



EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Every Child, Every Day, Whatever it Takes

FY 2021-22
Tentative Budget
August 9, 2021

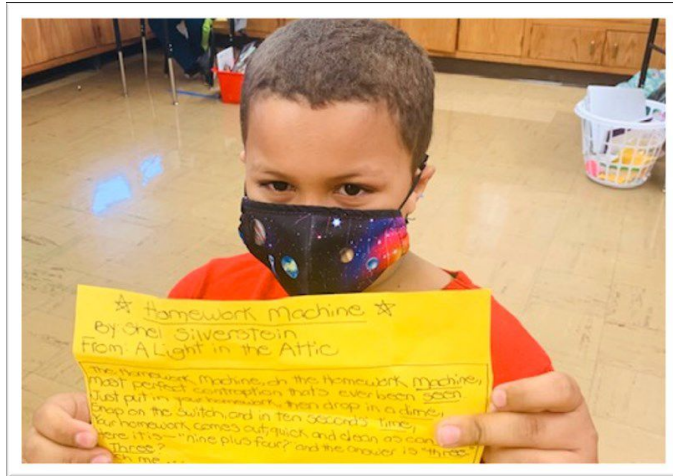
Presentation Overview



- I. Legal Requirements for Budget Adoption
- II. Overview of FY21 Actual Revenues and Expenditures
- III. Overview of FY22 Budget Revenues and Expenditures
- IV. Overview of FY22 Joint Agreement Park School Budget
- V. Financial Projections FY23-FY26
- VI. Financial Sustainability
- VII. FY22 Budget Next Steps

Section I

Legal Requirements for Budget Adoption



Legal Requirements for Budget Adoption



- School Districts must adopt a Budget by the end of the first quarter of the fiscal year
- Prior to adoption, a School Board must:
 1. Place the Tentative Budget on Public Display for at least 30 days
 2. Schedule a date and time for a Public Hearing on the Proposed Budget
 3. Publish a “Notice of Public Hearing” in a newspaper of general circulation within the District
 4. Conduct a Public Hearing on the date and at the time specified in the “Notice of Public Hearing”

Section II

Overview of FY21 Revenues and Expenditures



How did D65 do financially in FY21?



- ▣ 100% of FY21 Revenues were collected
- ▣ 98% FY21 Expenditures were spent
- ▣ FY21 ended with a \$3.2M operating surplus (before audit adjustments); \$0.3M surplus was budgeted
- ▣ FY21 surplus will be preserved and added to referendum reserves

How did the District do in FY21?



CATEGORY	ADOPTED BUDGET 2020-21	PROJECTED ACTUALS 2020-21	% COLL'D/ SPENT	VARIANCE
TOTAL REVENUES (in millions)	\$139.3	\$139.8	100%	\$0.5
TOTAL EXPENDITURES (in millions)	\$139	\$136.6	97%	\$2.4
REVENUES- EXPENDITURES	\$0.3	\$3.2		\$2.9

Positive variance due to better than expected collection of property taxes

Positive variance due to unspent expenditures due school closures and COVID-19

Higher than initially projected contribution to referendum reserves

Section III

Overview of the FY22 Budget



FY22 Budget Highlights



- FY22 Operating Budget is the District's 20th consecutive Balanced Budget, with revenues exceeding expenditures by \$0.2M
- The Tentative Budget includes over \$7.4M in Elementary and Secondary School Emergency Relief Funding
- The Budget includes \$1.025M allocation for Capital Building projects
- The District's student enrollment is projected to decrease by 185 students to 6,792

FY22 Budget Highlights



The budget reflects District's priorities, MIRACLES, which include strategies 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
- ❑ Attracting and retaining quality staff
- ❑ Commitment to accountability
- ❑ Maintaining long-term financial sustainability

