



EVANSTON/SKOKIE SCHOOL DISTRICT 65

Budget-at-a-Glance

2019-2020 Fiscal Year

**EVERY CHILD, EVERY DAY,
WHATEVER IT TAKES.**



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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 for the 2019-2020 fiscal year and is considered supplemental to the full budget document. The Budget-at-a-Glance and other financial documents can be found on the District 65 website at www.district65.net/business.

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BUDGET MESSAGE

Dear Staff, Families, and Community Members:

Welcome to the 2019-2020 school year! Together, with our principals, teachers, staff and community, we will be focused on providing our students safe and supportive learning environment where students are challenged by vigorous and culturally relevant learning. As noted in our mission statement, we want every child to succeed so they can grow personally as individuals and contribute positively to a global society.



The 2019-2020 will be a transitional year for the District, during which the Board will conduct the search for the new Superintendent. Our staff stands ready to work with parents and community members in building successful partnerships that will benefit our students. The District is beginning the new school year with historic five-year employee contracts with the District's Educators Council and the Evanston Teacher's Assistant Association, which were ratified by the unions and approved by the Board of Education last year. These contracts will help the District continue its goal of maintaining prudent financial management.

The District will continue to reach out across our community to provide transparent and comprehensive financial information. Budget documents developed in recent years: the Budget at-a-Glance document, which is a supplemental document to the full budget and the Annual Budget Book, will be updated annually. An Annual Financial Report, which provides a summary of the most recent year, 2018-2019, will be updated and distributed to the citizens of Evanston and Skokie in upcoming months. The District's website is a great resource of information about our strategic priorities and budget. We encourage you to visit it for more information on District business services and related financial information at www.district65.net/business.

Please know that the education and learning environment for our children will always remain our top priority. Thank you for your continued support of our students and our schools.

Sincerely,

District 65 Administration

BUDGET PROCESS

Each year, the District 65 Business Office must create a budget that presents the district’s revenues and expenditures and it must make its annual budget available for public inspection. The budget is the school district’s plan for how it will allocate and expend revenue dollars. It is the basis for the school district’s tax levy.

The tentative budget must be displayed 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 indicating availability for the public to inspect the tentative budget, including the date, time, and location of the public hearing (105 ILCS 5/17-1).

The 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

Sunith Kartha
President

Anya Tanyavutti
Vice President

Candance Chow
Member

Joseph Hailpern
Member

Elizabeth Lindsay-Ryan
Member

Sergio Hernandez
Member

Rebeca Mendoza
Member

District 65 is governed by the Board of Education comprised of seven locally-elected members. 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



7,553
Total Enrollment



737.8
Teachers



\$14,266 Per Pupil
Operational Spending (FY18)



36%
Low-Income
Students



14%
Students with
Disabilities



14%
English
Learners



7%
Student
Mobility

Racial/Ethnic Diversity

42.8% White • 22.4% Black • 20.6% Hispanic • 4.7% Asian
0.2% American Indian • 9.2% Two or More Races • 0.1% Pacific Islander

District 65 students speak 62 languages!

