



EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Every Child, Every Day, Whatever It Takes



FY21 Tentative Budget

Community Consolidated School District 65

August 10, 2020

Presentation Overview



- I. Legal Requirements for Budget Adoption
- II. Overview of FY20 Actual Revenues and Expenditures
- III. Overview of FY21 Budget Revenues and Expenditures
- IV. Overview of FY21 Joint Agreement Park School Budget
- V. Financial Projections FY21-FY26
- VI. Financial Sustainability
- VII. Budget Uncertainties

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 FY20 Revenues and Expenditures



How did D65 do financially in FY20?

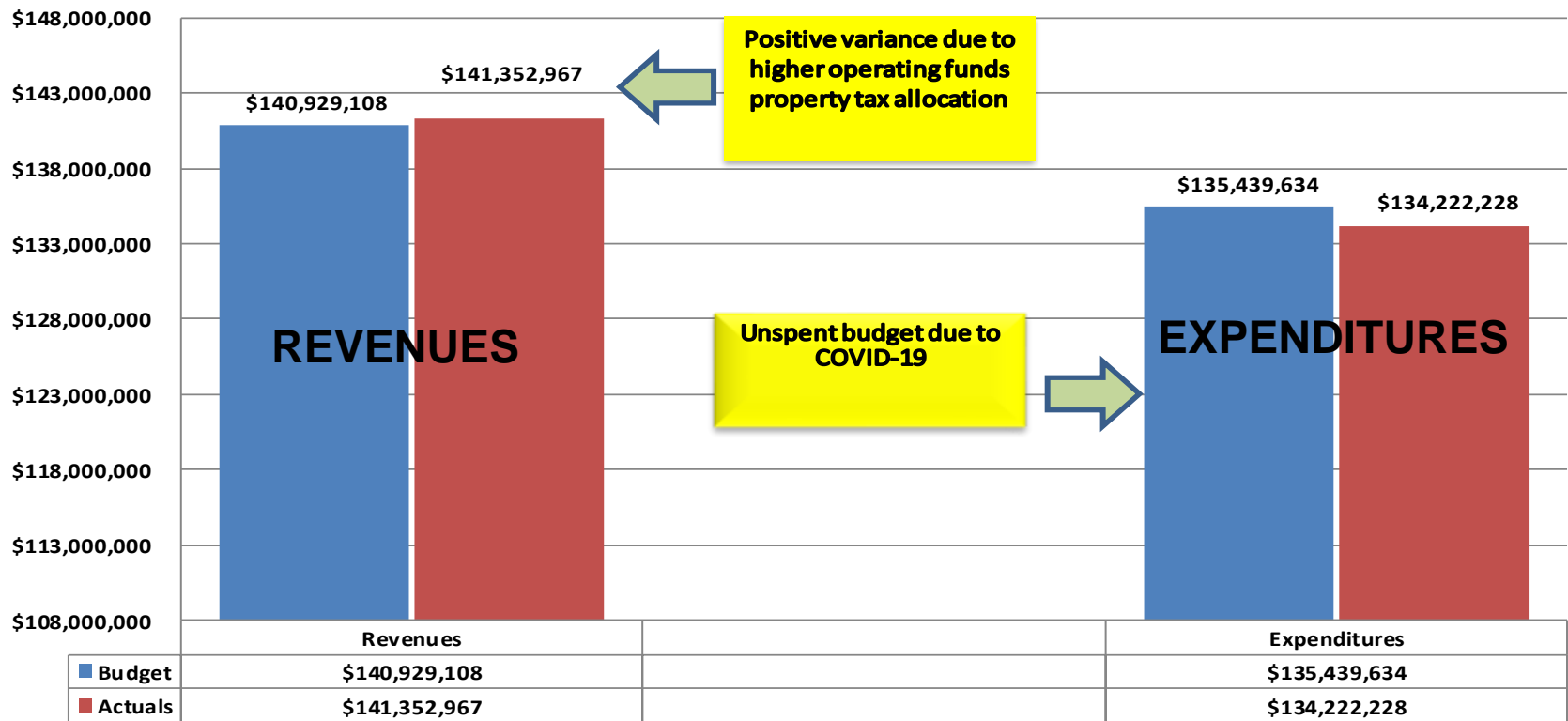


- ▶ 100% of FY20 Revenues were collected
- ▶ 99% FY20 Expenditures were spent
- ▶ FY20 ended with a \$7.1M operating surplus (before audit adjustments); \$5.5M surplus was budgeted
- ▶ FY20 surplus was preserved and added to referendum reserves

FY21 Budget vs. FY20 Actuals



BUDGET VS. UNAUDITED ACTUALS OPERATING REVENUES & EXPENDITURES 2019-20



Section III

Overview of the FY21 Budget



FY21 Budget Highlights



- FY21 Operating Budget is the District's 19th consecutive Balanced Budget, with revenues exceeding expenditures by \$0.5M
- The tentative surplus will be used to offset additional revenue losses or unexpected expenditures related to COVID-19 pandemic
- The District's student enrollment is projected to decrease by 57 students to 7,339

FY21 Budget Highlights



Spending will support the District's priorities and strategic initiatives, including:

- Improving instructional core, especially ensuring students of color have access to common-core aligned grade level standards
- Improving and building organizational culture
- Strengthening of multi-tiered system of support
- Commitment to equity
- Improvement of instructional delivery to meet learning needs of students and families during pandemic
- Recruitment initiatives and focused professional development
- Maintaining long-term financial stability