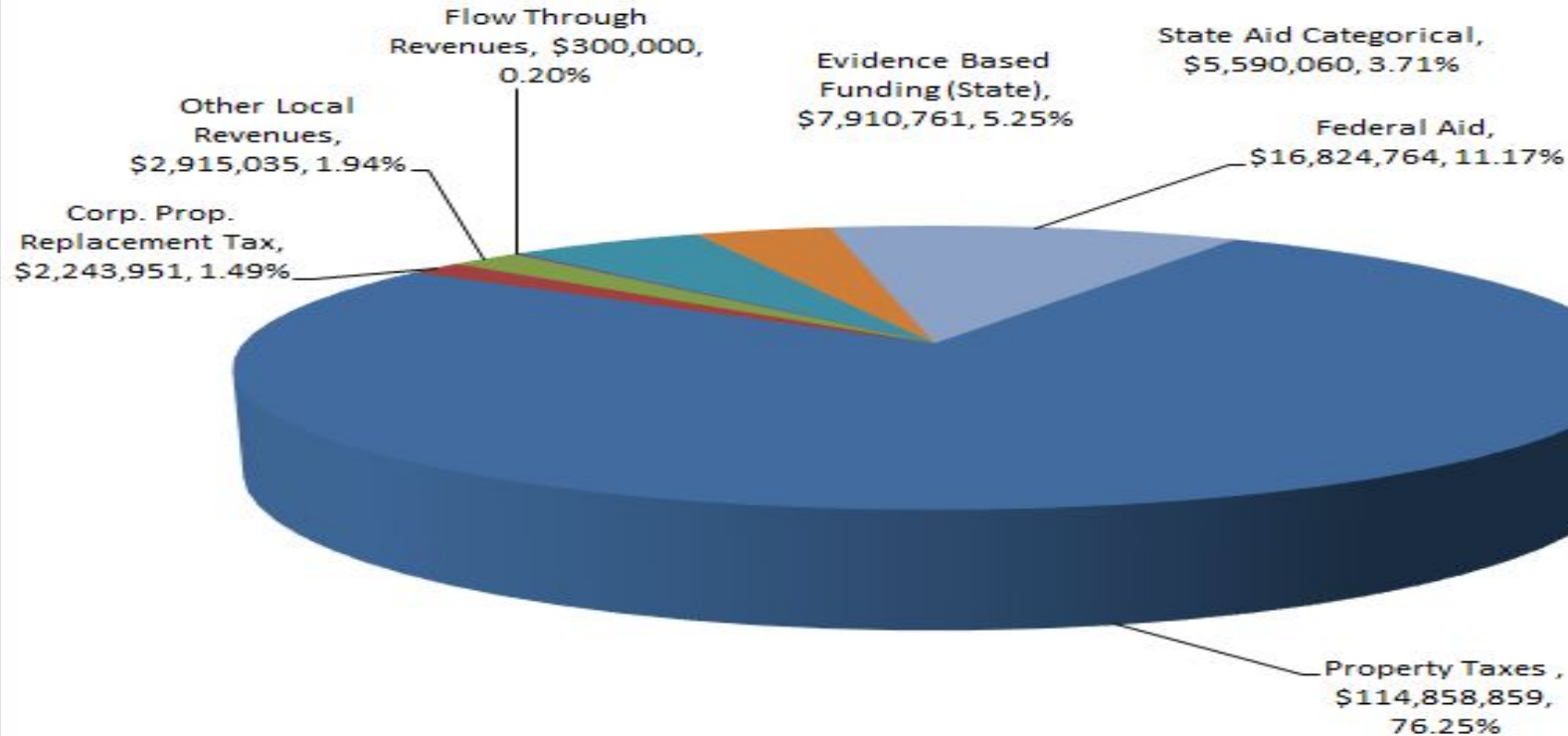
Opening schools safely in the fall will be the number one priority.

Overview of FY22 Revenues



- FY22 Operating Revenues are projected to increase by **8%** over FY22 actual revenues and FY22 budget
- Property taxes will grow by the **2.3%** CPI factor (2019). The collection rate is being restored to **98.5%**.
- Federal Aid includes \$7.4M of ESSER funding
- CPPRT revenues are budgeted at the pre COVID-19 pandemic level
- Other Local Revenues remain under the FY21 budget due to lower interest rates and lower assumptions for lunch sales and some fees

