EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Budget Update

Fiscal Year Ending June 30, 2025

August 2024



Budget Timetable

August 5, 2024

FY25 budget update is presented to the Committee of the Whole.

August 16, 2024

Tentative budget goes on display at District office and notice of the public hearing is placed in newspaper.

September 16, 2024

District holds public hearing on the budget and the Board of Education approves the final budget. Budget is filed with the Illinois State Board of Education within thirty days after its adoption.

EVANSTON/SKOKIE
SCHOOL DISTRICT 65

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Preliminary FY 2024 Results

Budget to Actual Comparison

IMPORTANT: FY24 FIGURES ARE UNAUDITED AND ARE SUBJECT TO CHANGE

Preliminary Fiscal Results – FY 2024

Fund	Beginning Balance	Revenues	Expenses	Transfers/Other	Ending Balance
Education	$ 16,517,000	$140,729,000	$147,748,000	(2,000,000)	$9,498,000
Building	17,217,000	14,386,000	10,981,000	-	18,622,000
Bond & Int.	3,497,000	6,423,000	11,007,000	1,800,000	713,000
Transportation	2,333,000	9,278,000	11,643,000	200,000	168,000
IMRF/SS	5,781,000	5,092,000	4,759,000	-	6,114,000
Capital Projects	39,765,000	2,528,000	6,462,000	3,077,000	38,908,000
Working Cash	13,497,000	175,000	-	-	13,762,000
Tort	2,624,000	1,845,000	2,243,000	-	2,226,000
Life Safety	17,000	134,000	-	-	151,000
Total	$101,248,000	$180,590,000	$194,843,000	3,077,000	$90,072,000

FY24 Revenues vs. Budgeted FY24 Revenues

Excluding Capital Projects Fund - Unaudited

Actual revenues received were 0.3% below budgeted revenues

Source	FY24 Actual	FY24 Budget	Actual vs. Budget	Primary Cause of Variance
Real Estate Taxes	136,026,000	133,011,000	3,015,000	Actual tax collection percentages higher than budgeted percentages
Other Local Sources	10,785,000	10,298,000	487,000	
Evidenced-Based Funding	7,936,000	7,902,000	34,000	
Other State Sources	7,871,000	9,014,000	(1,143,000)	Timing of collections
Federal Grant	15,444,000	18,351,000	(2,907,000)	Timing of collections
Total Revenues	178,062,000	178,576,000	(514,000)	

FY24 Expenses vs. Budgeted FY24 Expenses

Excluding Capital Projects Fund - Unaudited

Actual expenses incurred were 4.3% over budgeted expenses [1]

Source	FY24 Actual	FY24 Budget	Actual vs. Budget	Primary Cause of Variance
Salaries	110,226,000	109,658,000	+568,000	
Employee Benefits	20,336,000	19,725,000	+611,000	
Purchased Services	28,618,000	23,273,000	+5,345,000	Transportation and special education services increase partially due to FY23 expenses paid in FY24
Supplies & Materials	7,648,000	8,533,000	(885,000)	
Capital Outlay	2,198,000	3,019,000	(821,000)	
Tuition and Other	19,276,000	16,227,000	+3,049,000	Increase in outplaced students and services required and FY23 bills paid in FY24
Non-Cap Equipment	79,000	87,000	(8,000)	
Total Expenditures	188,381,000	180,522,000	(7,859,000)	

(1) A portion of the deficit was due to a decision to more consistently follow the best practice to pay outstanding invoices within the same fiscal year in which they were due. This impacted expenditures by approximately $2.5 to $3 million.

