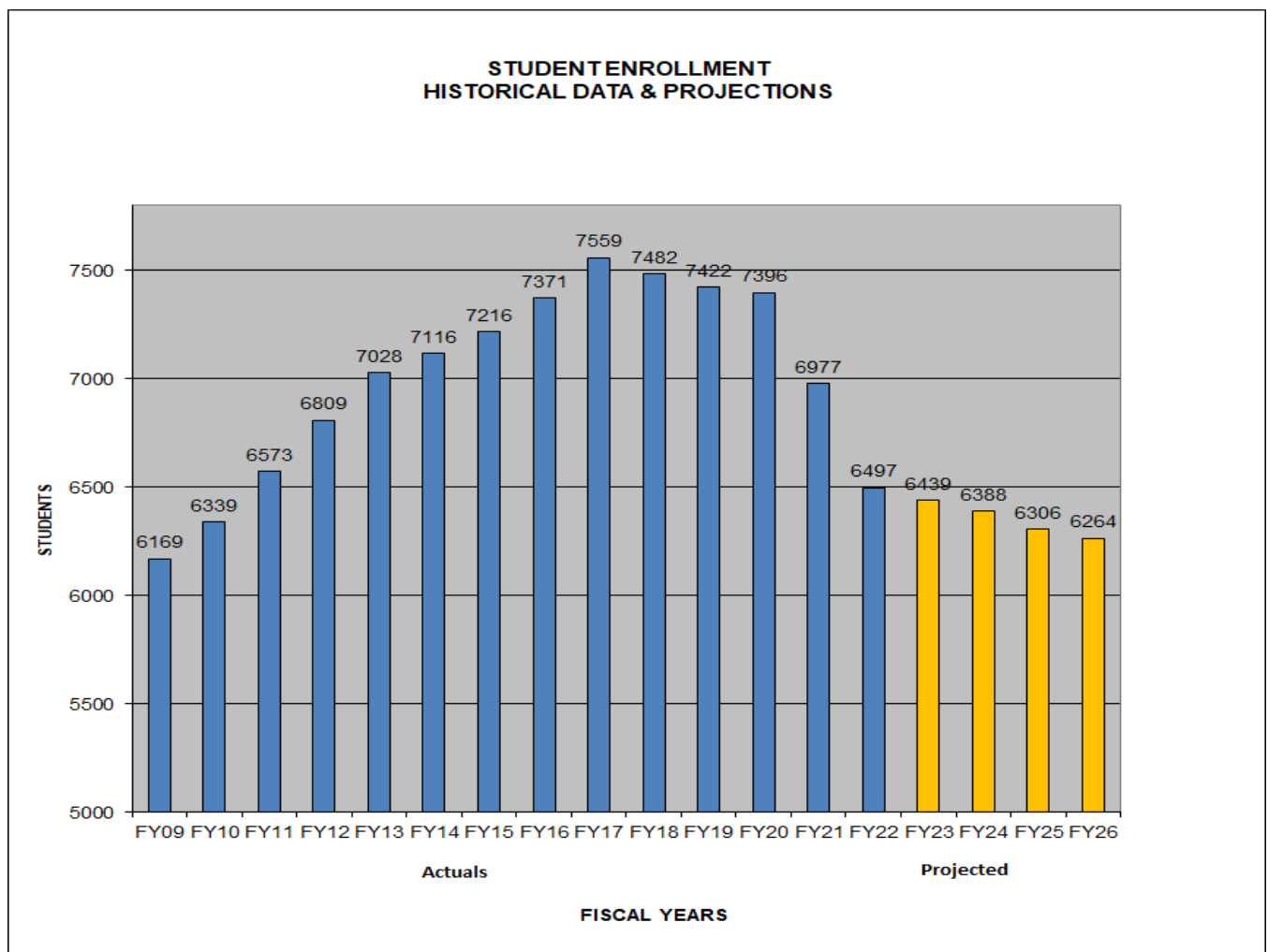
Student Enrollment

History and Projections

Staffing cost accounts for approximately 80 percent of District 65 expenditures, which is typical for school districts in Illinois. Staffing needs are driven by student enrollment and programmatic requirements. District 65 experienced steady enrollment increases from 2009 to 2018, followed by five years of decline. The COVID-19 pandemic has affected student enrollment.