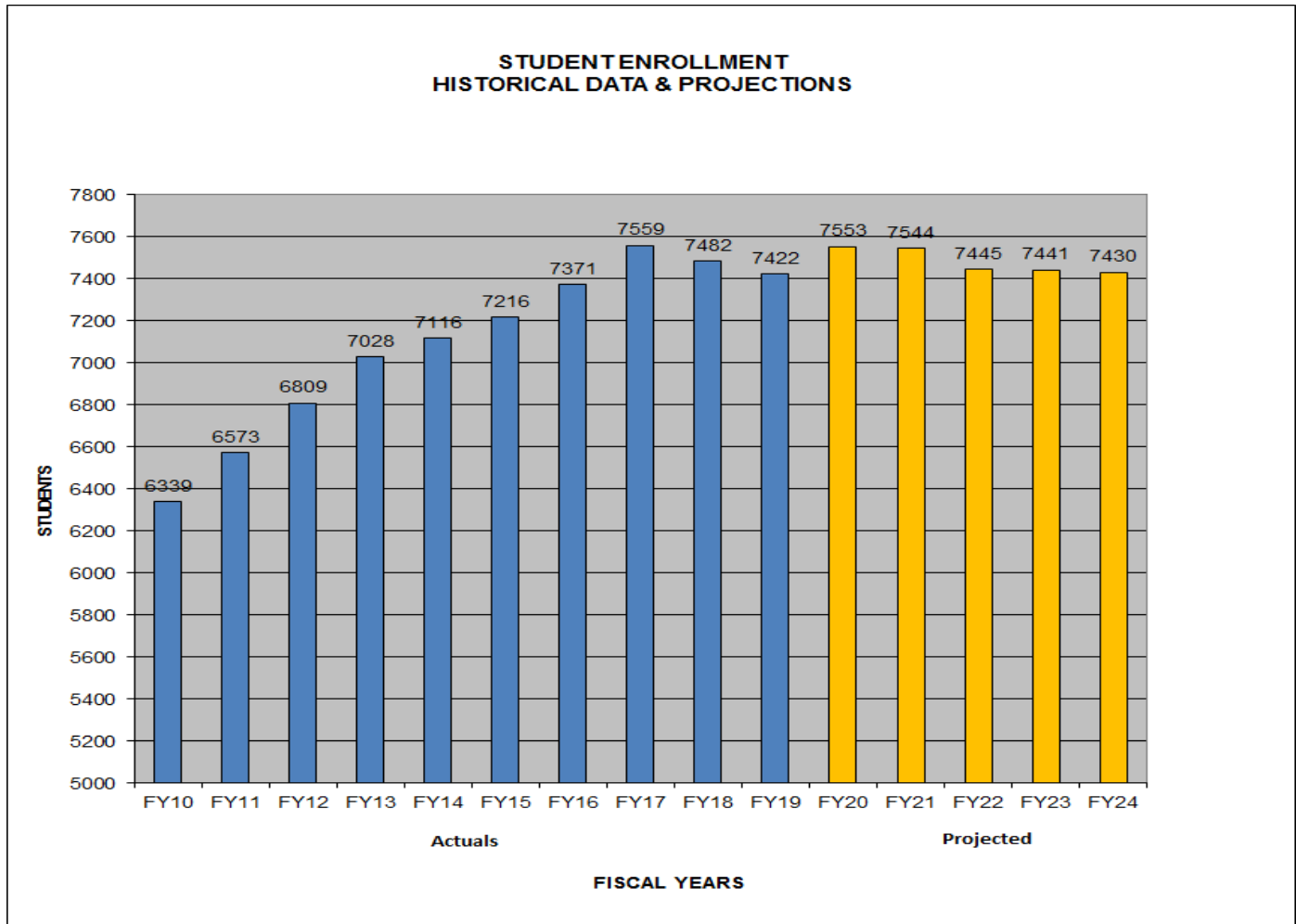
*District 65 has ten attendance-area elementary schools serving students in grades K-5; three middle schools serving students in grades 6-8; and two magnet schools serving students in grades K-8. In addition, the Joseph E. Hill Early Childhood Center offers programming and services for children ages 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 owned and operated by the Children's Home & Aid Society of Illinois.

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 has experienced steady enrollment increases over the last nine years. However, projections indicate future enrollment will be steady, as illustrated in the graph below.

In 2019-2020 school year, the District is projected to serve 7,553 students, which reflects an increase of 131 students from 2018-2019 school year.