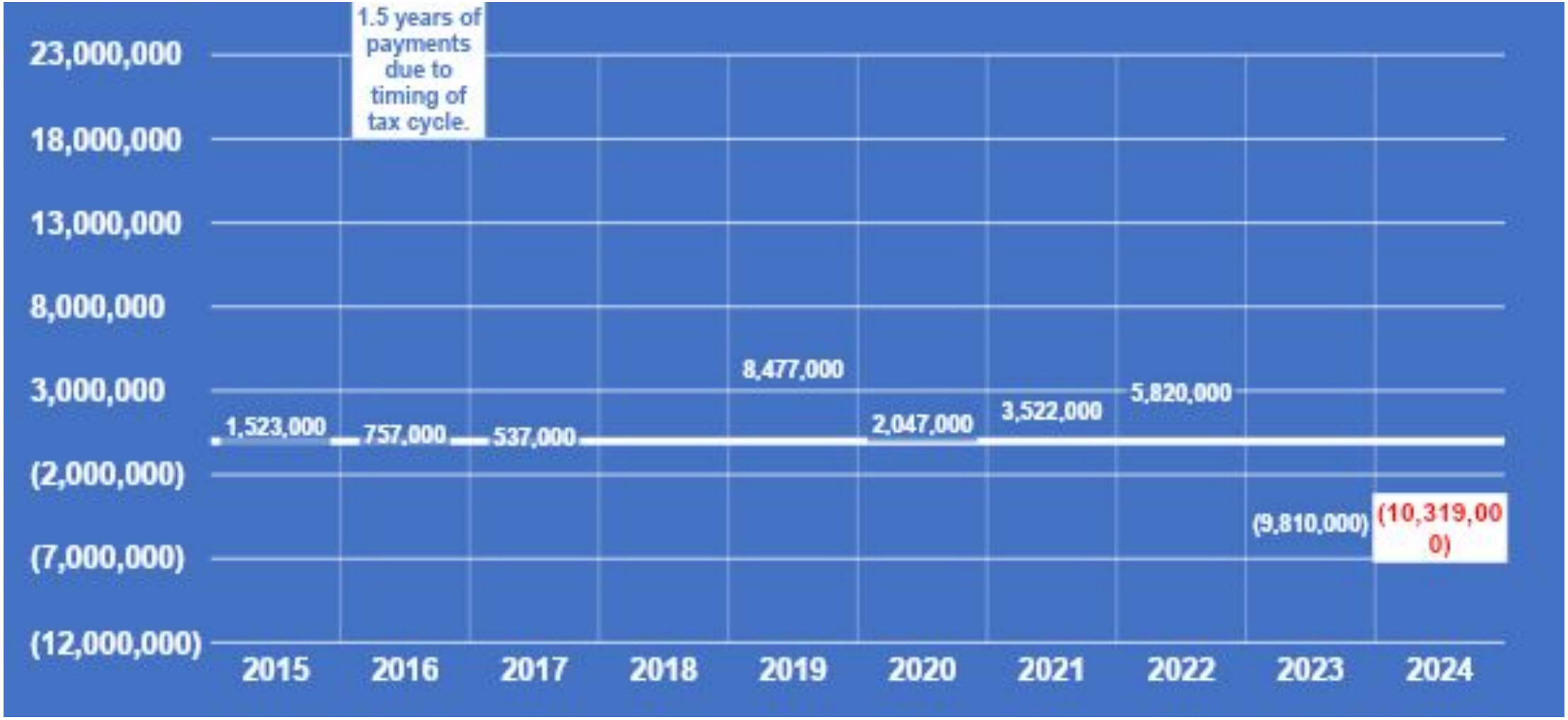
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Historical Financial Summary

Annual Surpluses/Deficits (Revenues vs. Expenses)