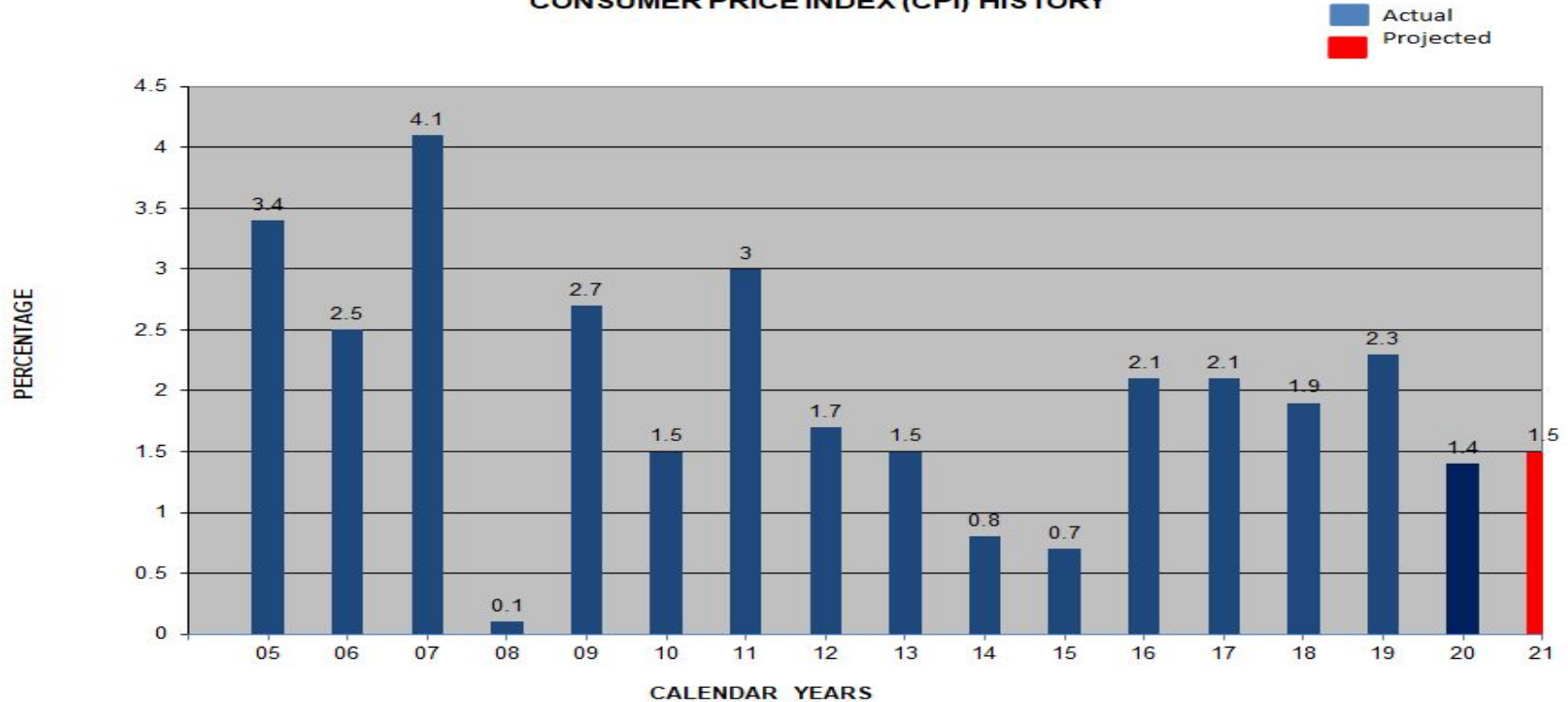
FY22 Operating Revenues \$150.6M



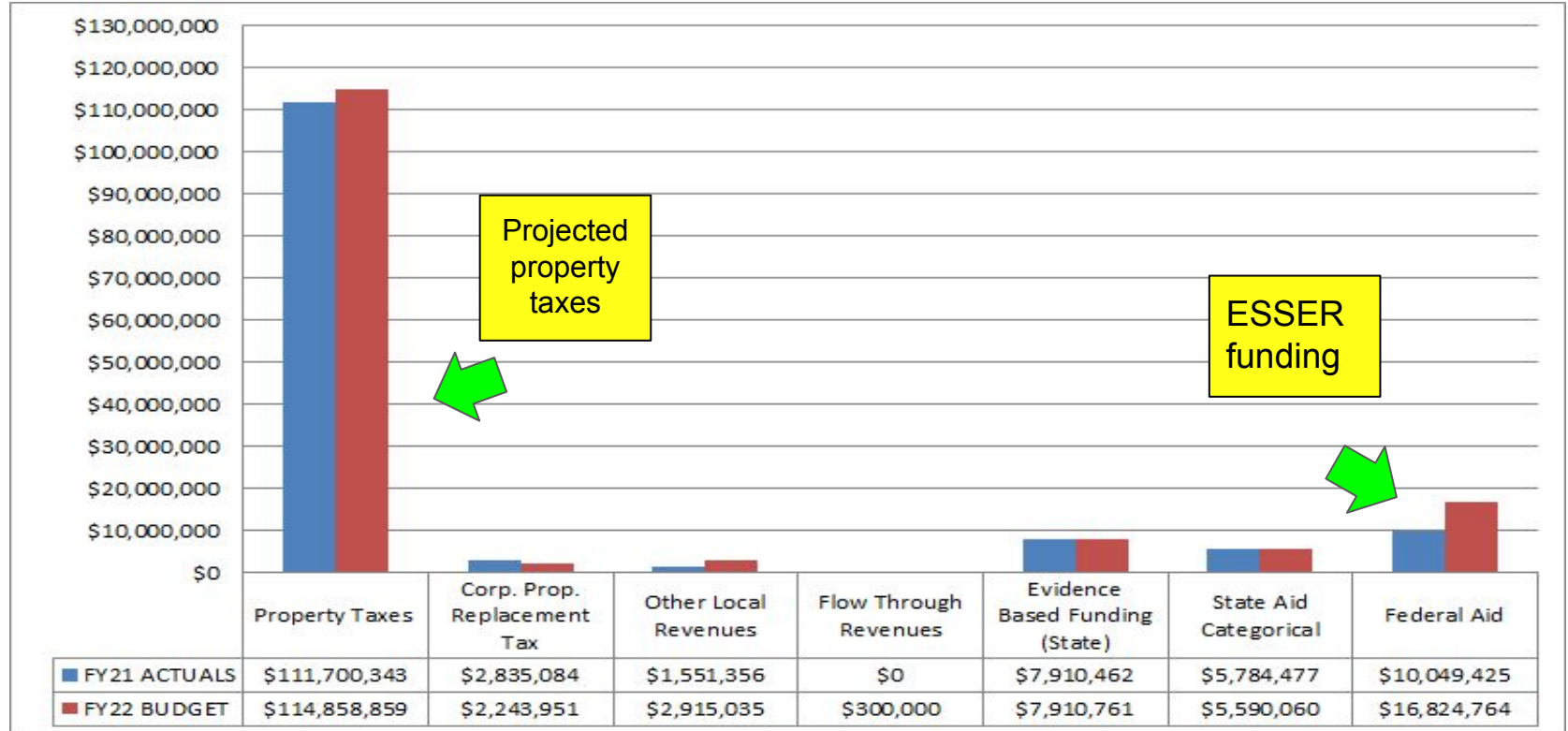
History of the CPI Factor



CONSUMER PRICE INDEX (CPI) HISTORY



Comparison of FY22 Budget and FY21 Actuals Operating Revenues



Overview of FY22 Expenditures



- **FY22 Operating Expenditures are increasing by 10% from the FY21 actuals, or 8% from the FY21 budget, due to the following factors:**
 - Staffing costs (salary increases due to contractual obligations and additional staff - 29.8 FTEs). The majority of new positions are temporary and grant funded
 - Capital Building Projects (\$1.025M)
 - Previously prepaid tort fund expenditures added to the budget (\$0.8M)
 - ESSER/CREATE funded expenditures (\$6.4M)
 - New expenditures: Technology Infrastructure Upgrade (\$0.25M)
 - Expenditures reflect \$2.9M budget reductions and efficiencies
- **Other Objects (Park School and Special Education Tuition) is increasing by 14% over FY21 actuals; 2% over FY21 budget**