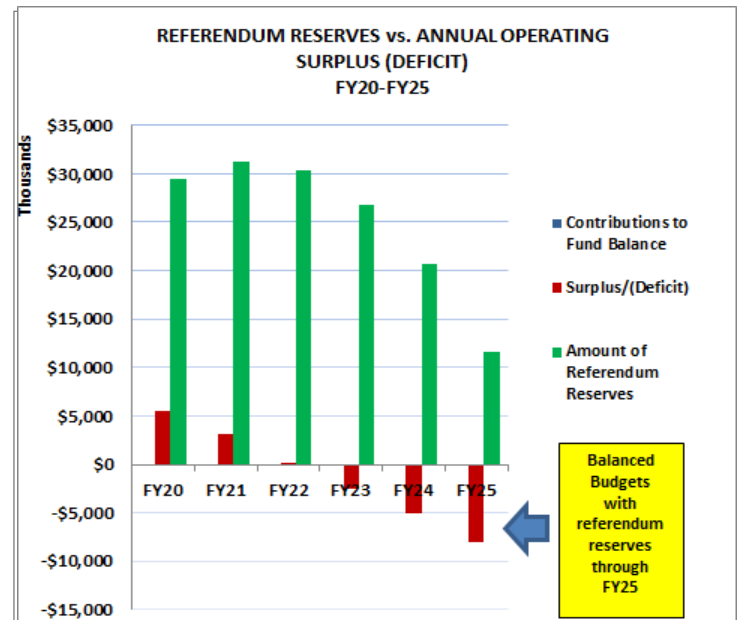
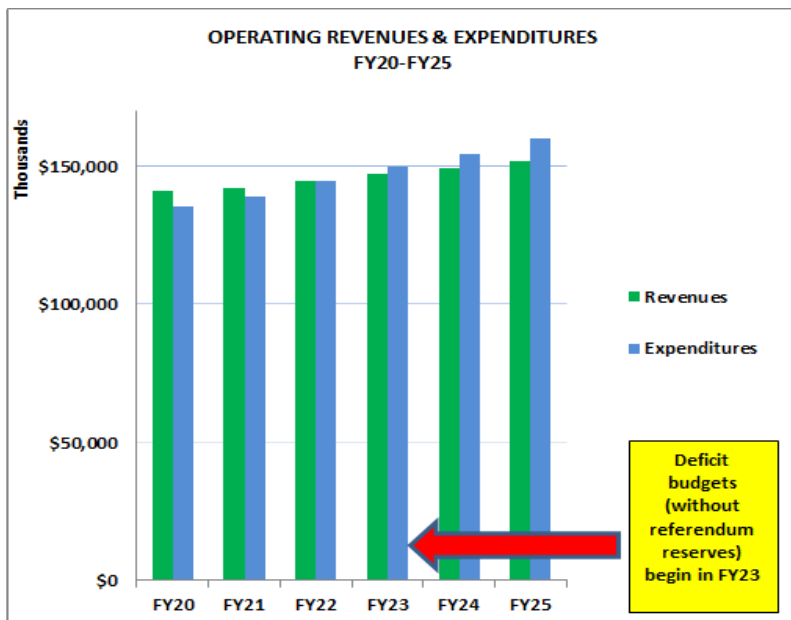


BUDGET HIGHLIGHTS

- The FY20 Budget is the 18th consecutive balanced budget filed by District 65. The Illinois School Code requires school districts to pass a balanced Operating Fund budget annually.
- The District's received the highest financial rating with the Illinois School Board of Education of *Financial Recognition* for FY18
- The budget supports the District's strategic plan and instructional and operational goals.
- The budget includes updated revenue and expenditure assumptions. The budget also includes additional instruction and student support positions due to enrollment/programmatic changes and the District's top priorities.

FY20 OPERATING BUDGET SUMMARY	AMOUNT
OPERATING REVENUES	\$140,929,108
OPERATING EXPENDITURES	\$135,439,636
SURPLUS/(DEFICIT)*	\$5,489,472

* The FY20 operating surplus includes referendum reserves which will be used to offset future deficits.



REVENUE SOURCES

FY20 operating revenues are projected to increase by four percent to \$140.9 million (in comparison to FY19 actuals). Revenues come from the following sources:

Property Taxes are paid by Evanston and Skokie property owners, in the District attendance areas, to several governmental agencies and are the largest and the most stable revenue source for District 65. Property Taxes account for 78 percent of revenues and include referendum funds.