Excluding Activity in Capital Projects Fund



End of Fiscal Year Fund Balances

Excluding Capital Reserve Fund Balances

Fund balances have decreased $20 million over the past two



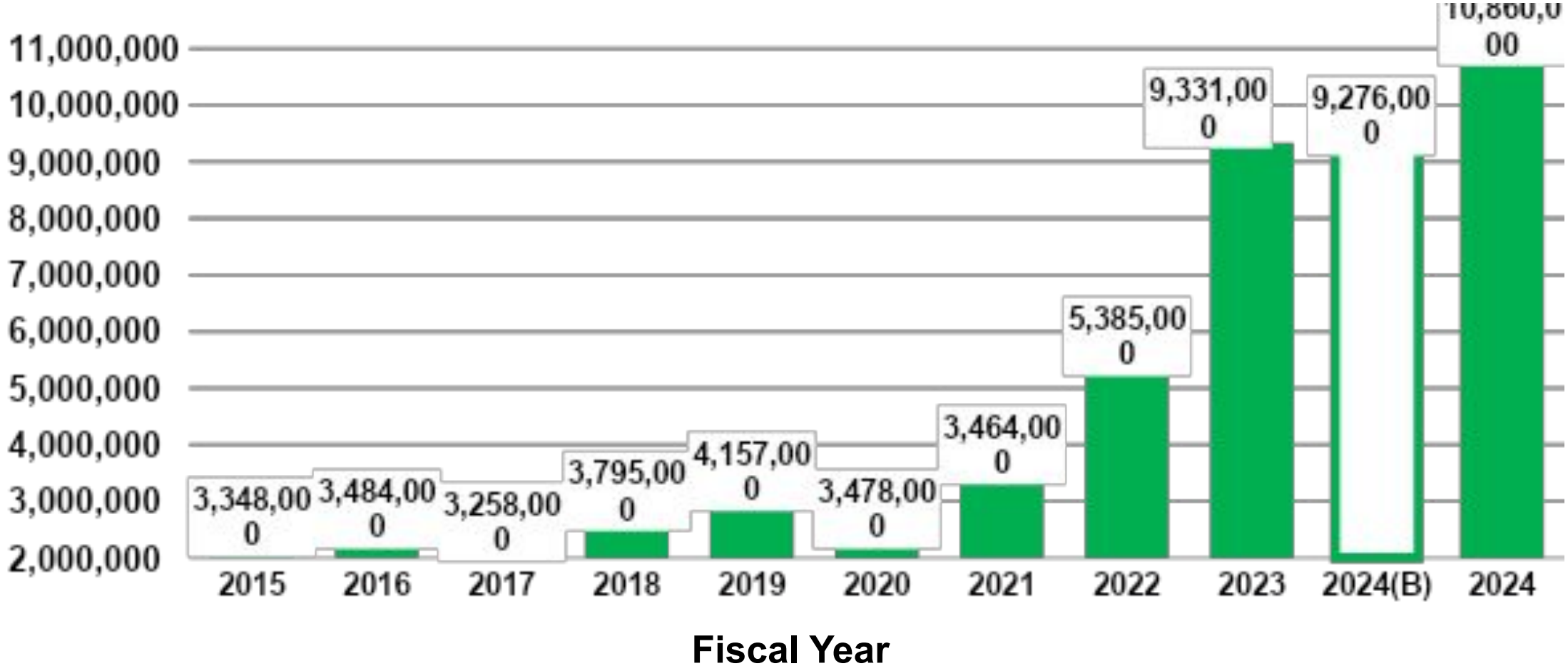
Figures in white represent days of cash on hand. Solid orange line represents fund balance policy 4:22 (90 days reserve) Green line represents minimum level required by ISBE to receive highest financial rating (180 days reserve)

Historical Expenditure Growth Patterns

Excluding Major Capital Projects (Fund 60)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Salaries	$89,871,000	$93,078,000	$97,644,000	$106,248,000	$110,226,000
Benefits	15,618,000	17,259,000	16,091,000	18,450,000	20,336,000
Purchased Services	16,608,000	15,526,000	23,048,000	24,513,000	28,618,000
Supplies	5,403,000	5,457,000	7,894,000	8,016,000	7,648,000
Capital & Equipment	2,445,000	1,130,000	949,000	1,907,000	2,276,000
Debt	8,079,000	5,646,000	5,801,000	10,745,000	10,999,000
Tuition and Other	4,731,000	4,421,000	3,964,000	5,242,000	8,277,000
Total	$142,755,000	$142,517,000	$155,391,000	$175,121,000	$188,380,000