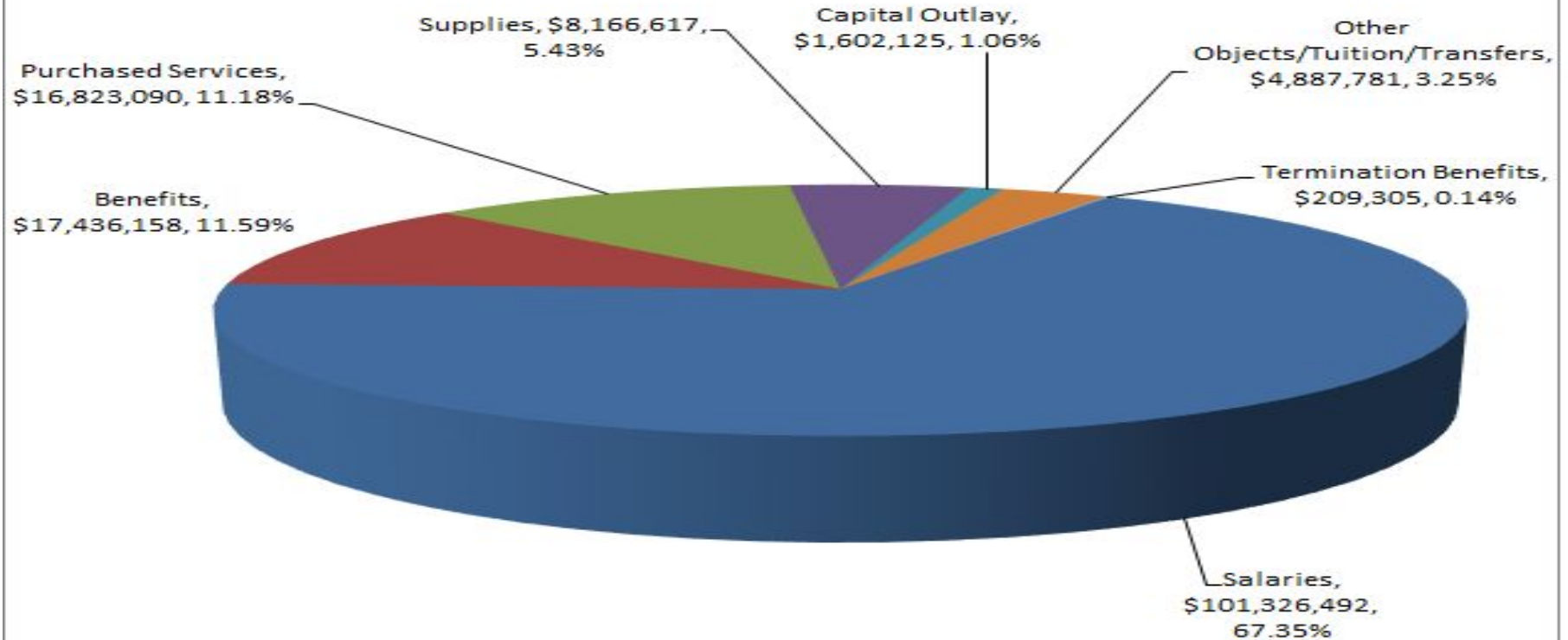
Overview of FY22 Expenditures



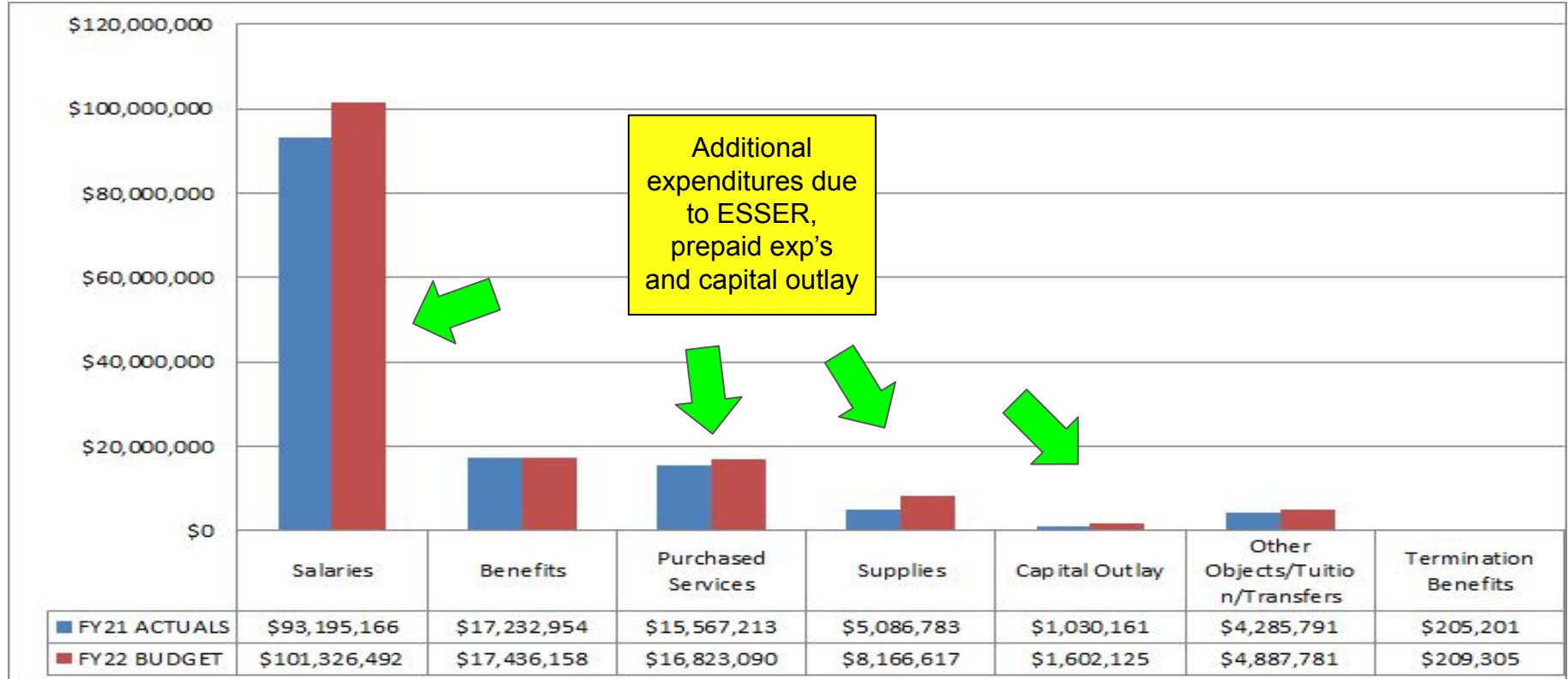
New Positions:

- 19 Teacher Residents (funded with CREATE grant)
- 1 CREATE Director (funded with CREATE and ESSER grants)
- 8 Guidance Counselors (funded with ESSER grant)
- 2 Mental Health Practitioners (funded with ESSER grant)
- 1 Coordinator of Academic Skill Center (paid with ESSER grant)
- 16 Lead Tutors and 48 Academic Tutors (paid with ESSER grant)
- 1 Director of Buildings and Grounds and Transportation (replaced consulting services and resulted in savings)
- JEH Building Concierge (budget neutral and replaces consulting services)
- 1 ESL teacher due to student enrollment
- 1 Special Education Teacher due to student needs
- 3 Content Facilitators due to student needs
- 2 Central Office support positions