Overview of FY21 Revenues



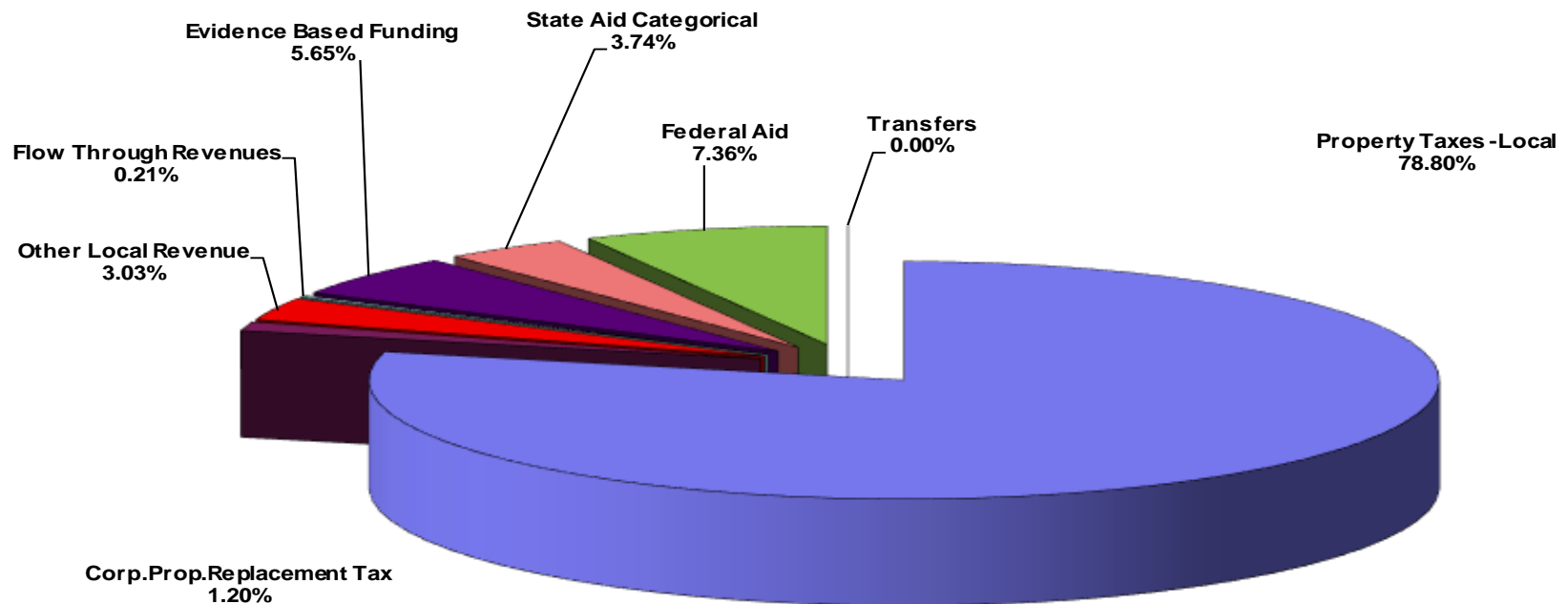
- FY21 Operating Revenues are projected to decrease by **1%** over FY20 actual revenues and FY20 budget
- Property taxes will grow by the **1.9%** CPI factor (2018), however, projected lower collection rate will result in property tax “freeze”
- Decrease in Other Local Revenues due to Federal Funds rate cuts and remote learning affecting childcare fees and lunch sales
- \$0.7M in federal stimulus funds