In the 2022-23 school year, the District is projected to serve 6,439 students, which is a decrease of 58 students from 2021-22 fiscal year.



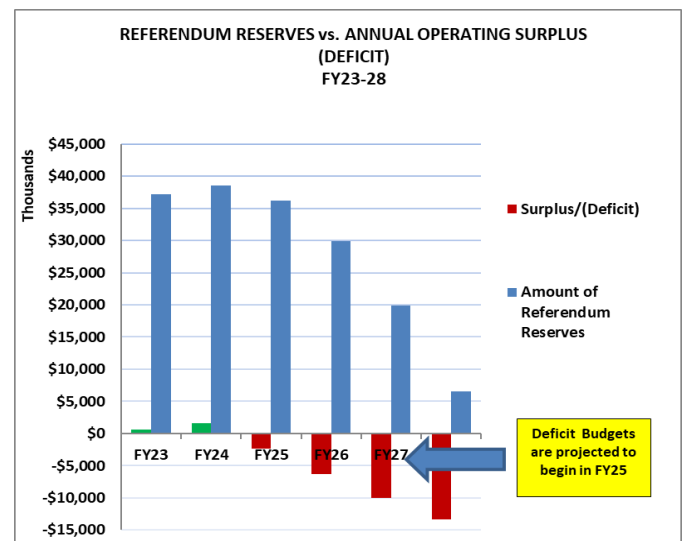
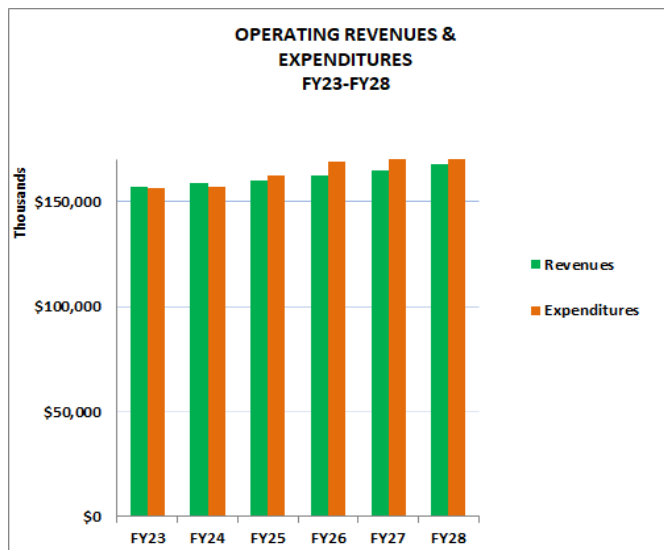
Budget Highlights

The FY23 Budget is the 21st consecutive balanced budget developed by District 65. The budget supports the District's strategic plan and instructional initiatives, such as:

- Improving the instructional core so that all students and especially students of color have access to common core aligned grade level standards,
- Improving instructional and organizational culture which will include continuing the efforts on culturally relevant teaching, equity learning and restorative practices to disrupt the racial predictability of student performance,
- Improving equity and attracting and retaining quality staff
- Commitment to accountability and financial sustainability
- The budget includes over \$18M in initial construction costs of the 5th Ward School
- The budget includes a record amount of state and federal grants
- The operating budget includes \$1.025M for Capital Building projects

FY23 OPERATING BUDGET SUMMARY	AMOUNT
Operating Revenues	\$ 157,249,686
Operating Expenditures	\$156,674,800
Surplus/(Deficit)*	\$574,886

**The FY23 operating surplus will be saved and preserved*



Revenue Sources

FY23 operating revenues are projected to increase by four percent to \$157,249,686 (in comparison to the FY22 budget). Revenues are derived from the following sources:

Property Taxes are paid by Evanston and Skokie property owners, in the District attendance areas, which are the largest and the most stable revenue source for District 65. Property Taxes account for 76 percent of revenues. The 2020 CPI factor of 1.4 percent was used to calculate the 2021 tax levy, scheduled to be received in the 2022-23 fiscal year.