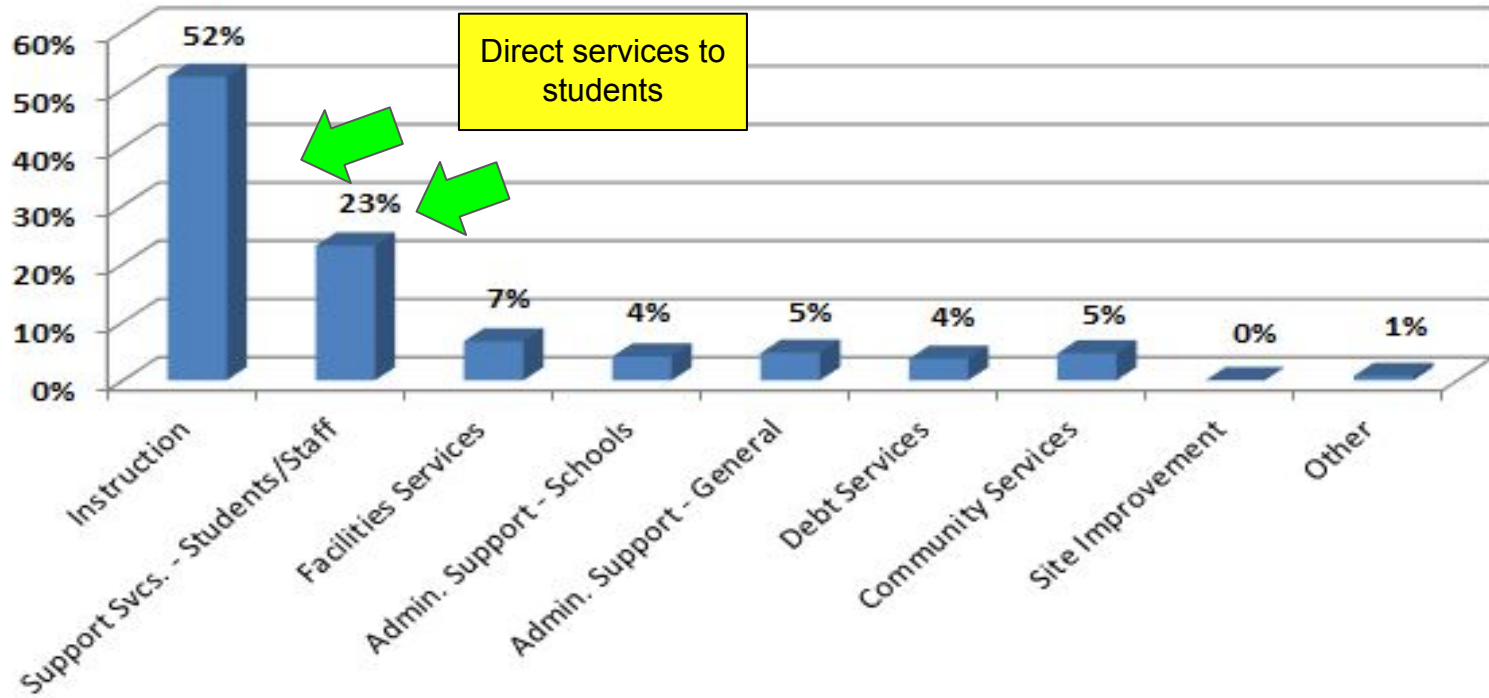
FY22 Operating Expenditures \$150.4 M



Comparison of FY22 Budget and FY21 Actuals Expenditures



FY22 Expenditures by Function



Section IV

Joint Agreement-Park School Tentative Budget



FY22 Park Budget Highlights



- Park School will serve 59 students, including 12 out-of-district tuition students
- Revenues are projected to decrease by **6%** from FY21 actuals and **23%** decrease from FY21 budget to \$2.2 million
- Expenditures are projected to increase by **6%** over FY21 actuals and decrease **4%** over FY21 budget due to the student population and COVID-19 teacher to student ratios
- Net cost for D65 and D202 is projected to increase by **15%**