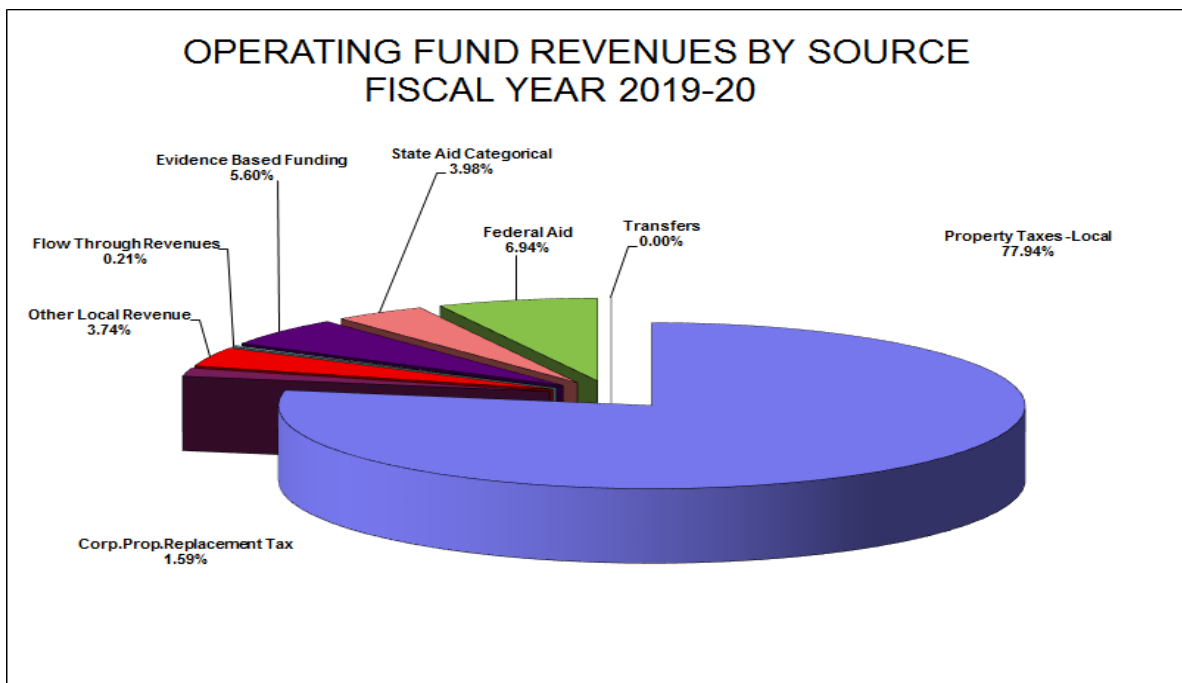
Corporate Personal Property Replacement Taxes (CPPRT) are part of state income taxes and are paid by Illinois businesses. CPPRT accounts for \$2.2 million or two percent of operating revenues.

Other Local Revenues, which include interest income, lunch sales revenue, student and childcare fees, E-rate reimbursements, permit revenue and other local revenues total \$5.3 million or four percent of the budgeted revenues.

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

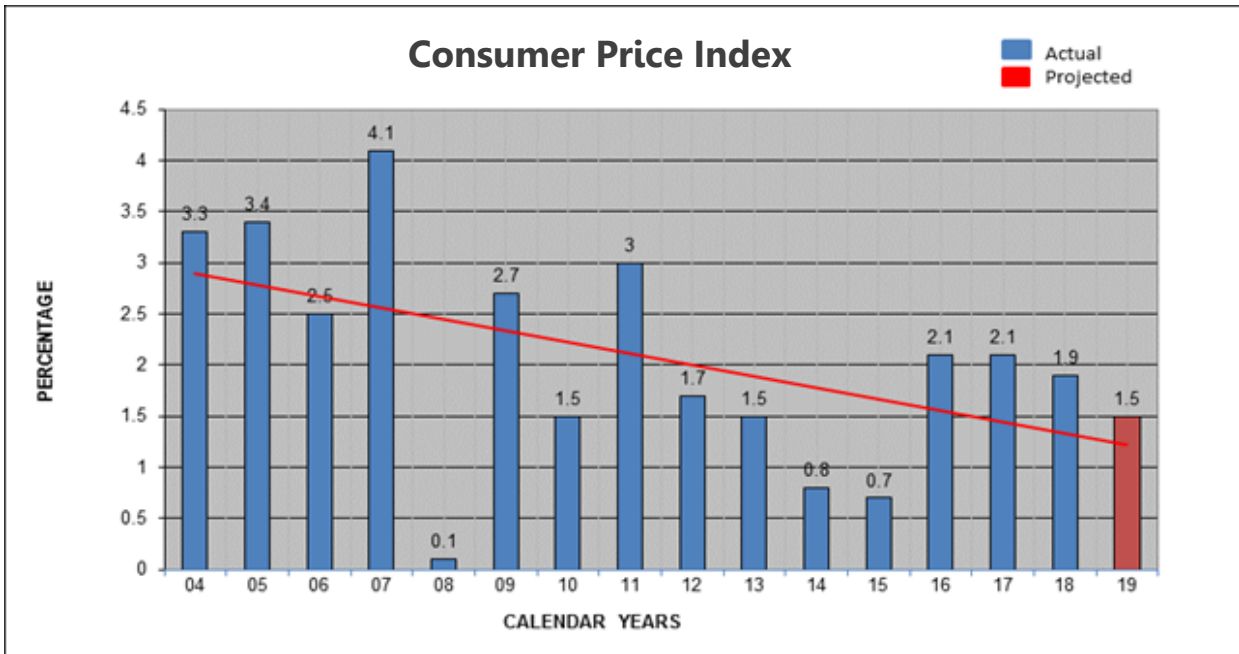
State Revenues, which include **Evidence Based Funding** and **State Categorical Aid**, total \$13.5 million or ten percent of budgeted revenues.

