



EVANSTON/SKOKIE SCHOOL DISTRICT 65

Budget-at-a-Glance

2017-2018 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 2017-2018 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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LETTER FROM SUPERINTENDENT

Dear Staff, Families, and Community Members:

On August 28, District 65 welcomed students, families and staff to the 2017-2018 school year. As noted in our mission statement, we will work together to inspire creativity and prepare each student to excel academically, grow personally, and contribute positively to a global society.



We are deeply grateful to the residents of Evanston and Skokie for their overwhelming approval of the operating rate referendum on April 4, 2017, which will provide much needed financial support to our schools. We are fully aware of the responsibility placed on us by the Evanston and Skokie community. On April 24, 2017, the Board of Education made a commitment to voters to track and preserve referendum reserves, which will allow the District to stay deficit free through fiscal year 2024-25. We are hoping to stretch the referendum funding well beyond that year. We are excited to begin the new school year knowing that we are able to preserve our existing investments in small class sizes, strong curriculum, and intensive support for striving students. We will continue to enhance social emotional learning, culturally relevant pedagogy, and our commitment to promoting equity for all of our students. We will be celebrating family supports and community partnerships. In addition, the referendum funds will help restore the District's fund balance, enhance our investment in instructional technology, and provide much needed capital to repair our aging buildings.

Despite the successful referendum, the overall financial situation of our state and political turmoil in Springfield have been getting more difficult every year. Proposed and pending legislation, combined with plummeting consumer price index factors and rising costs may have significant impacts on District 65. We will continue to be proactive and creative with the available resources.

In FY18 (school year 2017-2018) the District will engage in Priority Based Budgeting which will allow us to align the District's resources with its most important instructional priorities. In addition, the annual progress on our strategic plan will continue to be updated with a report released this fall to provide our staff and community with a report card on our strategic goals.

The District will continue to reach out across our community to provide transparent and comprehensive financial information. In the spirit of transparency, the District conducted three community budget presentations this September. 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. The District's website is a great resource of information about our school district. I encourage you to visit 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,

Paul D. Goren
Superintendent of Schools

BUDGET PROCESS

Each year, the District 65 Business Office must create a budget that outlines 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