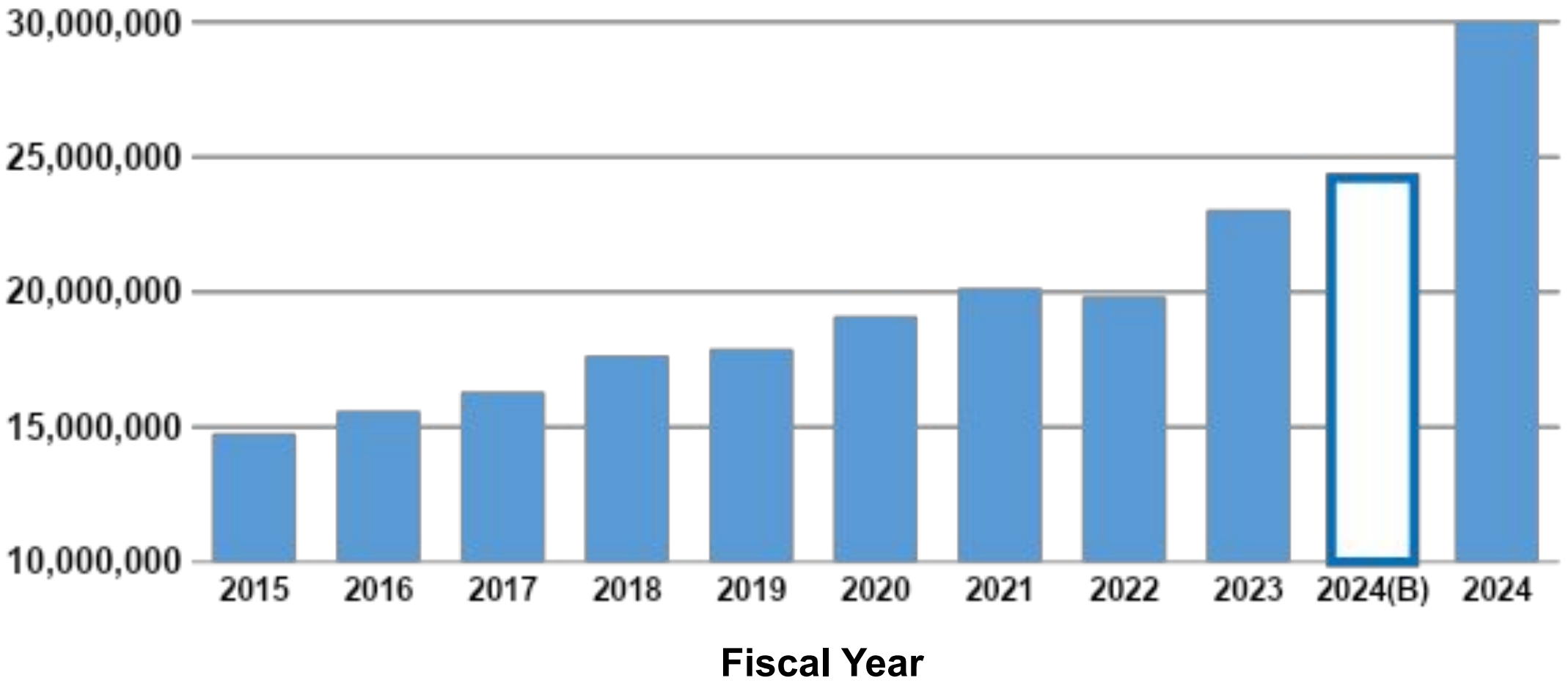
Transportation Costs Have Risen (Busing Services) Dramatically Post-COVID



Approximately $1.5. million of FY24 transportation costs were tied to services provided in FY23.

Special Education Costs Have Increased $10 Million Over the Past Two Years

Does Not Include Special Education Transportation (Functions 1200, 1225, 1912 and 4000)