Federal Revenues, which include title grants, Medicaid and Head Start grants, account for \$9.8 million or seven percent of the revenues.



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. The property tax cap 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 2004.

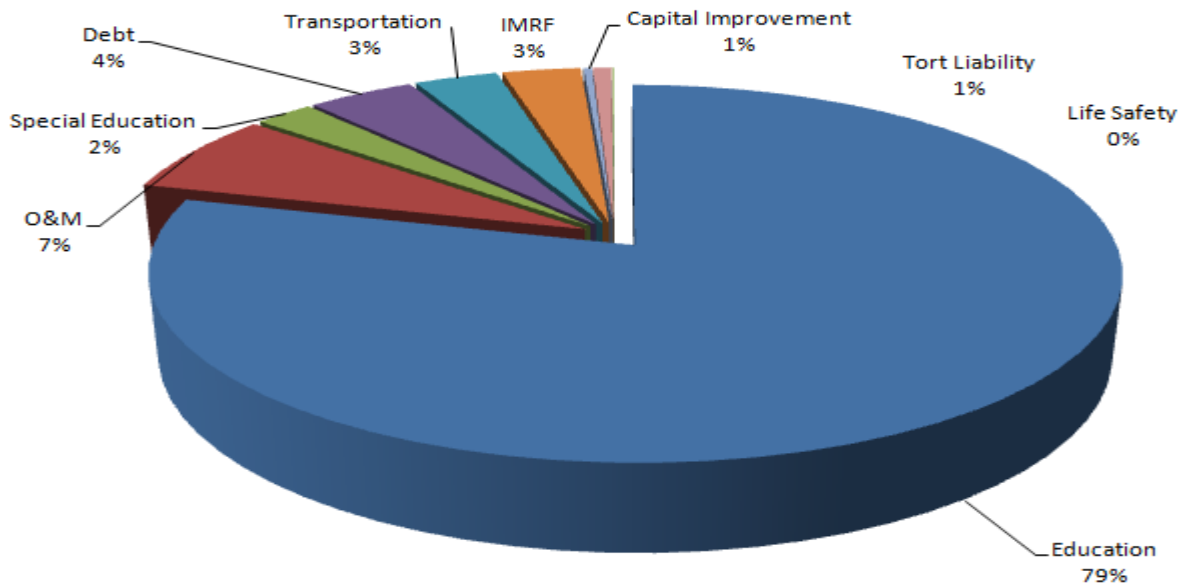


The CPI factor, which determines the growth in Property Taxes, has been under three percent since 2011. In 2014 and 2015, the CPI factor was less than one percent, 0.8 and 0.7 percent, respectively. In addition to the low CPI factor, property tax refunds have been a concern averaging approximately \$3 million per year and eroding this limited revenue source even further. Property taxes in FY20 will be subject to the 2017 CPI of 2.1 percent; while 2018 CPI of 1.9 percent will affect the growth in property taxes in FY21. The District assumes 1.5 percent CPI for future years. The FY20 budget assumes modest property growth.