Suni Kartha
President

Anya Tanyavutti
Vice President

Candance Chow
Member

Lindsay Cohen
Member

Joey Hailpern
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



7,546
Total Enrollment



708
Teachers



\$14,361 Per Pupil
Operational Spending



38%
Low-Income
Students



13%
Students with
Disabilities



12%
English
Learners



7%
Student
Mobility

Racial/Ethnic Diversity

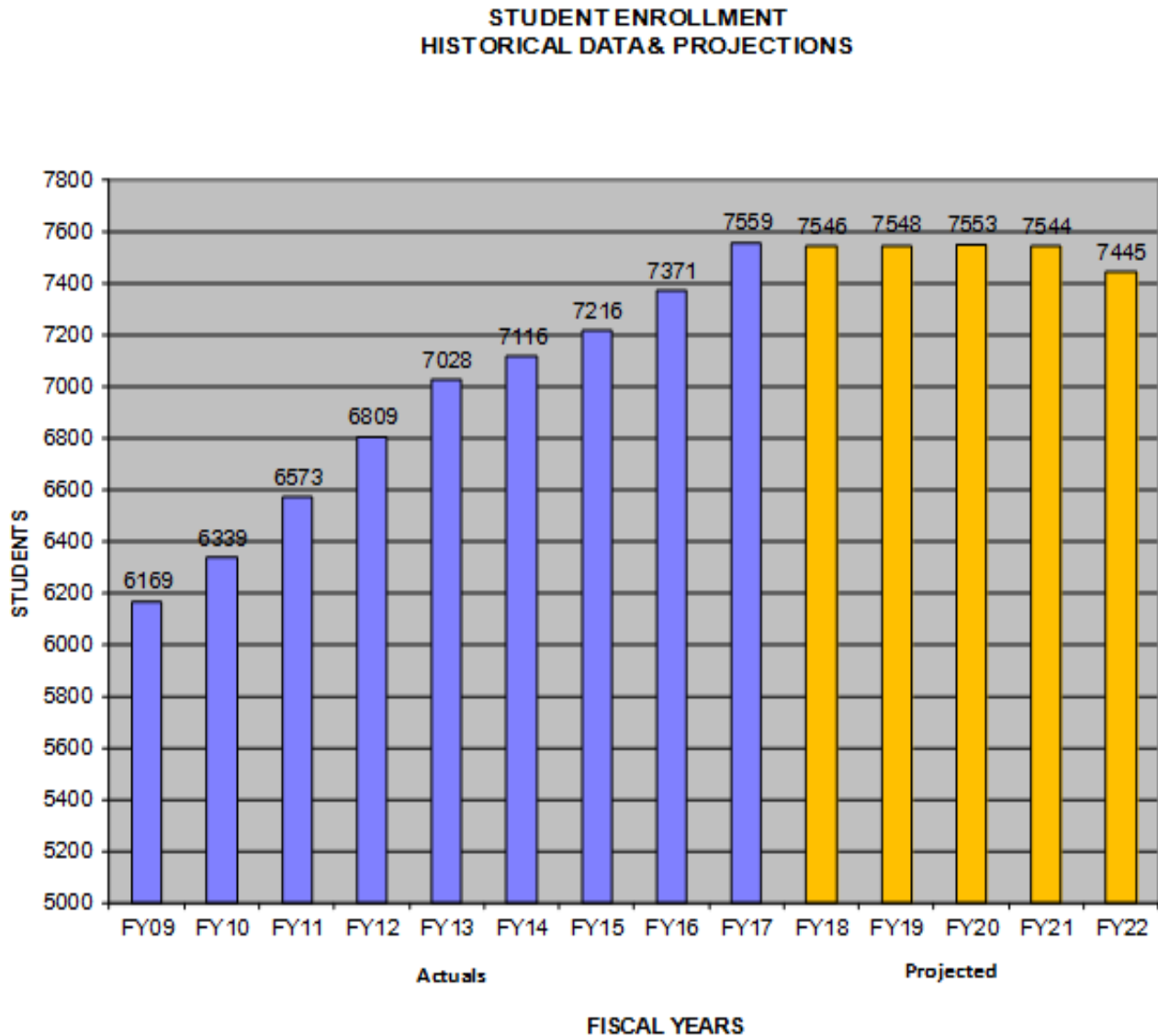
43.7% White • 24.3% Black • 19.4% Hispanic • 4.5% Asian
0.2% American Indian • 7.8% Two or More Races • 0.1% Pacific Islander

*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 79 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.