FY21 Operating Revenues

\$139.6 million



OPERATING FUND REVENUES BY SOURCE FISCAL YEAR 2020-21

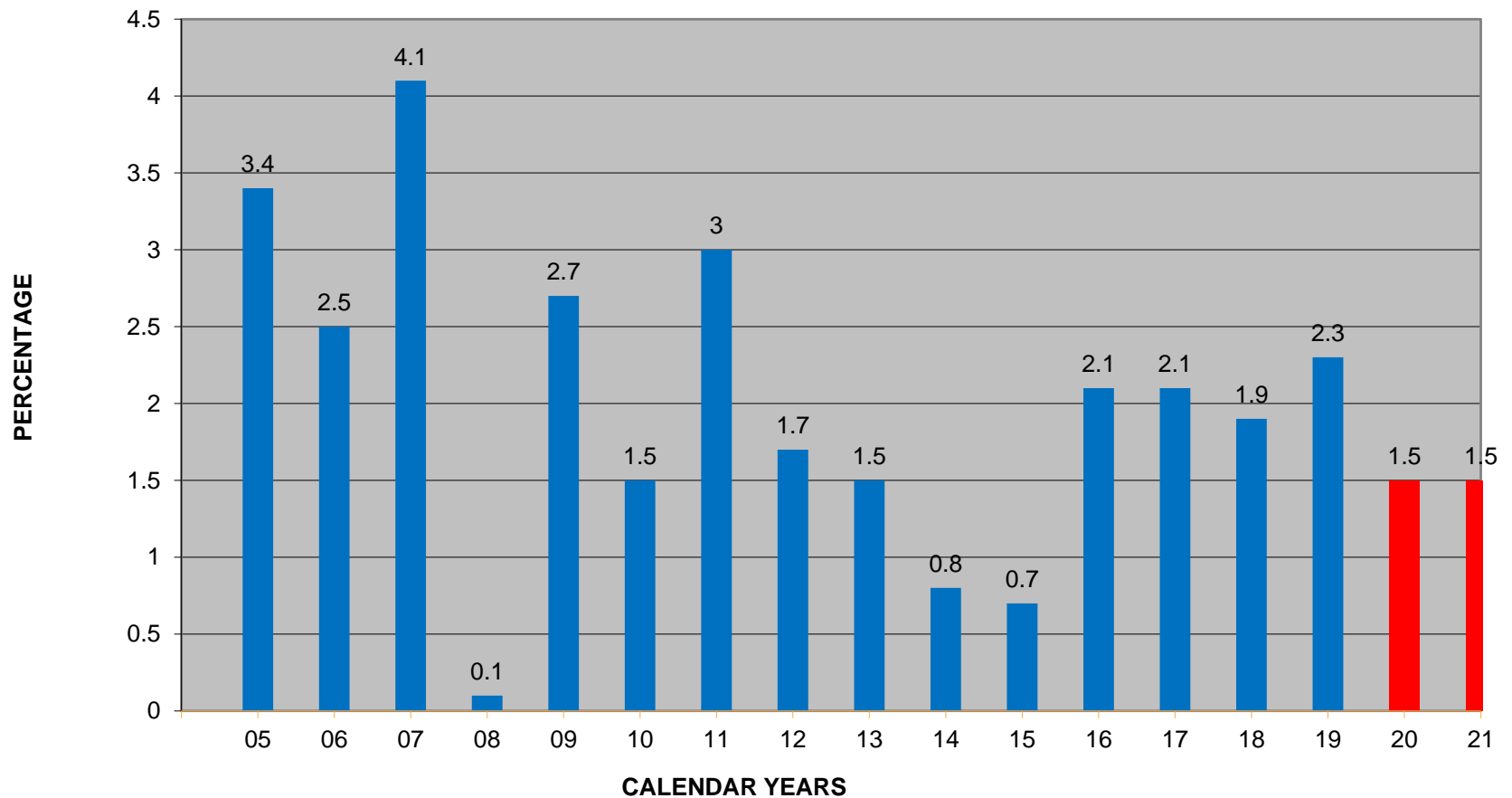


History of the CPI Factor

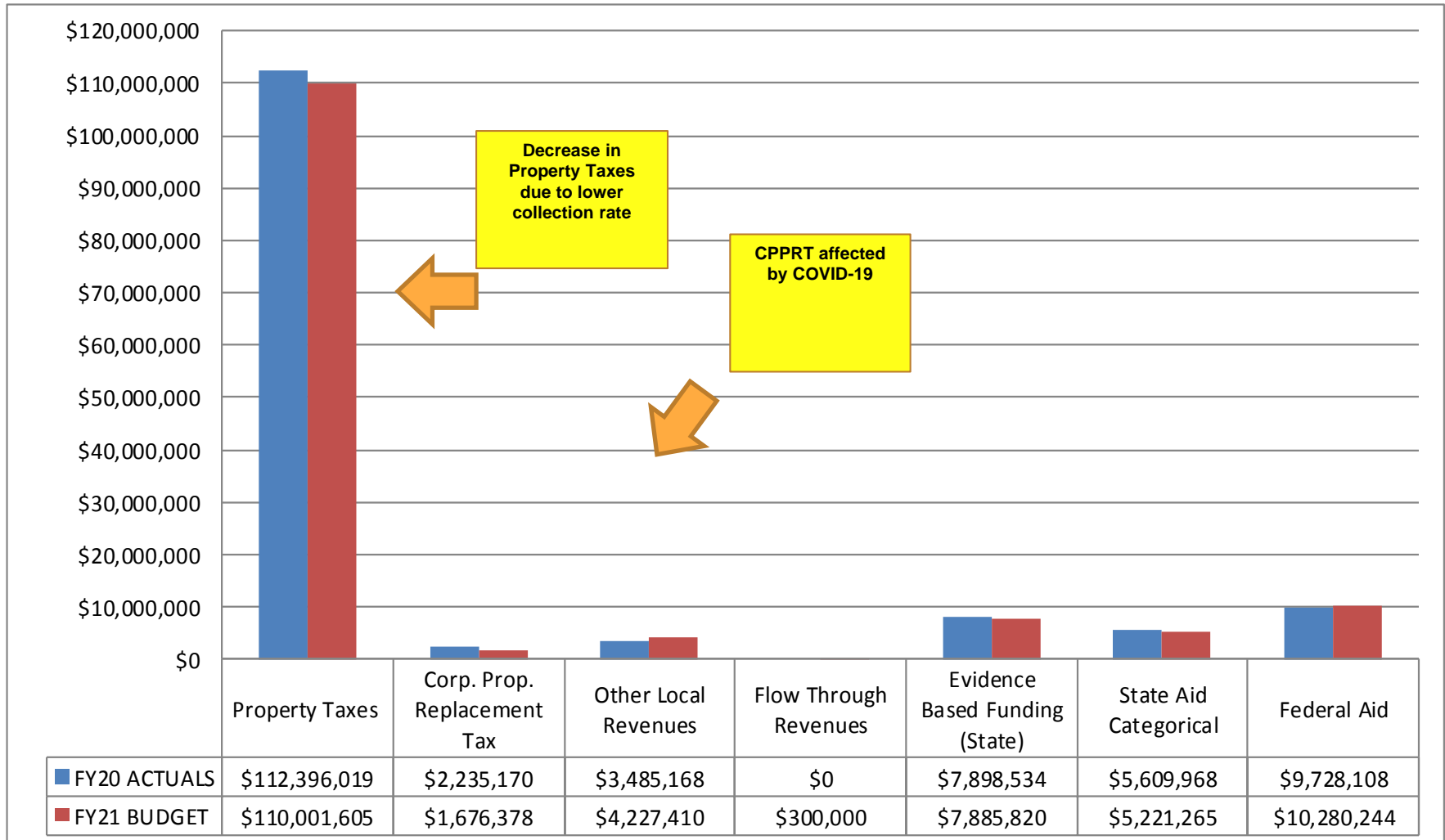


CONSUMER PRICE INDEX (CPI) HISTORY

Actual
Projected



Comparison of FY21 Budget and FY20 Actuals Operating Revenues



Overview of FY21 Expenditures



- **FY21 Operating Expenditures are increasing by 4% from the FY20 actuals, or 3% from the FY20 budget, due to the following factors:**
 - Staffing costs (salary increases due to contractual obligations and additional staff - 10.7 FTEs)
 - Higher cost of Transportation Services
 - One-time costs: PPE supplies and equipment, costs related to remote learning, new Finance/HR student data management system, new student instructional supplies
 - Additional facility costs related to COVID-19
- **Other Objects (Park School and Special Education Tuition) is increasing by 7% over FY20 actuals; 15% over FY20 budget**

Overview of FY21 Expenditures



FY21 salaries reflect contractual agreements in effect and new positions added to the FY21 budget include:

- **Redefined Positions:**
 - 1 Deputy Superintendent
 - 1 Assistant Director for Student Services
 - 1 Manager of Equity, Diversity and Family and Community Engagement

Overview of FY21 Expenditures



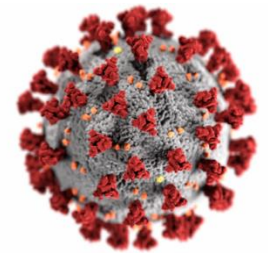
New Positions:

- 1 Assistant Superintendent of Middle Schools (budget neutral)
- 1 Director of Professional Learning (budget neutral)
- 1 Instructional Technology Facilitator (budget neutral)