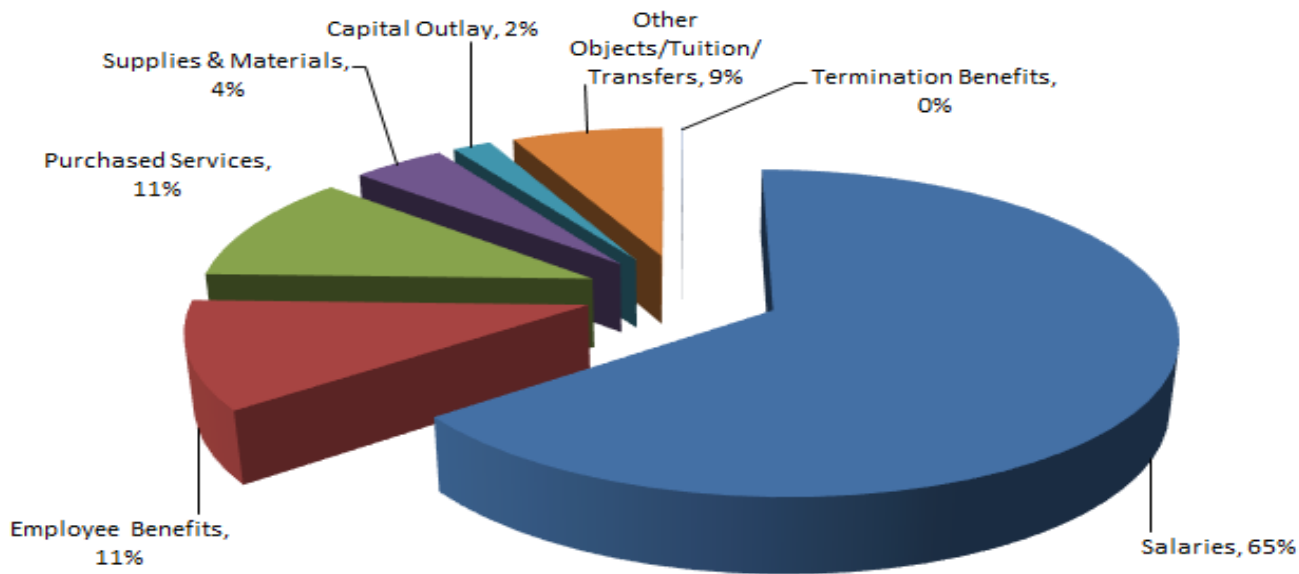
Evidence Based Funding, which replaced General State Aid, is projected to remain the same assuming student enrollment is stable. Under the new formula, instead of funding all students with the same amount of money, students are funded based on each individual and unique needs.

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 (79 percent).



Expenditures are also grouped by categories of expenditures, which are called objects. Salaries and benefits are the largest objects and account for 76 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 services, curriculum and instructions, superintendent's office, and communications office

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

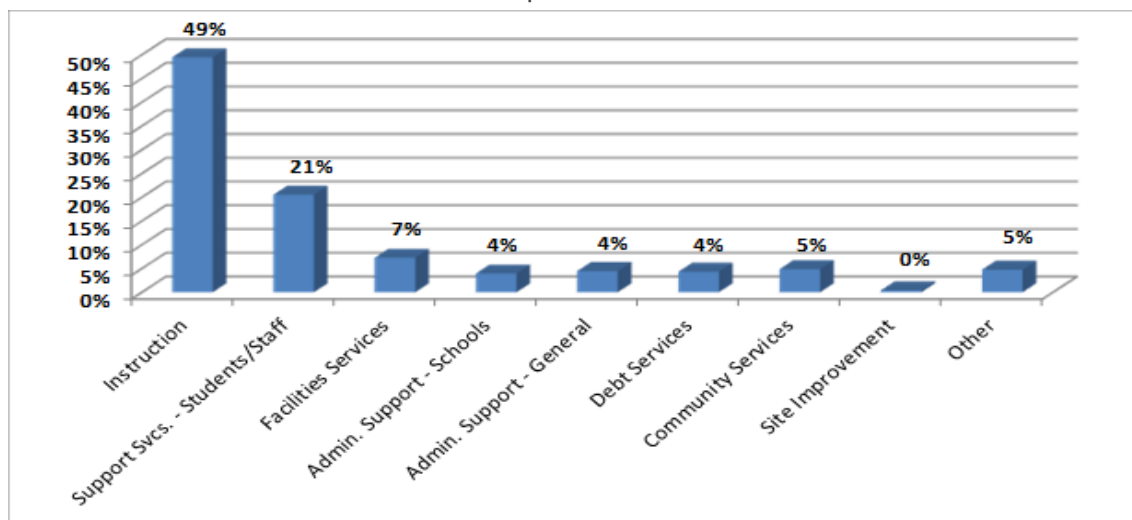
Community Services - includes community childcare, Head Start, and before and after school childcare services