Section V

Financial Projections FY23-FY26



Financial Projections FY23-FY26



FISCAL YEAR	2021-22	2022-23	2023-24	2024-25	2025-26
OPERATING REVENUES*	\$150,643,430	\$147,272,183	\$149,541,494	\$150,895,938	\$153,034,212
OPERATING EXPENDITURES	\$150,451,568	\$149,257,675	\$154,019,071	\$158,865,515	\$164,246,868
REVENUES-EXPENDITURES	\$191,862	(\$1,985,492)	(\$4,477,577)	(\$7,969,577)	(\$11,212,656)
RESERVES SET ASIDE TO MANAGE FUTURE BUDGET DEFICITS	\$0	\$0	\$0	\$0	\$0
NET SURPLUS OR (DEFICIT)	\$191,862	(\$1,985,492)	(\$4,477,577)	(\$7,969,577)	(\$11,212,656)
AMOUNT OF REF. RESERVES USED TO BALANCE BUDGET	\$0	\$1,985,492	\$4,477,577	\$7,969,577	\$11,212,656
CUMM. BALANCE OF REFERENDUM RESERVES	\$32,231,541	\$30,246,049	\$25,768,472	\$17,798,895	\$6,586,239

**Estimated and subject to change*

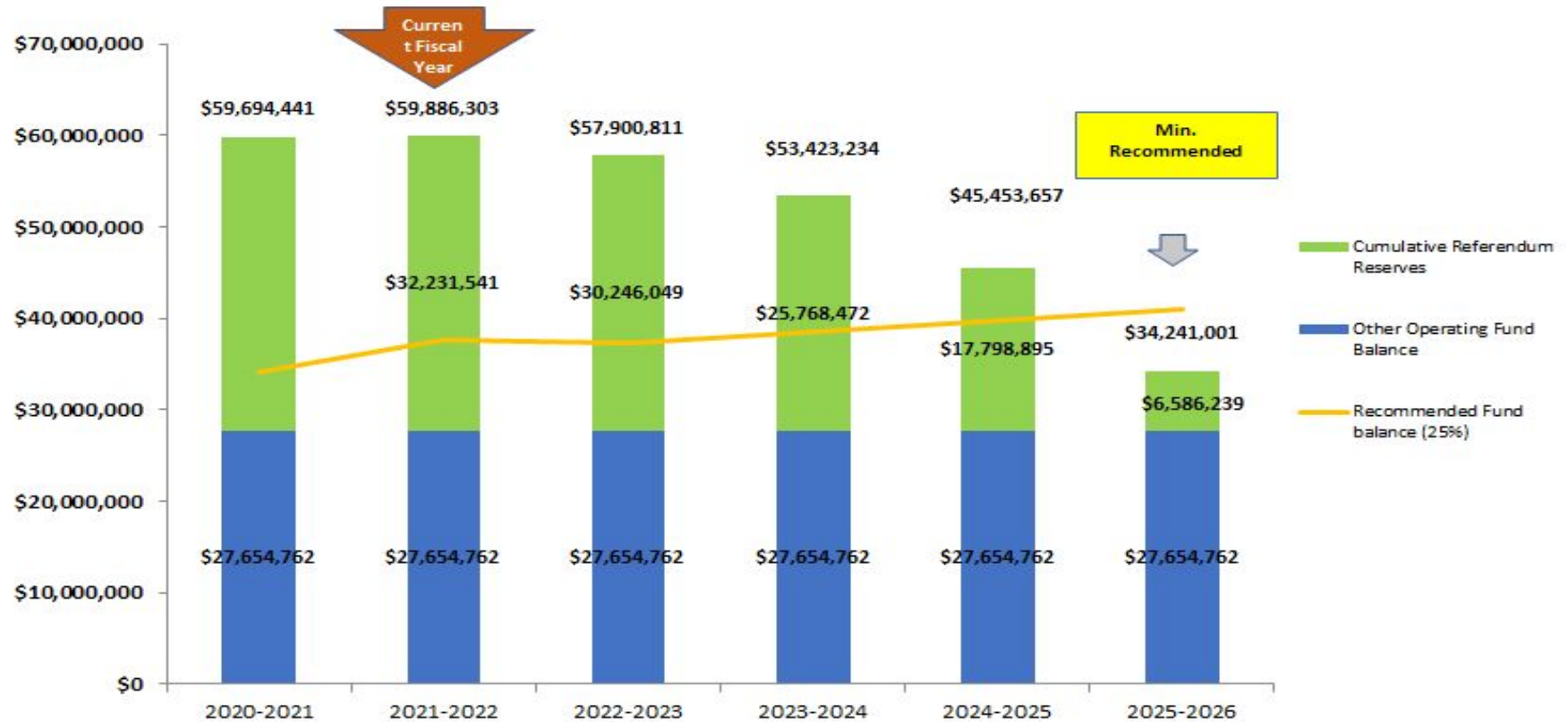
Actual Results/Financial Projections FY21-



Projected Operating Surplus/(Deficits) FY21-FY26 (without any budget reductions or changes to expenses)