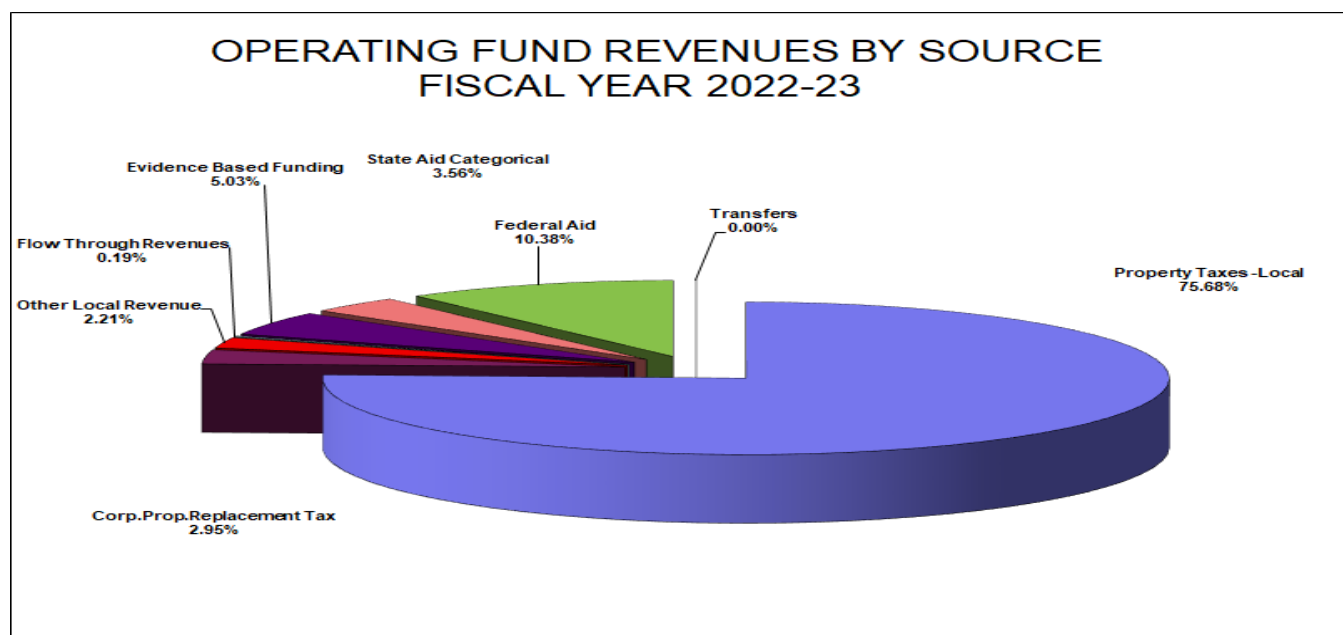
Corporate Personal Property Replacement Taxes (CPPRT) are part of state income taxes and are paid by Illinois businesses. CPPRT accounts for \$4.6 million or three percent of operating revenues.

Other Local Revenues, which include interest income, lunch sales, student and childcare fees, E-rate reimbursements, building use, and other local revenues total \$3.9 million or two percent of the budgeted revenues. The increase in Other Local Revenues reflects primarily additional childcare fees and lunch sales.

Flow Through Revenues include amounts reserved for mid-year grants and account for \$300,000 or less than one percent of revenues.