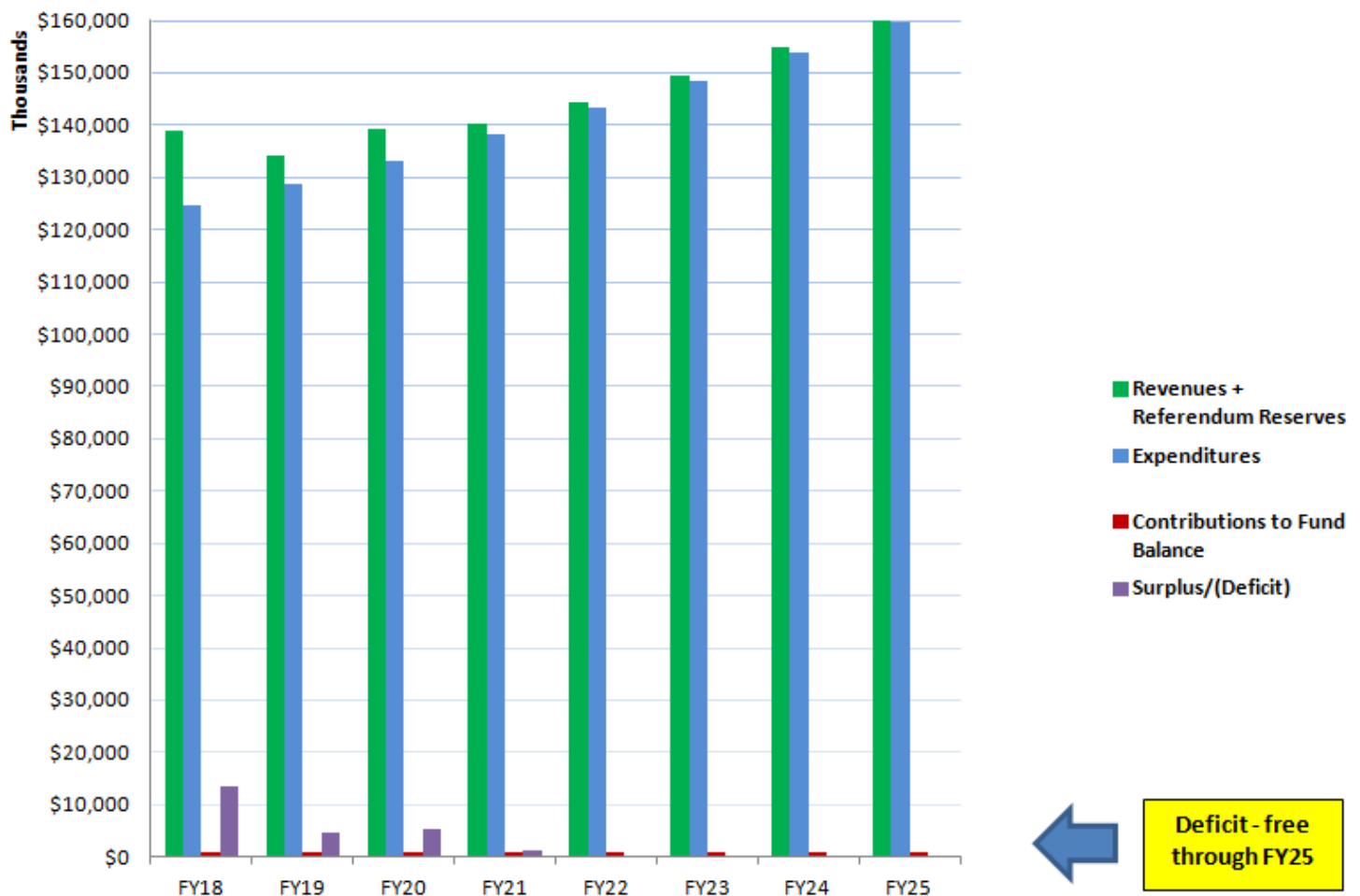


2017-2018 BUDGET HIGHLIGHTS

- The FY18 Budget is the 16th consecutive balanced budget filed by District 65. The law requires school districts to pass a balanced Operating Fund budget annually.
- Large, previously projected, budget deficits were alleviated by the successful operating rate referendum and savings resulting from collaborative negotiations with district bargaining groups.
- Student enrollment is projected to decrease by 13 students to 7,546 students (not including Park, Rice, and pre-kindergarten students). 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 teaching and student support positions due to employee contract changes and student needs.

FY18 OPERATING BUDGET SUMMARY	AMOUNT
OPERATING REVENUES	\$139,012,535
OPERATING EXPENDITURES	\$124,421,535
SURPLUS/(DEFICIT)*	\$14,591,000

* The FY18 operating surplus includes referendum revenues which will be used to offset future deficits.



REVENUE SOURCES

FY18 operating revenues are projected to increase by 22 percent to \$139 million (in comparison to FY17 actuals). Revenues come from the following sources:

Property Taxes are paid by Evanston and Skokie property owners to several governmental agencies and are the largest and 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 \$1.7 million or one percent of operating revenues.

Other Local Revenues, which include interest income, lunch sales revenue, student and childcare fees, E-rate reimbursements, TIF surplus, permit revenue and other local revenues total \$5 million or four percent of the budgeted revenues.