- 2 Deans of Culture and Climate (one position is redefined)
- 1 Diversity Hiring Specialist
- 1 STEM curriculum Coordinator (temporary position)
- 12 Learning Behavior Specialists (partly offset by reduction of 24 paraprofessionals)
- 5 Rice Center paraprofessionals (budget neutral)
- 1 Network/Data Support Specialist (budget neutral)
- 1 Communications Specialist (partly budget neutral from elimination of city contract)
- 1 Research Practitioner (funded with external grant)
- 1 ESL Teacher due to student needs
- 1 Kindergarten Teacher due to enrollment
- 1.7 Social Workers due to student IEP requirements
- 1 Psychologist due to student IEP requirements
- 1 Occupational Therapist Specialist due to student IEP requirements
- 1 Speech Therapist due to student IEP requirements
- 2 Maintenance Specialists due to building needs (budget neutral)

Overview of COVID-19 Expenditures



- **These expenditures will enable remote learning and ensure safe environment for staff and students:**
 - Remote learning materials - **\$336,000**
 - K-5 Math on-line curriculum - **\$150,000**
 - Additional learning materials - **\$48,000**
 - Educational on-line Tools - **\$140,000**
 - Sylvan Tutoring for dependent learners- **\$89,000**
 - Internet “hotspots” - **\$75,000**
 - One to one iPads - **\$243,000**
 - Personal Protection Equipment (PPE) - **\$512,000**
 - Thermo imaging thermometers - **\$62,000**
 - Additional facility support - **\$45,000**
- **The District was approved to receive \$0.7M in federal stimulus funds**
- **Additional stimulus funds maybe distributed in the future**