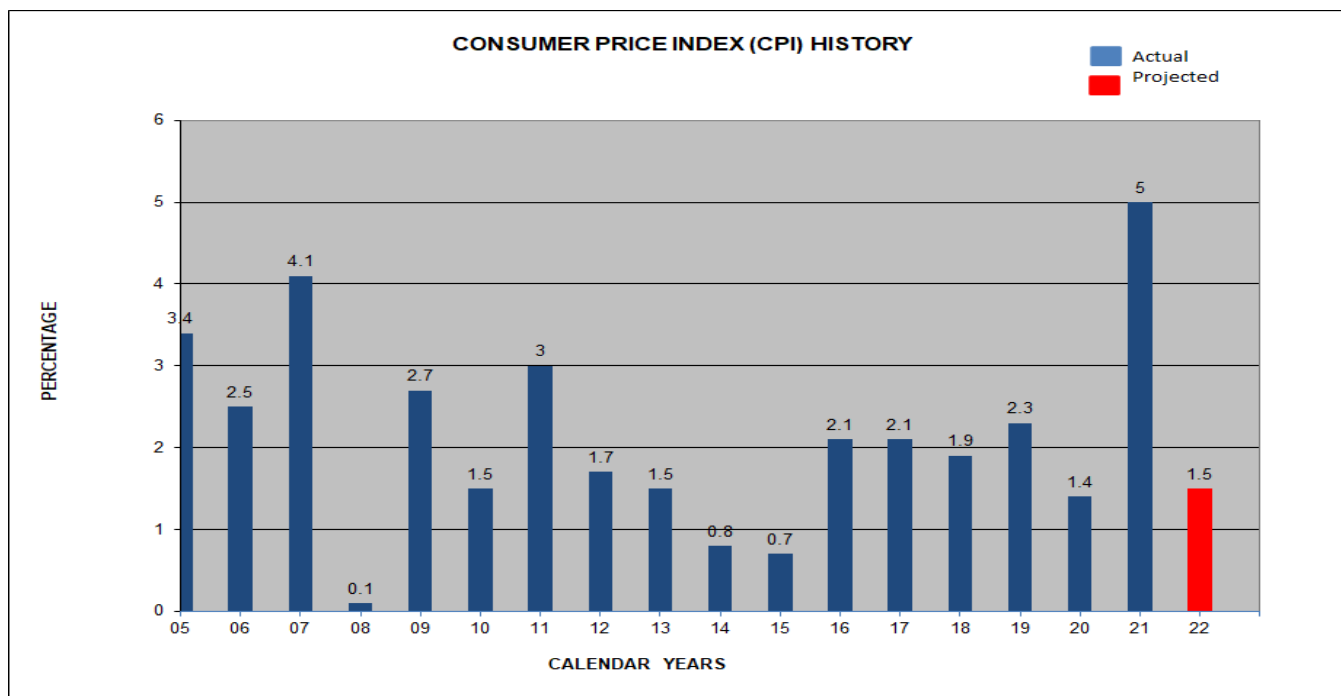
State Revenues, which include Evidence Based Funding and State Categorical Aid, total \$14 million or nine percent of budgeted revenues.

Federal Revenues, which include title grants, Medicaid, and Head Start grants, account for \$16.3 million or 10 percent of the revenues. Federal funds also include \$3.7 million in COVID-19 federal stimulus funds.



Consumer Price Index and State Funding

The growth in Property Taxes received by most Illinois school districts annually is limited by the property tax cap law. The property tax cap law limits the property tax extension (amount for which school districts may receive) to the annual change in the Consumer Price Index (CPI) or five percent, whichever is lower. The chart below illustrates the CPI history since 2005.