Projections of D65 Operating Fund Balance and referendum reserve



Section VI

Financial Sustainability



Steps to eliminate future Deficits



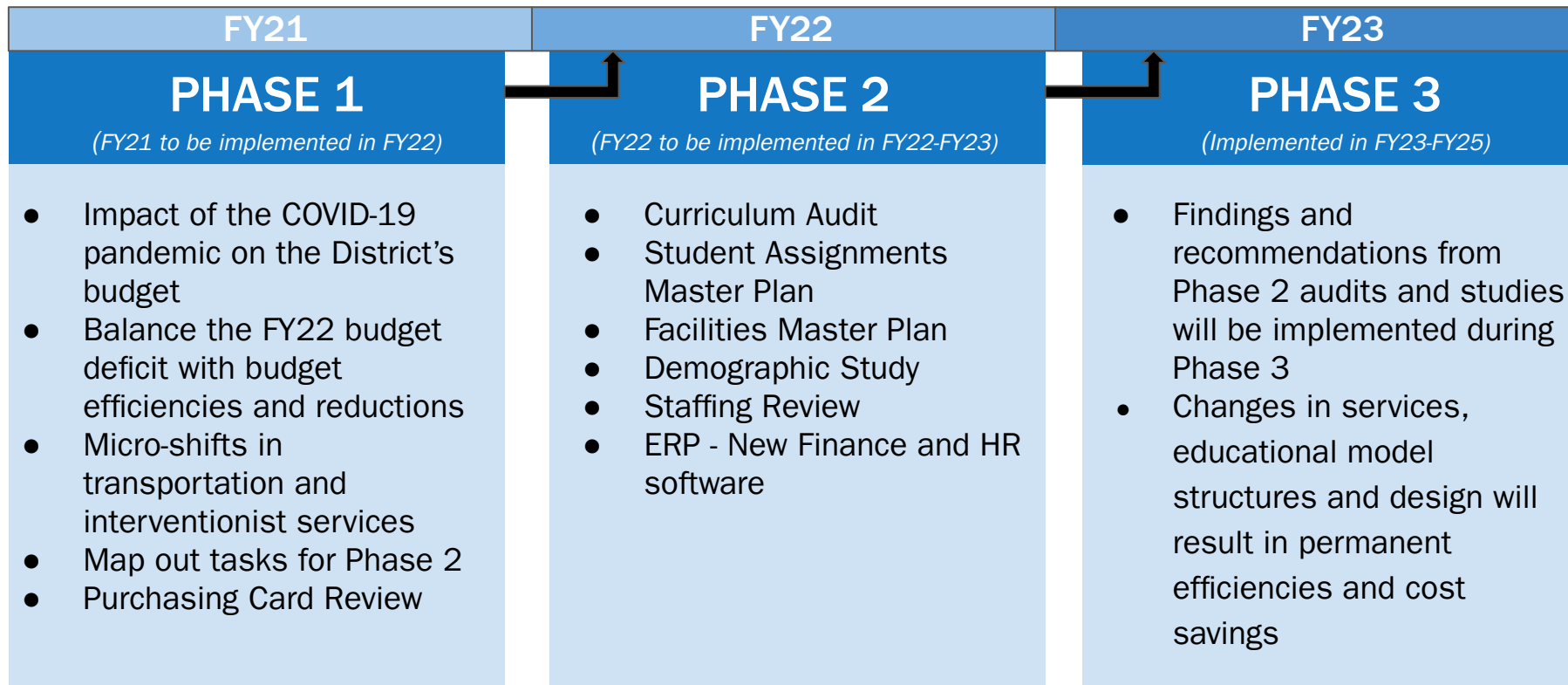
- In FY21 the District developed short- and long-term budget balancing strategies to ensure long-term financial sustainability
- Reduced operating by \$2.9 million in FY22; reduced administrative expenditures by \$1M
- Will continue aligning District's spending with its strategic and instructional priorities, with focus on equity
- Is committed to run programs in more efficient and effective manner

FY22 Budget Reductions-\$2,965,775



- Transportation-\$400,000
- Facilities-\$426,000
- Nutrition Services- \$55,900
- Special Services-\$65,300
- Early Childhood-\$123,105
- Curriculum & Instruction/School Operations -\$552,060
- Research, Accountability & Data - \$20,000
- Human Resources - \$30,700
- Business Services - \$10,000
- Equity, Diversity, Family and Community Engagement - \$25,000
- Information Services - \$90,000
- Professional Learning & Development- \$105,707
- Student Assignments - \$18,250
- **Administrative Budget Reductions - \$1,043,753**

District 65's Financial Sustainability Plan



Section VII

FY22 Budget Calendar



Next Steps – Budget Calendar



- August 26- Budget Publication Notice
- September 20 - Finance Committee Meeting to review changes to the Tentative budget
- September 27 - Hearing on the FY22 Tentative Budget and Approval of the FY22 Financial Budget
- October 27- Filing of the FY22 Budget with the County and the State

Questions?