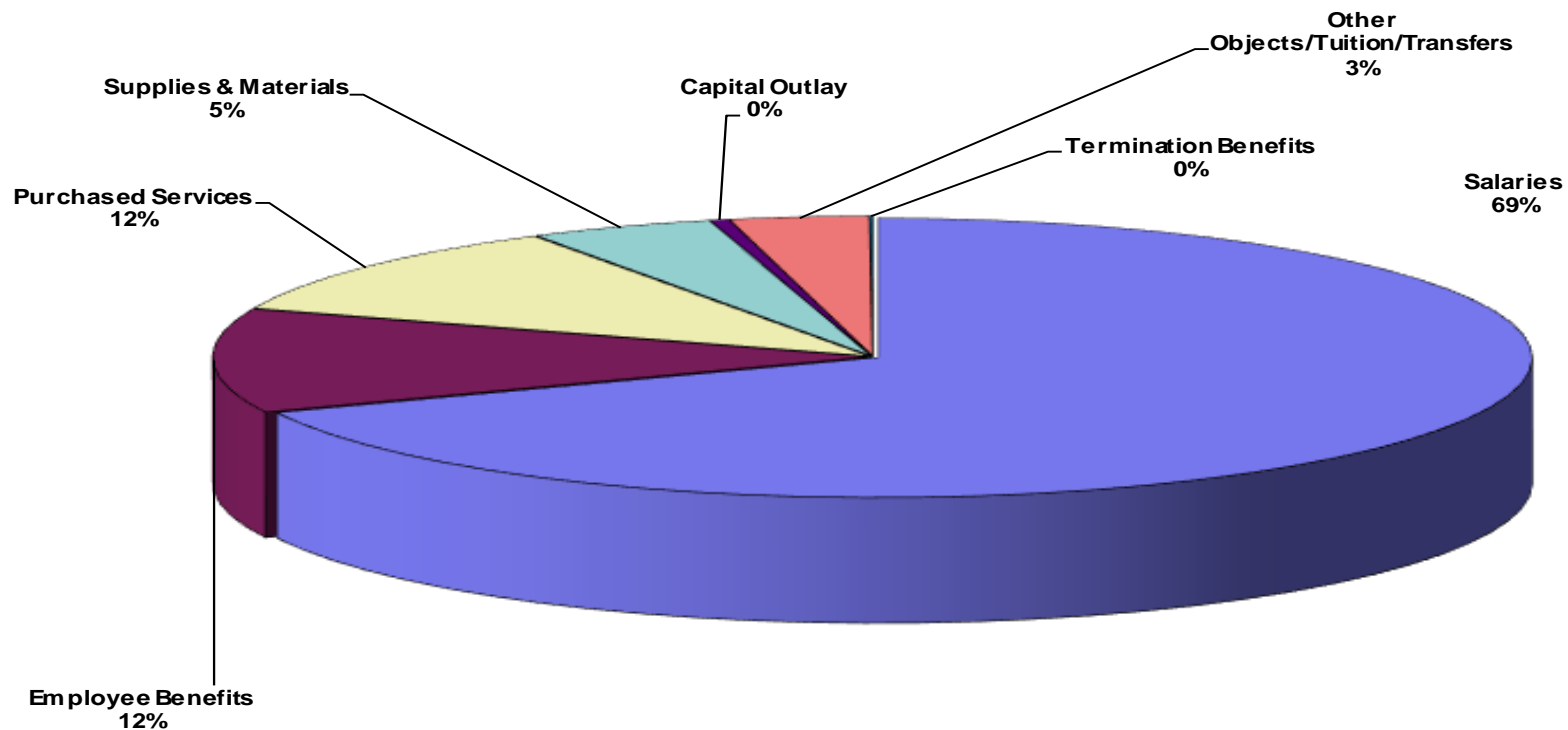


FY21 Operating Expenditures

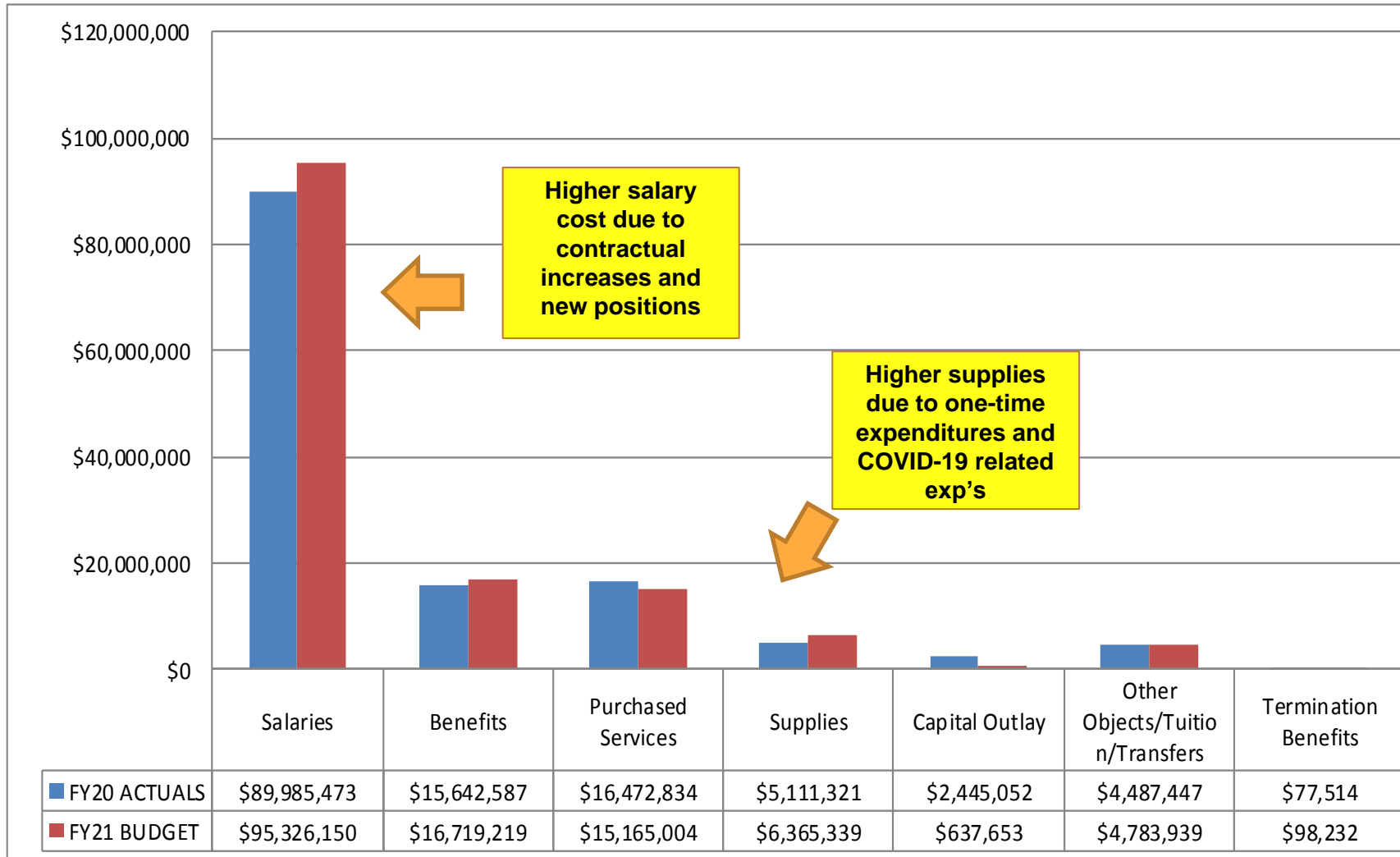
\$139.1 million



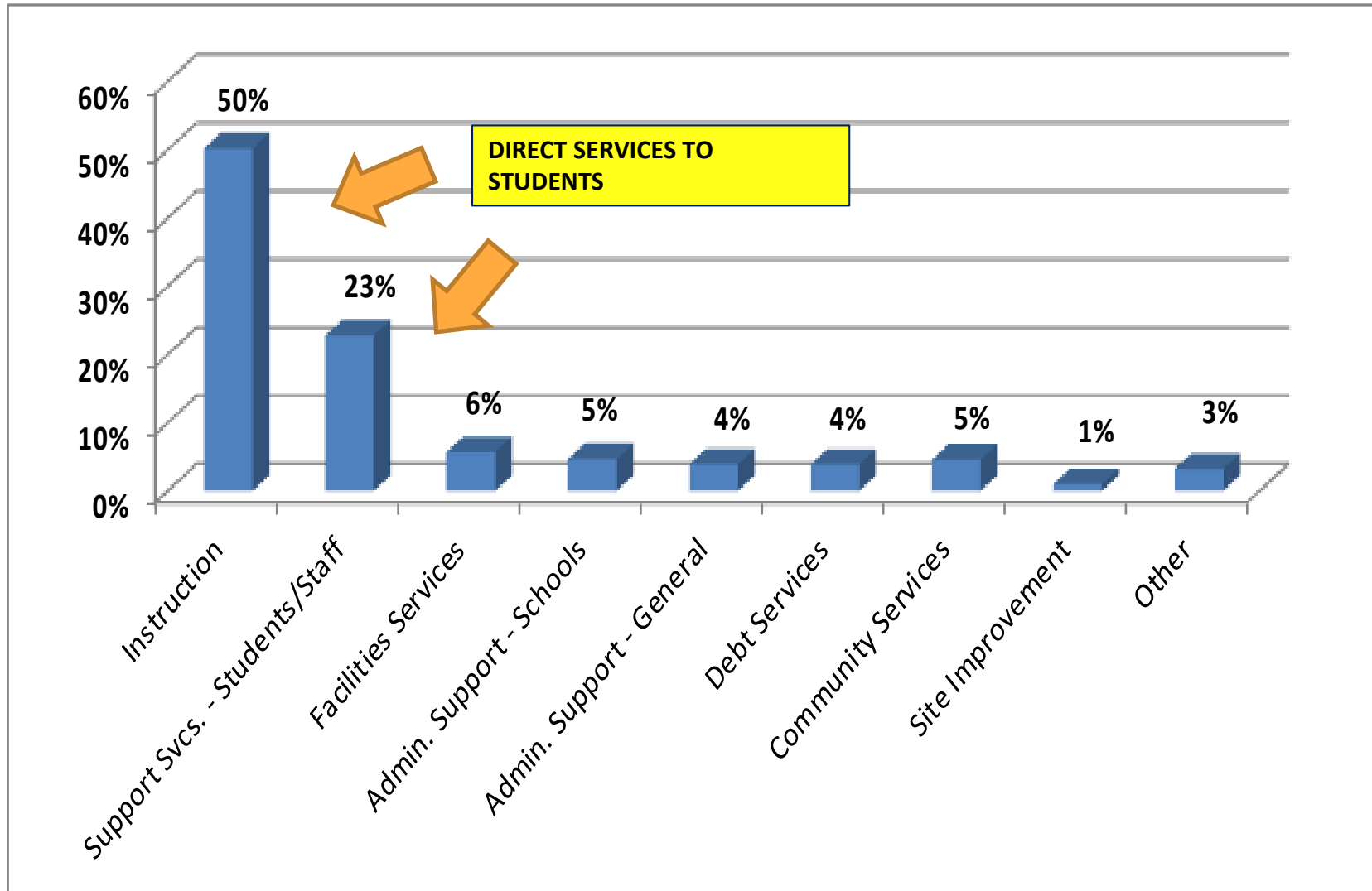
OPERATING FUND EXPENDITURES BY CATEGORY FISCAL YEAR 2020-21



Comparison of FY21 Budget and FY20 Actuals Expenditures



FY21 Expenditures by Function



Section IV

Joint Agreement-Park School Tentative Budget



FY21 Park Budget Highlights



- Park School will serve 72 students, including 19 out-of-district tuition students in FY21
- Revenues are projected to increase by **1%** from FY20 projected actuals and decrease by **6%** from FY20 budget to \$3 million
- Expenditures are projected to increase by **3%** over FY20 projected actuals and **8%** over FY20 budget
- Net cost for D65 and D202 is projected to increase by **4%** (adjusted for late revenues from FY19)