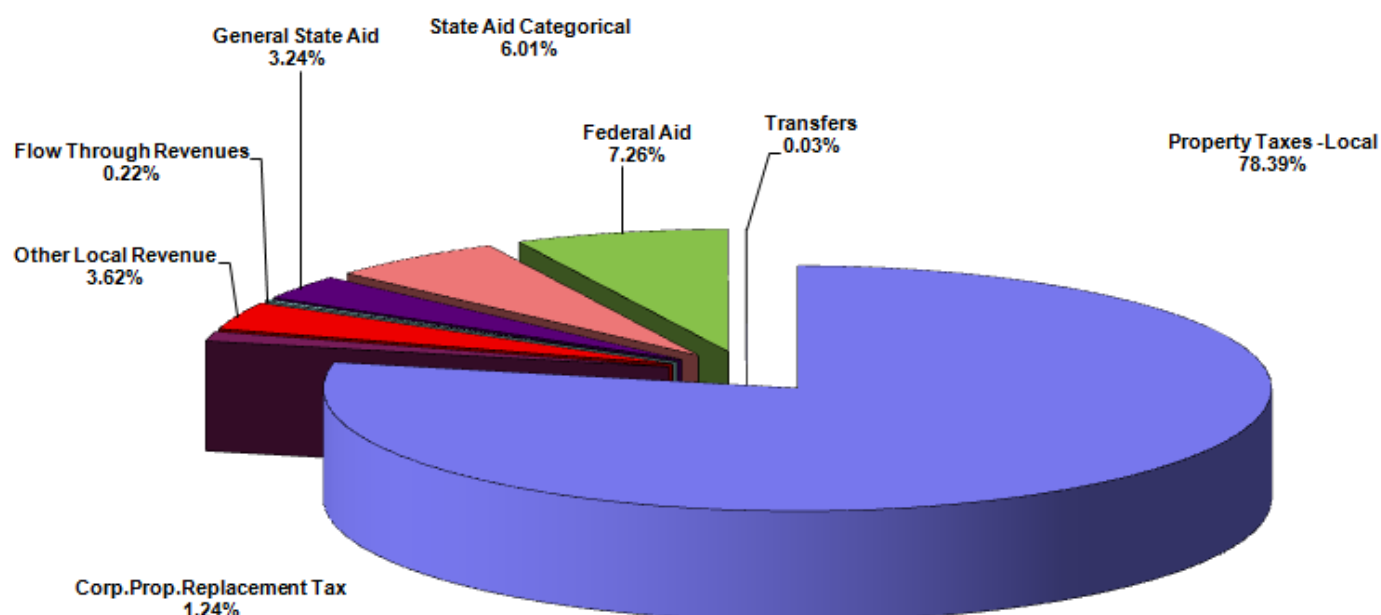
Flow Through Revenues include holding amounts reserved for mid-year grants and account for \$300,000 or less than one percent of revenues.

State Revenues, which include **General State Aid** and **State Categorical Aid**, total \$12.9 million or nine percent of budgeted revenues.

Federal Revenues, which include title grants, Medicaid and Head Start grants, account for \$10.1 million or seven percent of the revenues.