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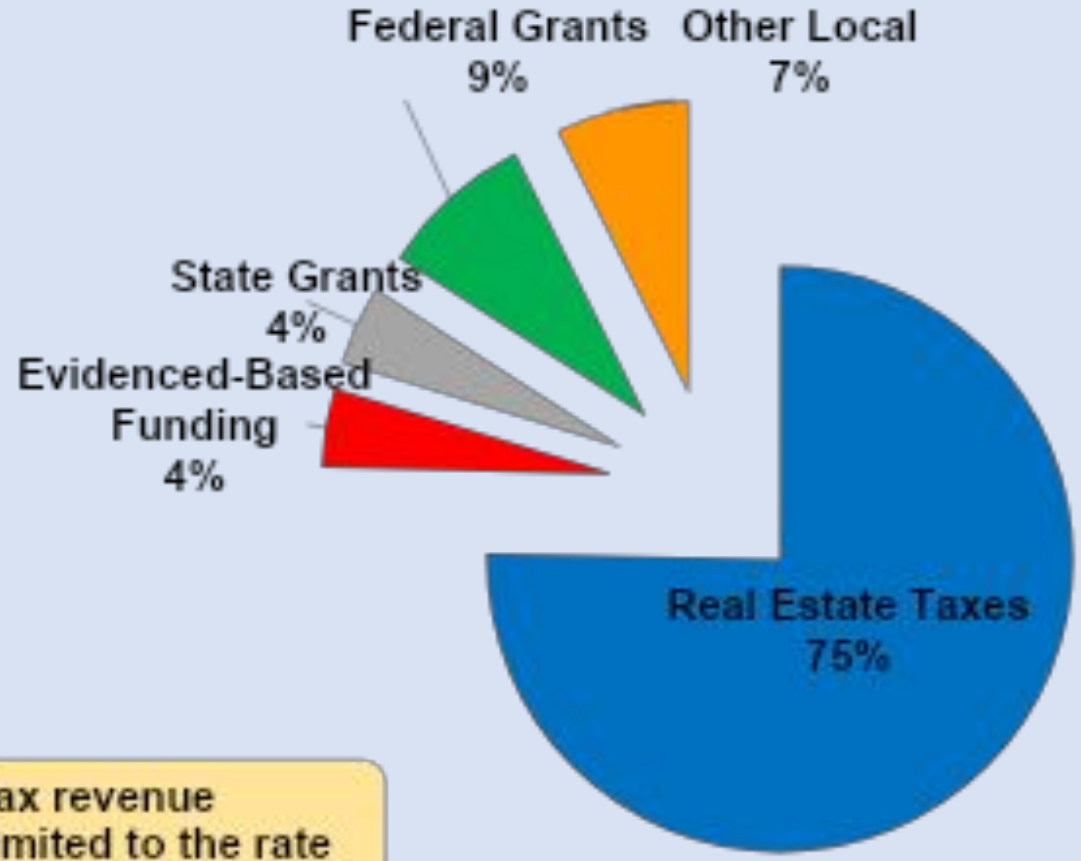
Update of FY25 Budget Development

Projected Revenues

Breakdown of Revenues - FY 2024

Unaudited

75% of D65's Revenues Come from Real Estate Taxes



In Cook County, r/e tax revenue growth is generally limited to the rate of inflation

Major Sources of Revenues – FY24

Source	Amount
Real Estate Taxes	$136,026,000
Evidenced-Based Funding	7,936,000
Interest Earnings	5,243,000
Corporate Personal Property Taxes	4,600,000
Head Start Grant	3,856,000
Transportation Reimbursement – Special Ed	3,026,000
Special Education - Orphanage	2,625,000
ESSER Grant – Digital Equity (D3)	2,432,000
Special Education - IDEA	2,235,000

Represents 93% of D65's FY24 total revenues

Major Variables Impacting Projected Revenues

Real estate tax revenues are currently projected to increase $5.5 million as growth for this budget year tied to the December 2023 levy increase of 5%.

The District received approximately $3.6 million in one-time federal grants tied to COVID relief in FY24 . These funds will not again be received in FY25.

Interest earnings should remain high, however decreased fund balances and an anticipated downward trend in rates may adversely impact this revenue source.

The IDOR has indicated that corporate personal property taxes are estimated to decrease 10% in FY25. This will reduce revenues by $460,000.

Evidenced-Based Funding revenues will increase only $5,000.