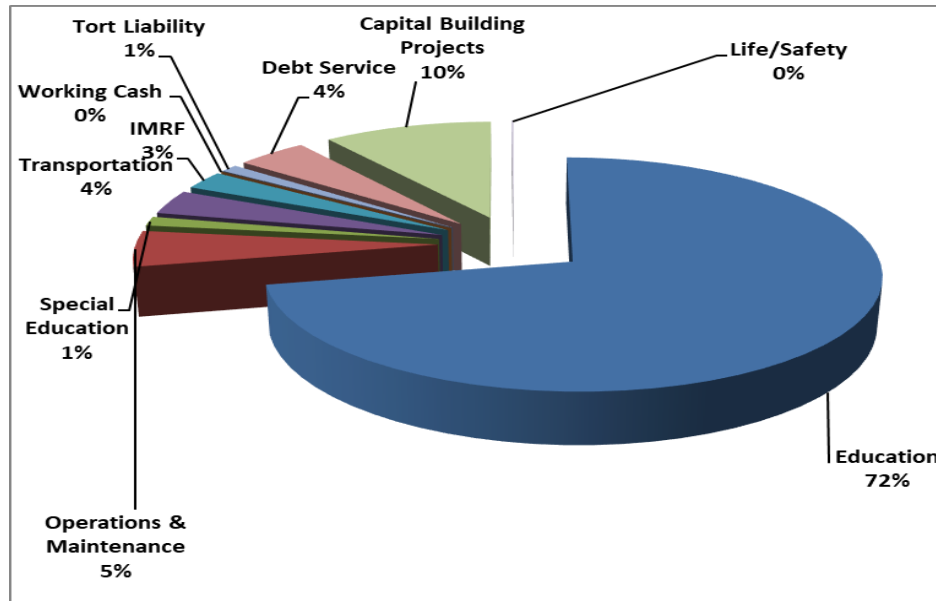


The CPI factor, which determines the growth in Property Taxes, has been under three percent since 2008. The inflation factor of 5 percent in 2021, however, is an exception and the highest in 40 years. Property taxes in the 2022-23 school year will be subject to the 2020 CPI of 1.4 percent; while the 2021 CPI of 5 percent will affect the growth in property taxes next year (2023-24 school year.) The District's projections assumes 1.5 percent CPI for future years.

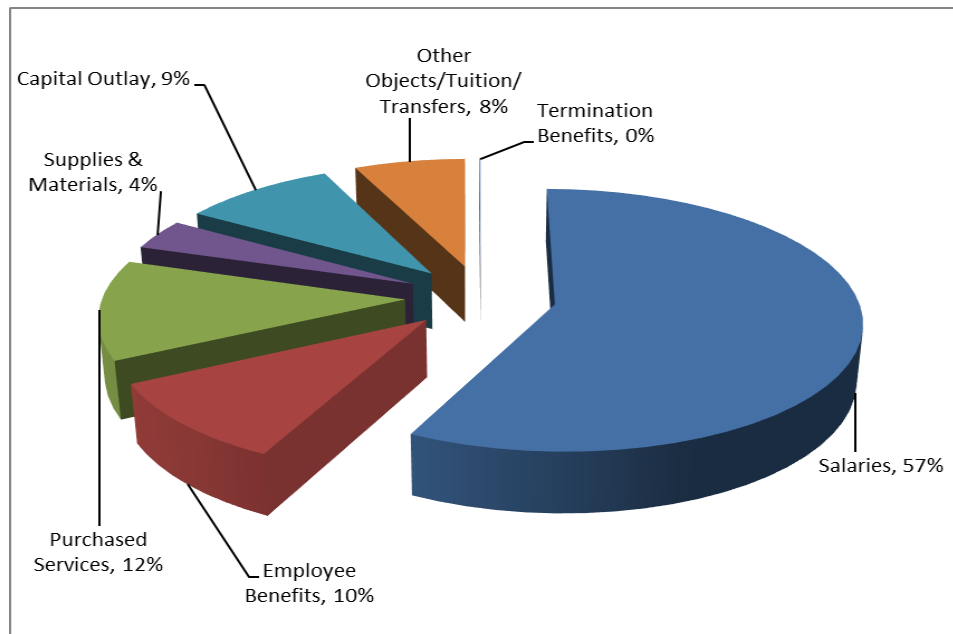
State funding, which includes Evidence Based Funding (EBF), is projected to remain flat assuming student enrollment remains stable. Under the EBF formula, instead of funding all students with the same amount of money, students are funded based on each individual instructional needs. The District's budget includes a record number of state and federal grants as well as \$2 million in competitive grant funding to support initiatives such as the CREATE 65 Teacher Residency Program and PREP 65, Academic Skills Centers, mental health needs, family engagement, and more.

Expenditures by Fund and Category (Object)

The school district's budget is divided into separate accounting entities called Funds. Each Fund is established for a specific purpose. Unless allowed by law, money received in one fund cannot be transferred to another fund. The Education Fund is the District's largest fund (72 percent).



Expenditures are also grouped by categories of expenditures, which are called objects. Salaries and benefits are the largest objects and account for 67 percent of all expenditures.