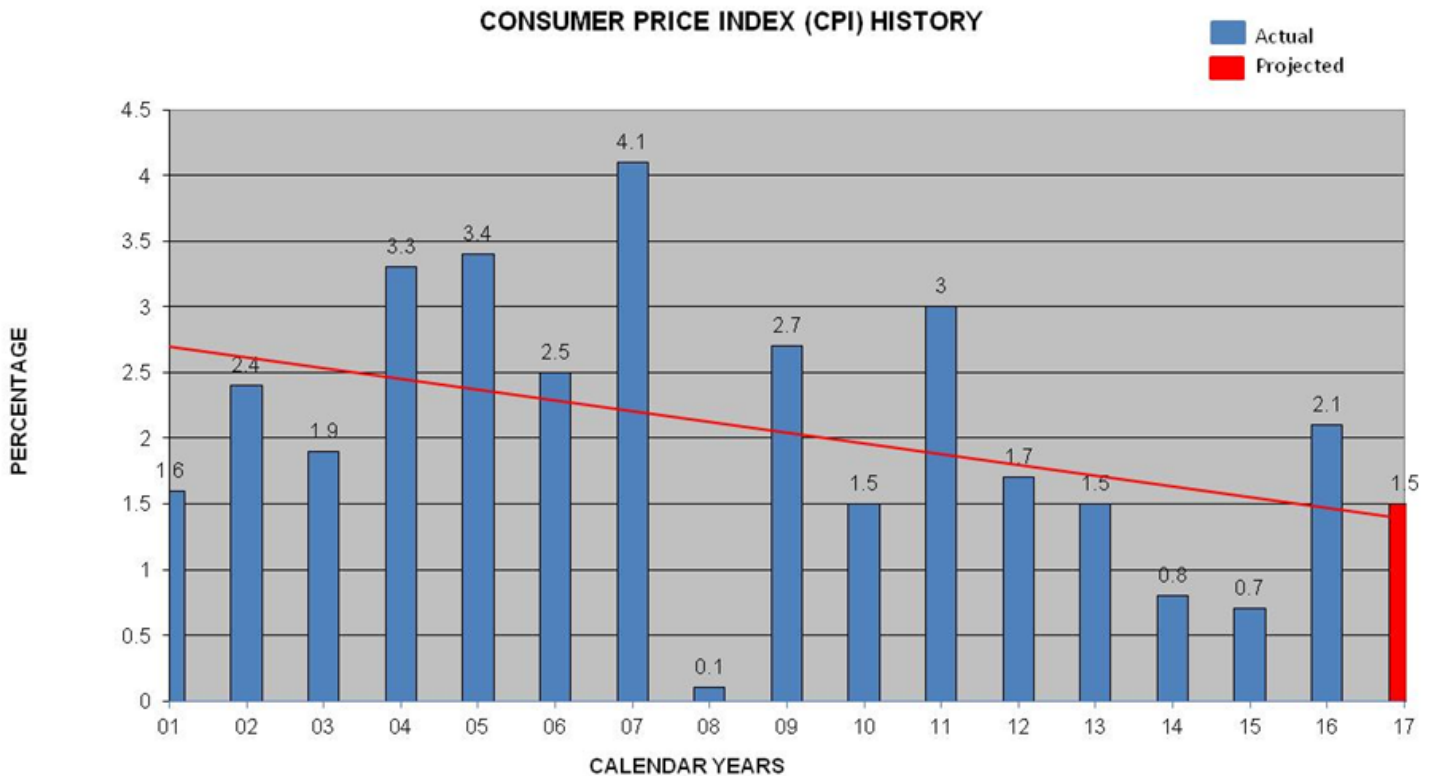
Transfers represent interest income earned in the Debt Service fund transferred to the IMRF/Social Security fund. Transfers account for \$37,069 or less than 0.5 percent of revenues.

OPERATING FUND REVENUES BY SOURCE FISCAL YEAR 2017-18



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 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 2000.