Section V

Financial Projections FY21-FY26



Updated Financial Projections FY21-FY26

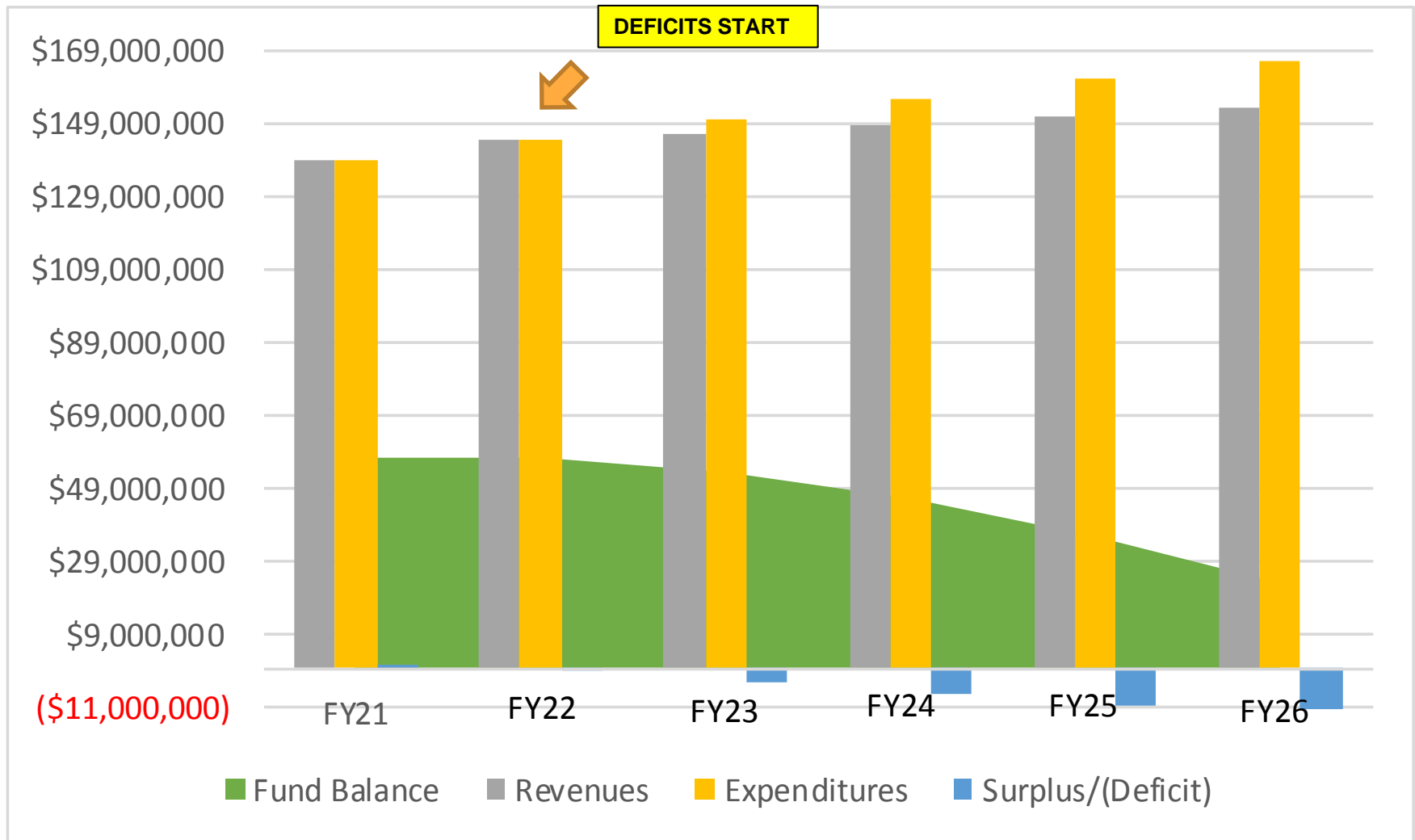


LAST ANNUAL BALANCED BUDGET

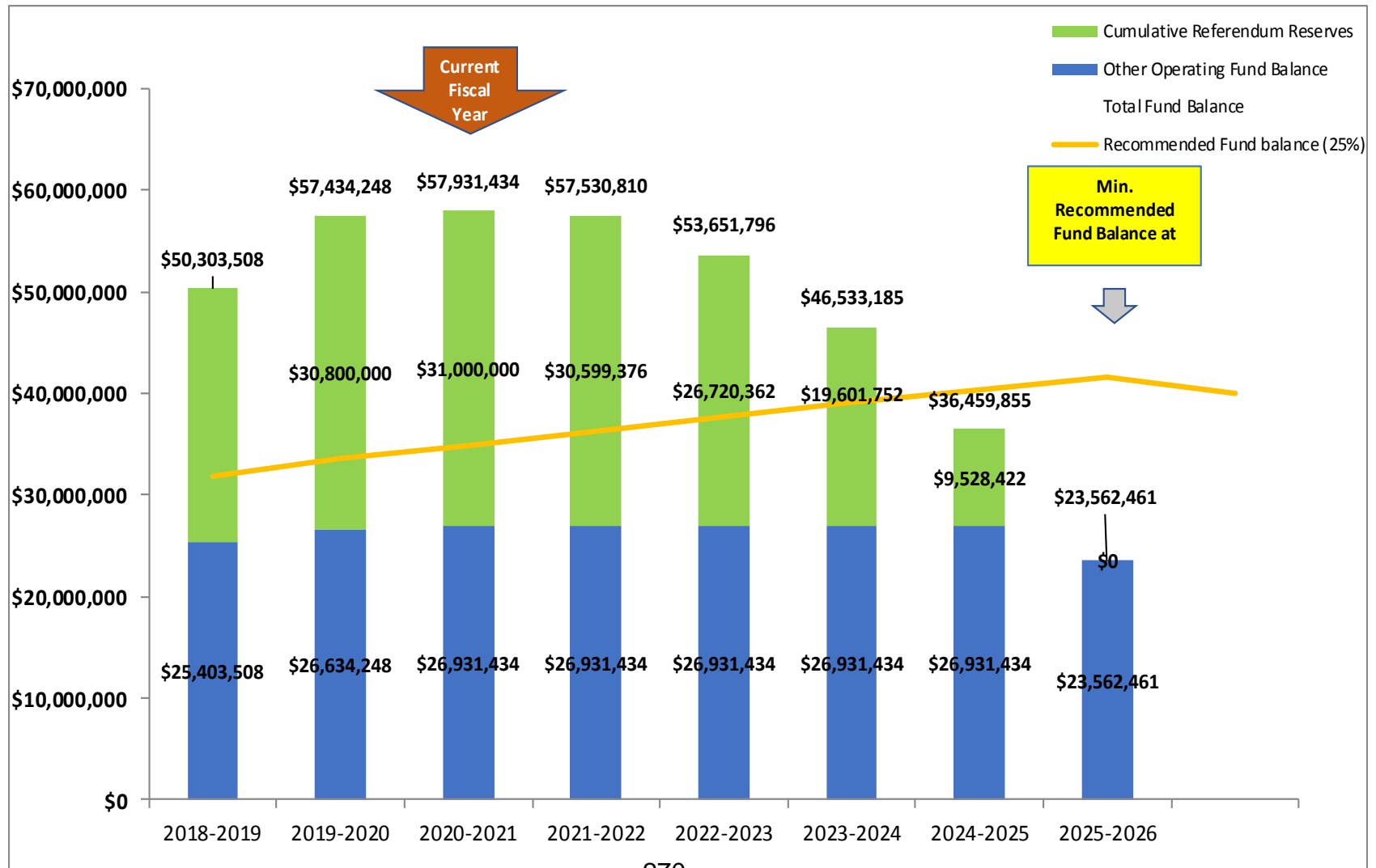
FISCAL YEAR →	ACTUALS 2019-20	TENT. BUD 2020-21	PROJ'D 2021-22	PROJ'D 2022-23	PROJ'D 2023-24	PROJ'D 2024-25	PROJ'D 2025-26
TOTAL REVENUES	\$141,352,968	\$139,592,722	\$144,542,950	\$146,516,494	\$148,958,077	\$151,343,360	\$153,623,107
TOTAL EXPENDITURES	\$134,222,228	\$139,095,536	\$144,943,573	\$150,395,508	\$156,076,687	\$161,416,690	\$166,520,501
REVENUES-EXPENDITURES	\$7,130,740	\$497,186	(\$400,624)	(\$3,879,014)	(\$7,118,610)	(\$10,073,330)	(\$12,897,395)
CONTRIBUTIONS TO FUND BALANCE	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0
RESERVES SET ASIDE TO MANAGE FUTURE DEFICITS	\$5,900,000	\$200,000	\$0	\$0	\$0	\$0	\$0
REVENUES-EXPENDITURES	\$230,740	\$297,186	(\$400,624)	(\$3,879,014)	(\$7,118,610)	(\$10,073,330)	(\$12,897,395)
REFERENDUM RESERVES USED TO BALANCE DEFICIT BUDGETS	\$0	\$0	\$400,624	\$3,879,014	\$7,118,610	\$10,073,330	\$9,528,422
REVENUES-EXPENDITURES (W. REFERENDUM RESERVES)	\$230,740	\$297,186	\$0	\$0	\$0	\$0	(\$3,368,973)
CUMULATIVE BALANCE OF REFERENDUM RESERVES	\$30,800,000	\$31,000,000	\$30,599,376	\$26,720,362	\$19,601,752	\$9,528,422	\$0

BALANCED BUDGET WITH REFERENDUM RESERVES 268

Financial Projections FY21-FY26



Projections of D65 Operating Fund Balance



Pre-COVID 19 vs. Current Projections



- Current Projections project referendum reserves at \$31M vs. \$30.1M saved by 6/30/21
- COVID-19 pandemic is putting pressure on FY21 operating revenues reducing revenues by \$3.4M in FY21
- Previous projections forecasted deficit budgets starting in FY23; current projections project deficit budget starting next fiscal year