Instruction Takes Top Priority

Activities of a school district budget are also grouped by functions. Functions determine the purpose of each expenditure. Categories used by school districts in Illinois include:

Instruction - includes general K-8 instruction, special education, bilingual education and remedial education

Support Services /Students and Staff - includes social work, psychological and speech services; food and transportation services; staff development, curriculum improvement, data processing and education media services

Administration – Schools - includes school principals, assistant principals, and school secretaries

Administration – General - includes business services, human resource services, research and evaluation, information technology services, curriculum and instructions, superintendent's office, and communications office

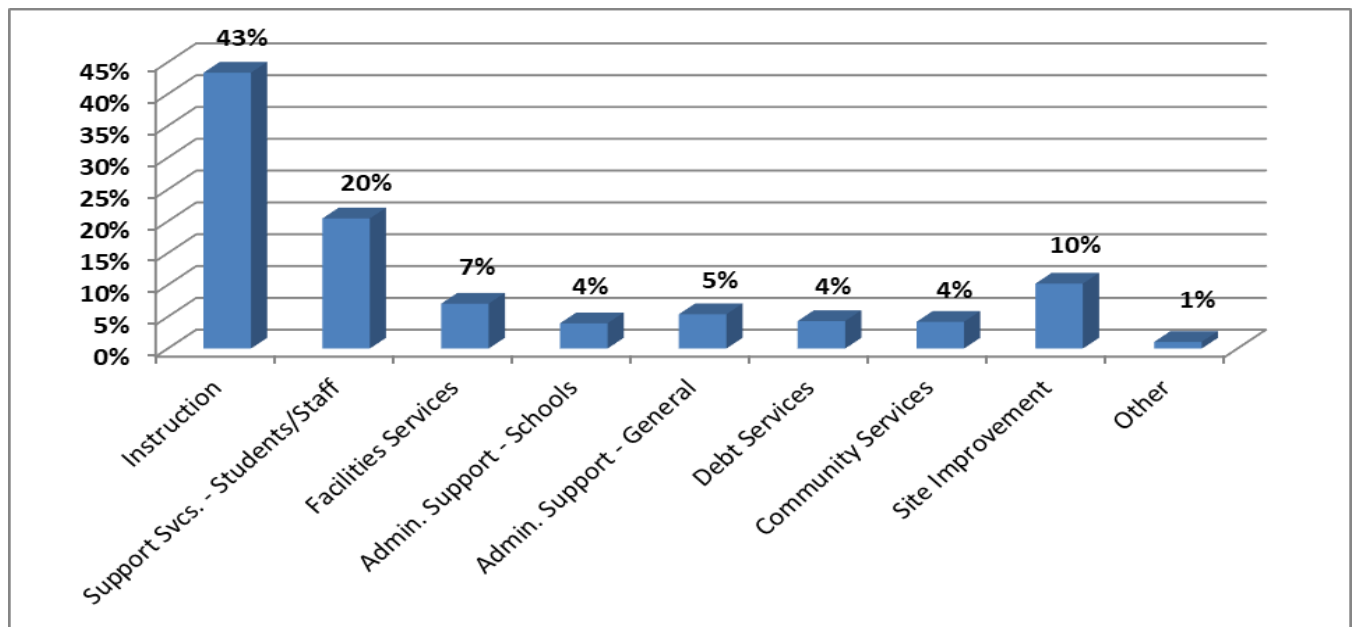
Facilities Services - includes building operation and maintenance services, warehousing, and other facility related services

Community Services - includes community childcare, Head Start, and school childcare services

Debt Service - includes principal and interest payments related to bonds previously sold by the district

District Site Improvement - includes capital expenditures related to projects funded by budget appropriations and bond proceeds