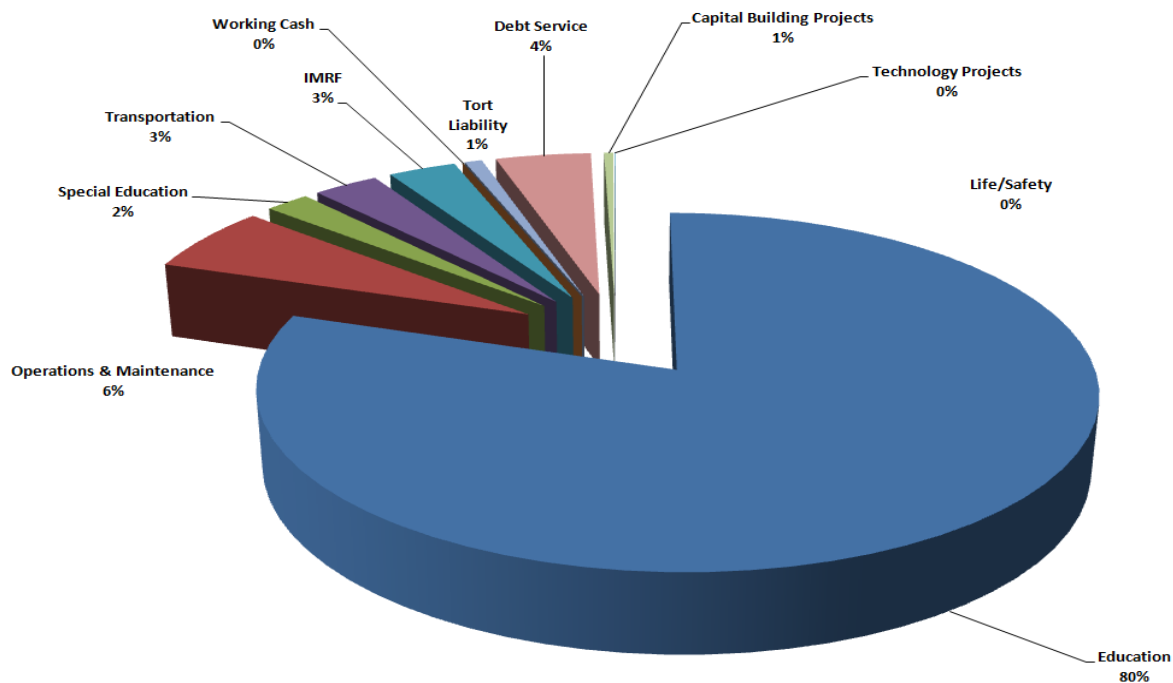


The CPI has been extremely low, with a record low in 2008, which adversely affected district finances beginning in fiscal year 2010 by severely limiting District revenues. In addition to the low CPI factor, property tax refunds have been a concern averaging approximately \$2 million a year and eroding this limited revenue source even further. Property taxes in FY18 will be subject to the 2015 CPI of 0.7 percent. The FY18 budget assumes a modest property growth and an expiration of the Howard and Hartley TIF.

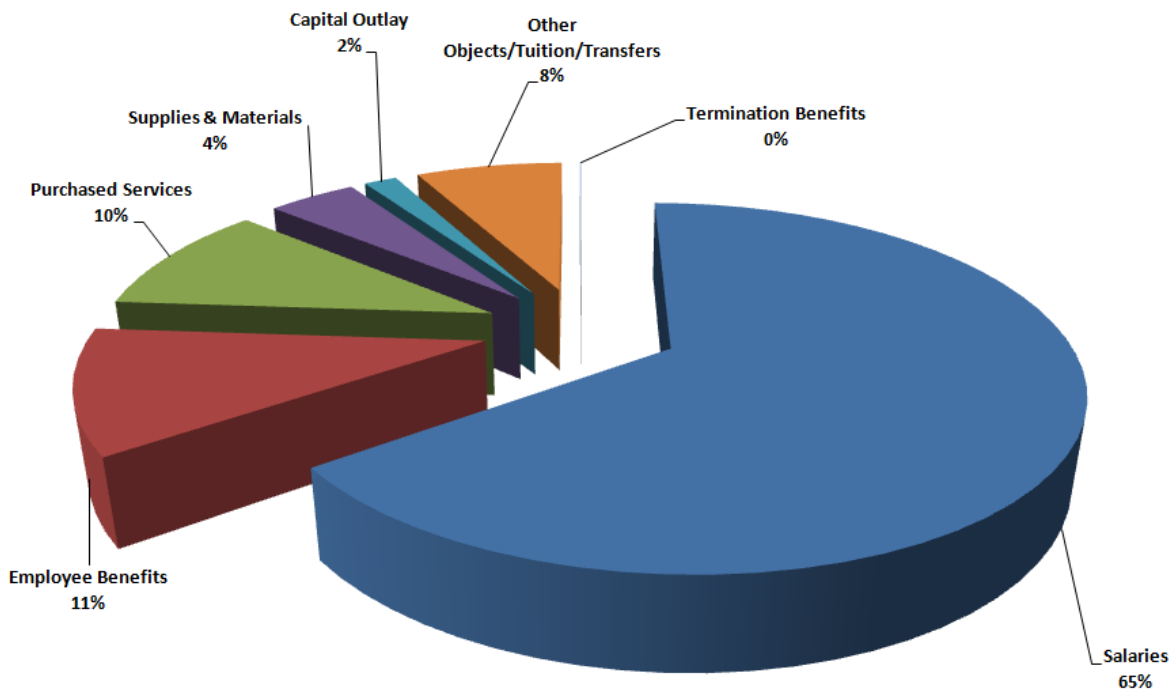
After three years of negotiations, new legislation regarding state funding, Senate Bill 1947/P.A. 100-465, was signed into law by the Governor. The new law incorporates General State Aid and certain categorical aid into the new evidence-based funding model (EBFM) based on the final FY17 distribution. The law includes a hold-harmless provision and District 65 is not expected to lose any state funding in the future.