PROJECTED BALANCE OF REFERENDUM RESERVES AS OF 6/30/20

Beginning Balance of Referendum Reserves as of 7/1/18	<u>Actual</u> amount of Referendu m Reserves added in 2018-19	<u>Budgeted</u> amount of Referendum Reserves as of 6/30/19	<u>Actual</u> amount of Referendum Reserves to be added in 2019-20	<u>Actual</u> Balance of Referendum Reserves as of 6/30/20	Additional/ (Deficit) amount of Referendum Reserves
\$18,500,000	\$6,400,000	\$21,600,000	\$5,900,000	\$30,800,000	\$3,500,000

District is on track with referendum reserves.

Section VI

Financial Sustainability



Steps to eliminate future Deficits



- Develop short- and long-term budget balancing strategies to ensure long-term financial sustainability
- Continue aligning District's spending with its strategic and instructional priorities, with focus on equity
- Run programs in more efficient and effective manner, use current resources vs. hiring new staff
- Implement efficiencies and conduct budget program review with the focus on instructional values and relation to the District's priorities
- Create and communicate a culture of fiscal conservatism to weather economic uncertainties

Section VII

Budget Uncertainties



Uncertainties Affecting Future Budgets



- ❑ Impact of COVID-19 on property tax collection rate
- ❑ Uncertainty about the 2020 CPI factor (will affect FY23 and beyond)
- ❑ Impact of COVID-19/remote/hybrid learning on expenditures
- ❑ Property Tax Freeze and Pension Cost Shift Legislation

Next Steps – Budget Calendar



- August 23, 2020 – Publication of the Budget Hearing
- September 21, 2020 – Public Hearing and Budget Adoption by Board
- October 21, 2020 – Budget filed with the County Clerk and the State Board of Education

Questions?