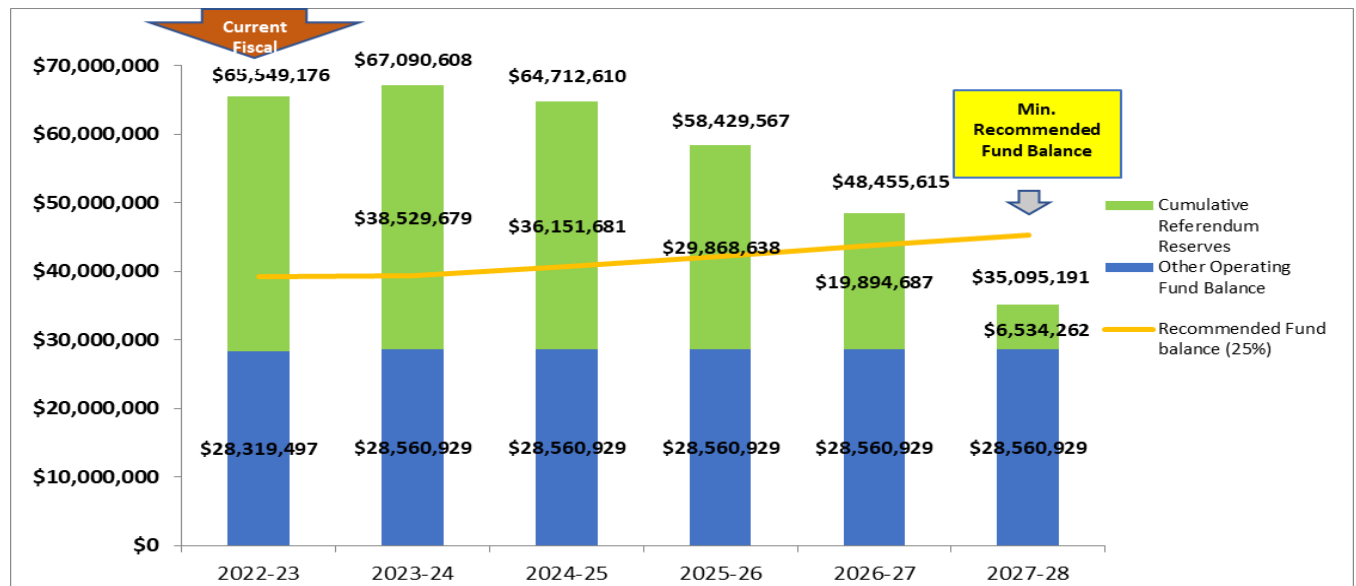
Other - includes non-programmed charges, out-of-district tuition, certain benefits and other miscellaneous items.



Fund Balance and Future Investments

Fund Balance

District 65's fund balance has been improving since the voter approval of an operational referendum in 2017. Bond ratings agencies and good business practice require a fund balance to be between 25 to 40 percent of a District's operating budget. The chart below illustrates the District's current operating fund balance, including referendum reserves, and projections.



Future Investments - 5th Ward School

The FY23 budget includes funds for building the 5th Ward School. The estimated cost of construction is approximately \$40 million. We are pleased that costs will be fully covered through the issuance of Lease Certificates and without raising taxes or putting a financial burden on our community. Lease Certificates are long-term financial commitments exclusively used for funding new construction and they must be repaid from the district's operating budget (use of existing funds for the repayment of the debt).

In simple terms, the issuance of Lease Certificates means the District is leasing the building from the bank and will make payments. The District will pay \$3.2 million annually over 20 years. Once all payments are made in full, the title will be transferred from the bank, and the district will fully own the building. Based on the District's strong financial position, we obtained a fixed interest rate of 3.48% despite unfavorable market conditions.

The Lease Certificates would be paid back through the district's operating budget using transportation savings resulting from a new neighborhood school in the 5th Ward. Over 500 students will no longer have to be bused to other schools which will provide significant savings in annual transportation costs. These savings will be repurposed and used towards largely making the necessary debt service payments.

MIRACLES Framework Overview

In the 2019-20 school year, Evanston/Skokie School District 65 implemented a set of bold strategies to increase student achievement. The MIRACLES framework creates a pathway to truly live out the District's mission and values.

By using the word MIRACLES as an acronym, the District continues to seamlessly align priorities with the values important to our community. Each letter represents a principle or belief in the form of a tenet. Each tenet has a minimum of 5-7 indicators that are research-based strategies for school improvement in the areas of equity, the instructional core, rigorous materials, learning targets, accountability structures, and sound financial planning.

With the approval of the District's new Strategic Plan last spring, MIRACLES represents the District's commitment to continuous improvement and strategies for achieving the goals set forth within this plan.



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