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

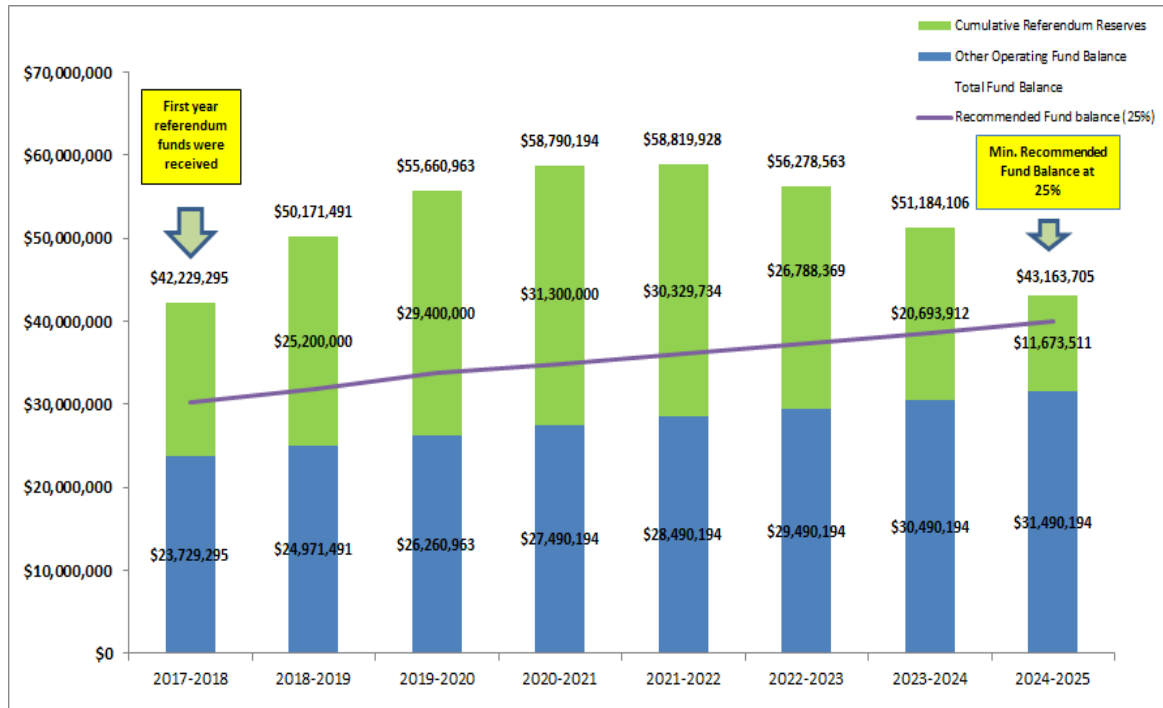
As illustrated in the chart below, 49 percent of the district's budget is devoted to instruction and 21 percent is spent on direct student services. School and General Administration services account for four percent each, while Facilities Services are at seven percent.



FUND BALANCE AND FUTURE FINANCIAL CONCERNS

Fund Balance

District 65’s fund balance has been improving slowly. Bond ratings agencies and good business practice require a fund balance to be between 25 to 40 percent of a district’s budget. The chart below illustrates the district’s operating fund balance.



Future Financial Concerns

- Future CPI factors affecting FY22 and beyond
- Cost of services and utilities
- Potential Pension Cost Shift and Property Tax Freezes
- Funding of Federal Aid

OUR PRIORITIES

Focusing on Cognitive Rigor and Restorative Practices

1

Ensure access to grade-level, Common Core State Standards aligned assignments for Tier 1 instruction that are rigorous and improve learning for Black and LatinX students.

2

Lead system-wide professional learning and implementation support of cognitively rigorous and culturally responsive instructional practices.

3

Lead system-wide professional learning and implementation support of restorative practices to create environments that are intellectually and socially safe for learning.

4

Ask students and families directly about their goals and school experiences to inform ongoing strategy development and adjust as appropriate.

5

Create structures and processes to support consistent and effective two-way communication with staff about district-level decisions and actions.

6

Foster a culture of collaboration and trust that authentically engages staff to increase student achievement for Black and LatinX students.

7

Engage in long-term financial planning to ensure we have the necessary funding for our priorities on the instructional core.

2019-2020 SCHOOL YEAR



CONTACT US

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www.district65.net



**EVANSTON/SKOKIE
SCHOOL DISTRICT 65**

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