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 (80 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, superintendent’s office, and communications office

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

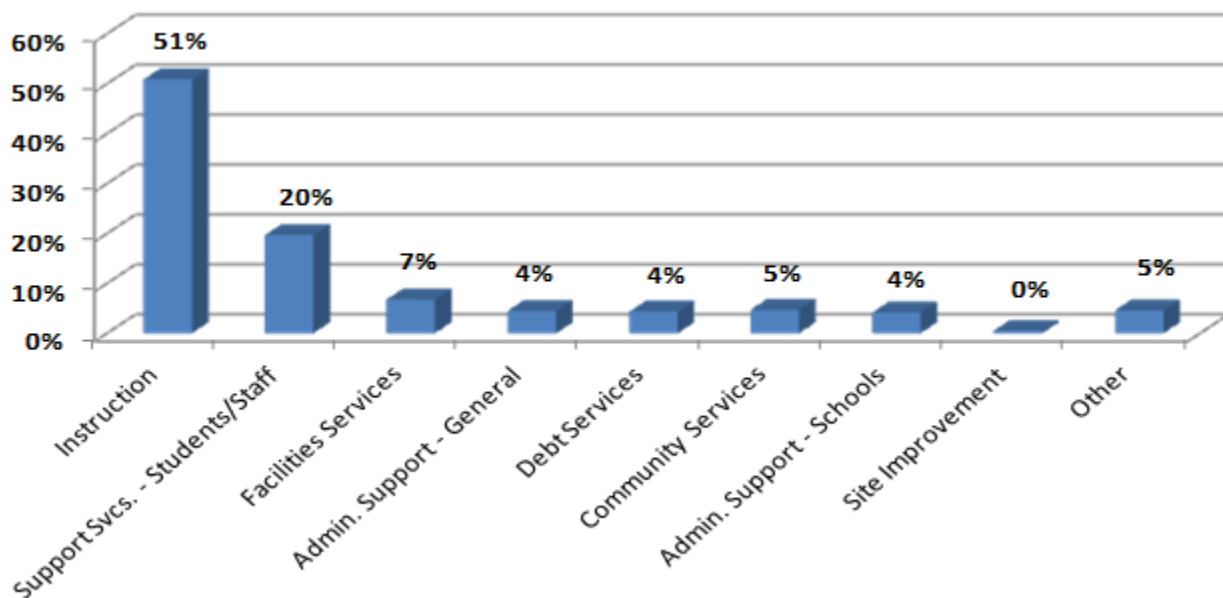
Community Services - includes community childcare, Head Start, and before and after school childcare services

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 bond proceeds

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

As illustrated in the chart below, more than half of the district’s budget is devoted to instruction.



FUND BALANCE AND FUTURE FINANCIAL CONCERNS

Fund Balance

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



Future Financial Concerns

Uncertainties affecting future budgets include the following:

- Cost of salaries and benefits (current employee contracts and agreements expire at the end of FY19)
- Cost of services and utilities
- Potential pension cost shift
- Funding of Federal Aid

STUDENT ACHIEVEMENT

DISTRICT 65 PROGRESS ON BOARD GOALS WITH CONTINUED RACIAL PREDICTABILITY IN STUDENT ACHIEVEMENT, THE NEED TO FOCUS ON EQUITY IS EVIDENT.



COMMITMENT TO PROGRESS

District 65 trended downward in its three goals related to overall student performance in reading (meeting college readiness benchmarks, making expected gains, and students who fall at or below the 25th percentile).

There was marginal improvement in the percent of students meeting 1 of 3 math benchmarks.

The District must reverse these trends in order to get back on track to meet its 2020 targets.

% OF STUDENTS		READING		MATH	
		2016-2017	CHANGE FROM 2015-2016	2016-2017	CHANGE FROM 2015-2016
GOAL 1	Meeting college readiness benchmarks	60.5%	-1.4% ↓	56.6%	0.3% ↑
GOAL 2	Making expected gains	36.1%	-6.6% ↓	47.5%	-4.4% ↓
GOAL 3	At or below the 25 th percentile	16.1%	3.1% ↑	16.3%	3.0% ↑
GOAL 4	Demographic groups making progress*	2016-2017	2015-2016	2016-2017	2015-2016
		1 of 5	2 of 5	2 of 5	1 of 5

COMMITMENT TO EQUITY

District 65 remains committed to eliminating achievement and opportunity gaps by improving equity in academic outcomes. Yet, all major demographic groups trended downward in the percent of students meeting college readiness benchmarks in reading.