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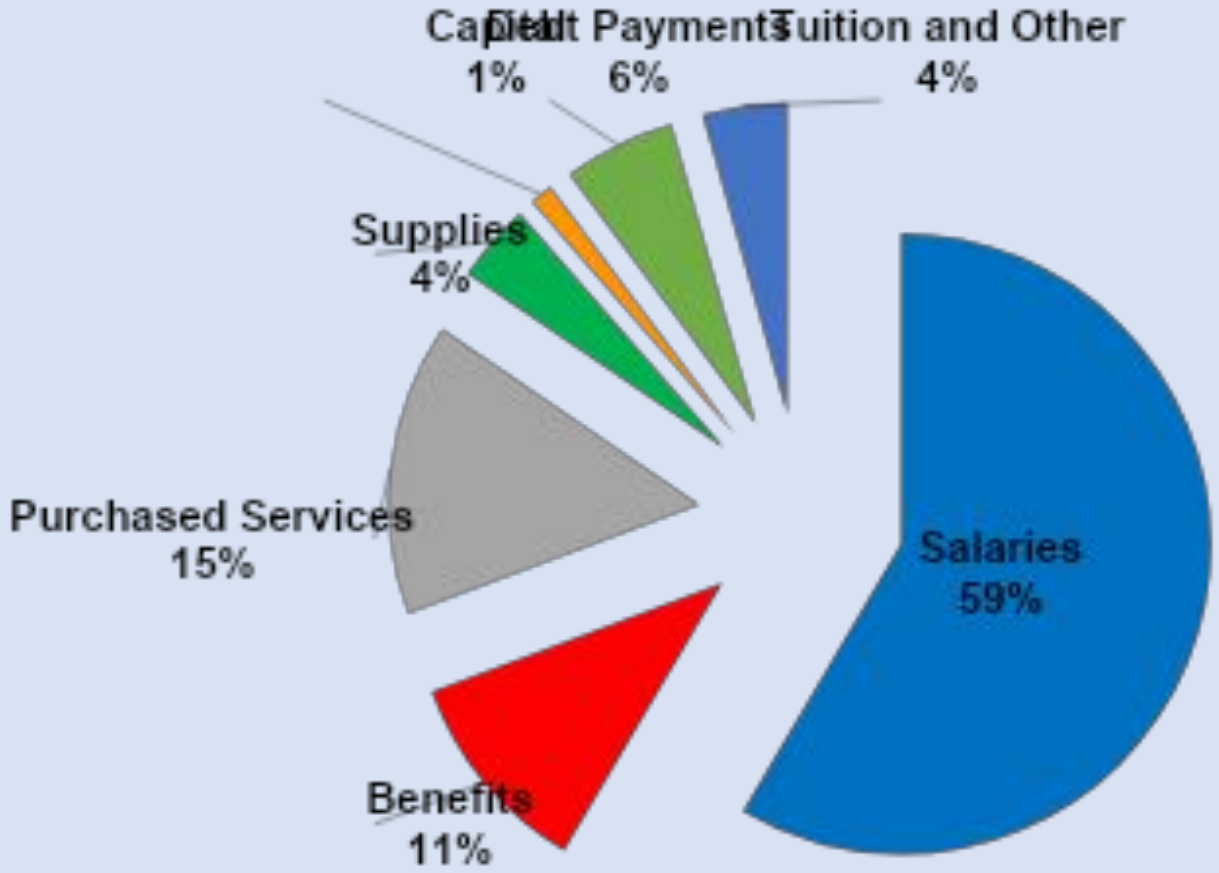
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Update of FY25 Budget Development

Budgeted Expenses

Breakdown of Expenses by Object - FY 2024 Unaudited

70% of D65's Operating Expenses Comprised of Salaries and Benefits – Excludes Capital Fund



Major Variables Impacting Budgeted Expenditures

The deficit reduction plan presented to the Board in the Spring of 2024 will generate approximately $6.5 million of savings in this FY25 budget.

The enactment of Phase 1.5 of the deficit reduction plan (described later in presentation) will provide additional relief to the budget.

Health insurance premiums rose between 7.3% and 9.8%. This will increase employee benefit expenses by an estimated $1.1 million.

D65 is currently in negotiations with DEC to establish new compensation levels beginning this fiscal year. Each 1% increase affects the budget by approximately $750,000.

D65 paid approximately $2.5 million in prior year bills last year. With bills being more current, the District will not need to budget for bills that were due in the prior fiscal year.

Expenses tied to grants that expired will decrease significantly.

FY25 Budget Impacted by Deficit Reduction Plan

Presented to Board of Education in Spring of 2024 – Effective for the 2024-25 Fiscal Year

Phase I expenditure reductions were designed to maintain student learning opportunities and class size targets. With one exception, all teacher reductions were made through attrition.

Reductions made in three primary categories:

- ”Right sizing” staffing levels in all departments to better match current student enrollment.
- Creating operational efficiencies by reimagining certain non-teaching staff roles and responsibilities.
- Slowing the growth rate of non-salary and benefit expenditures across departments.

Description	Estimated Savings
Salary and Benefit Reductions	$4,700,000
Other Expense Reductions	$1,792,000
Total Budget Reductions	**$6,492,000**

Staff Reductions	Net FTE
Administration	**10**
Other Central Office	**9**
Teachers	**21**

Phase 1.5 of Plan Will Further Reduce Expenses

Timeline: Immediate

Action:

- **Immediately close all open, non-essential positions that have not been filled.**
- **Freeze on filling non-essential vacancies that occur during the fiscal year.**
- **Reduce or freeze discretionary budget line items within FY25 budget.**
- **Conduct an in-depth analysis on transportation, special education and other school functions with the objective of achieving long-term operational efficiencies.**



End of Presentation