The percent of students who met college readiness benchmarks in math decreased for three student demographic groups (African American/Black, Hispanic/Latino, and students who qualify for free/reduced price lunch). The percent of White students and the percent of students with an IEP who met these math benchmarks increased.

BY STUDENT DEMOGRAPHIC GROUP*:	% OF STUDENTS MEETING COLLEGE READINESS BENCHMARKS	READING		MATH	
		2016-2017	CHANGE FROM 2015-2016	2016-2017	CHANGE FROM 2015-2016
	Black/African American Students	30.6%	-2.5% ↓	22.0%	-1.3% ↓
	Hispanic/Latino Students	36.2%	-2.2% ↓	34.2%	-0.6% ↓
	White Students	83.7%	-1.2% ↓	80.2%	0.8% ↑
	Students with an IEP	17.2%	0.7% ↑	16.7%	1.7% ↑
	Students who qualify for free/reduced lunch	27.6%	-2.6% ↓	23.8%	-1.0% ↓

NOTE: Results are based on spring 2017 MAP results using 2015 norms and benchmarks.

*Only student demographic groups representing 10% or more of D65 students are reported.

LOOKING TOWARD THE FUTURE - STRATEGIC PLAN GOALS & STRATEGIES

HIGH QUALITY TEACHING AND LEARNING

GOAL: Prepare students for high school and beyond in an environment of innovation and continuous improvement through high quality teaching that addresses the needs of each learner.

1. Refine implementation of school-based, professional learning models.
2. Improve the rigor and quality of instruction by developing and consistently implementing a framework that defines high quality curriculum and instruction.
3. Ensure consistent implementation of instructional approaches for struggling learners.
4. Improve use of formative assessment data and other evidence-based feedback.
5. Promote academic and personal success by building students' executive functioning skills and encouraging a growth mindset for students.
6. Establish a work group to identify, celebrate, and share innovative practices.

THRIVING WORKFORCE

GOAL: Foster a collaborative, creative, and inclusive workplace that attracts, develops, and actively supports the best talent.

1. Design an infrastructure to support and monitor high-quality professional learning for all employees that is aligned to the priorities outlined in this plan.
2. Develop and implement an annual recruitment plan to improve timing, candidate sourcing, the diversity of the workplace, the hiring and interview process, and new-hire orientation, mentoring, and support.
3. Foster a culture of collaboration, trust, and support across the system.
4. Explore career pathways that provide multiple growth opportunities for all employees.

FAMILY AND COMMUNITY ENGAGEMENT

GOAL: Cultivate and strengthen intentional and meaningful partnerships with all families and community agencies to support academic success and healthy development of all students.

1. Create a variety of opportunities that connect, engage, and sustain families as partners.
2. Match community resources with the highest priority needs through a district and school community engagement system and infrastructure.
3. Leverage lessons learned from the Community Schools model as a way to make schools a hub for resources.
4. Build school and district level staff capacity to effectively engage families.

SAFE AND SUPPORTIVE SCHOOL CLIMATE

GOAL: Ensure all District 65 Schools have positive school climates built upon clear and equitable policies and practices where all members of the school community feel emotionally and physically safe, included, and accepted.

1. Develop Academic and Social/Emotional Learning (A+SEL) programs.
2. Develop staff knowledge of social and emotional development in children and its application to classroom routines, so that they can work with and understand all students, particularly those with challenges.
3. Focus on the holistic needs of individual students and groups of students and foster positive school climates through district- and school-level teams

FINANCIAL SUSTAINABILITY

GOAL: Ensure long-term financial stability of the District with resources aligned to priorities.

1. Increase stakeholder awareness of budget challenges and trade-offs.
2. Implement a systematic prioritization process to align District 65 programs and practices with available resources.
3. Effectively communicate District 65's long-term capital needs and financing options to the community.
4. Seek additional revenue sources for operations.

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Visit us online

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