Strategic Deficit Reduction Plan (SDRP)

Update provided on December 9, 2024

EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Every Child, Every Day, Whatever it Takes

Objectives

- SDRP Evolution / Phases
- Overview of SDRP Phase 2: Stabilize
  - Criteria for evaluating reductions
  - Potential reductions
- Communication Plans
- Next Steps
  - SDRP Phase 2: Stabilize
  - SDRP Phase 3: Sustainability

SDRP Evolution / Phases

Evolution/Phases of Structural Deficit Reduction Plan

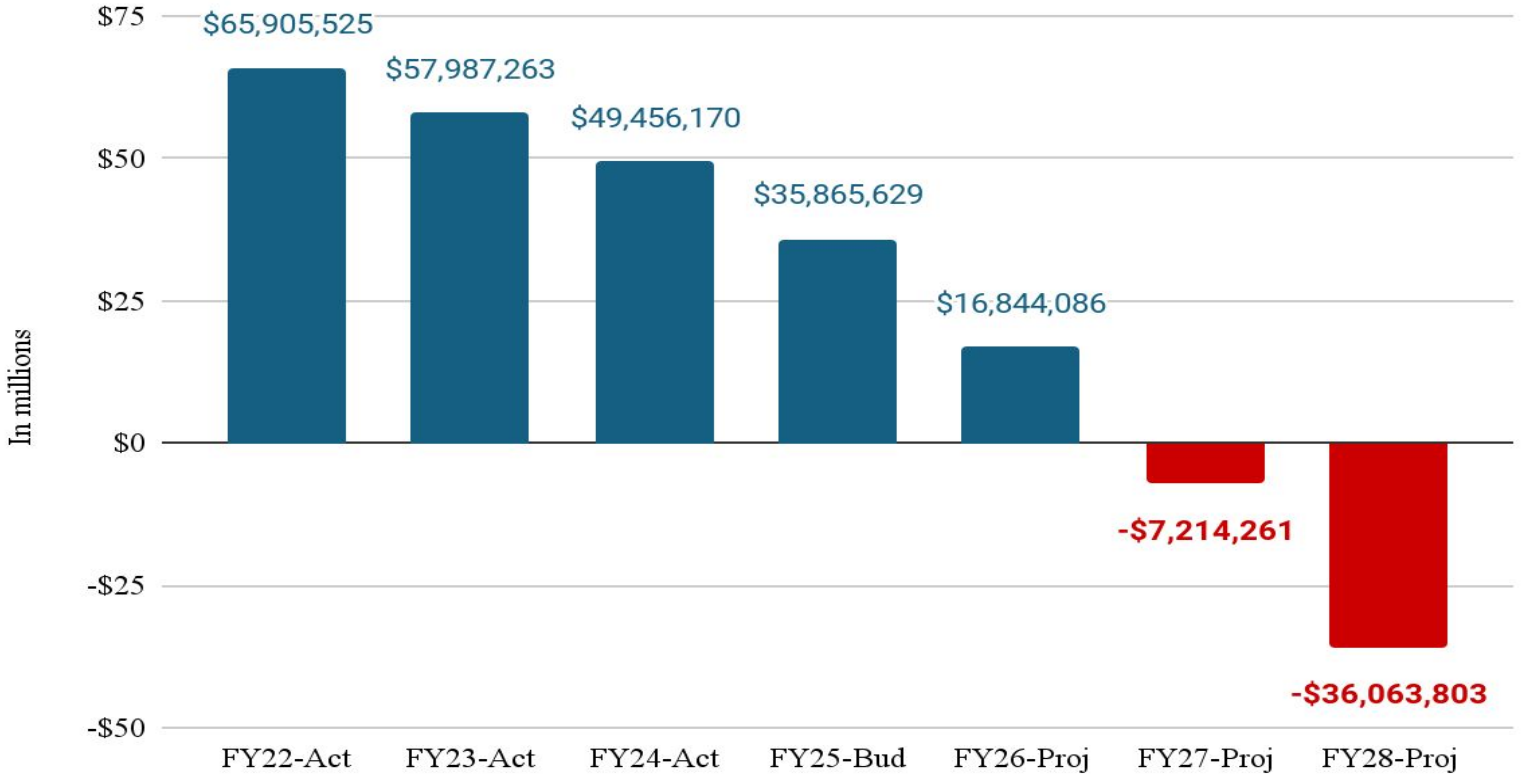
FY24	FY25	FY26	FY27 and Beyond
Identification	**Phase 1: Immediate Cuts**	**Phase 2: Stabilize**	**Phase 3: Sustainability**
Began in February 2024 Immediately, identified $6.5M in reductions for FY25	**Hiring Freeze** Eliminated vacant positions Purchased Services reductions Developed SDRP Framework (includes stakeholder engagement)	**$13.2M in Reductions** Stakeholder Engagement & Decision-making: January 2025 Goes into effect: July 1, 2025	**$15M in Reductions (est.)** Stakeholder Engagement & Decision-making: May-June 2025 Goes into effect: July 1, 2026

Need for the SDRP - Historical and FY25 Budget

Revenues	FY21-Act	FY22-Act	FY23-Act	FY24-Proj	FY25-Bud
Property Taxes	$111,733,185	$117,414,180	$117,770,155	$129,681,269	$134,701,000
Other Local	$4,385,250	$8,534,989	$12,276,201	$10,709,356	$9,019,379
State	$13,683,481	$13,021,477	$12,809,342	$16,075,054	$12,914,527
Federal	$10,352,586	$15,989,763	$16,271,240	$15,553,753	$10,513,862
Total	**$140,154,502**	**$154,960,409**	**$159,126,938**	**$172,019,432**	**$167,148,768**
Expenditures					
Salaries	$93,078,352	$97,643,659	$106,247,435	$110,226,872	$112,076,282
Benefits	$17,053,477	$15,932,966	$18,365,454	$20,343,780	$21,651,234
Purch Svcs	$15,522,165	$22,318,450	$24,505,653	$28,656,492	$30,780,774
Other	$11,211,823	$12,965,411	$21,809,147	$20,905,767	$16,231,019
Total	**$136,865,817**	**$148,860,486**	**$170,927,689**	**$180,132,911**	**$180,739,309**
Other Sources/(Uses)	$0	$0	$3,882,489	-$417,614	$0
Surplus/(Deficit)	$3,288,685	$6,099,923	-$7,918,262	-$8,531,093	-$13,590,541

Need for the SDRP - Fund Balance Projections

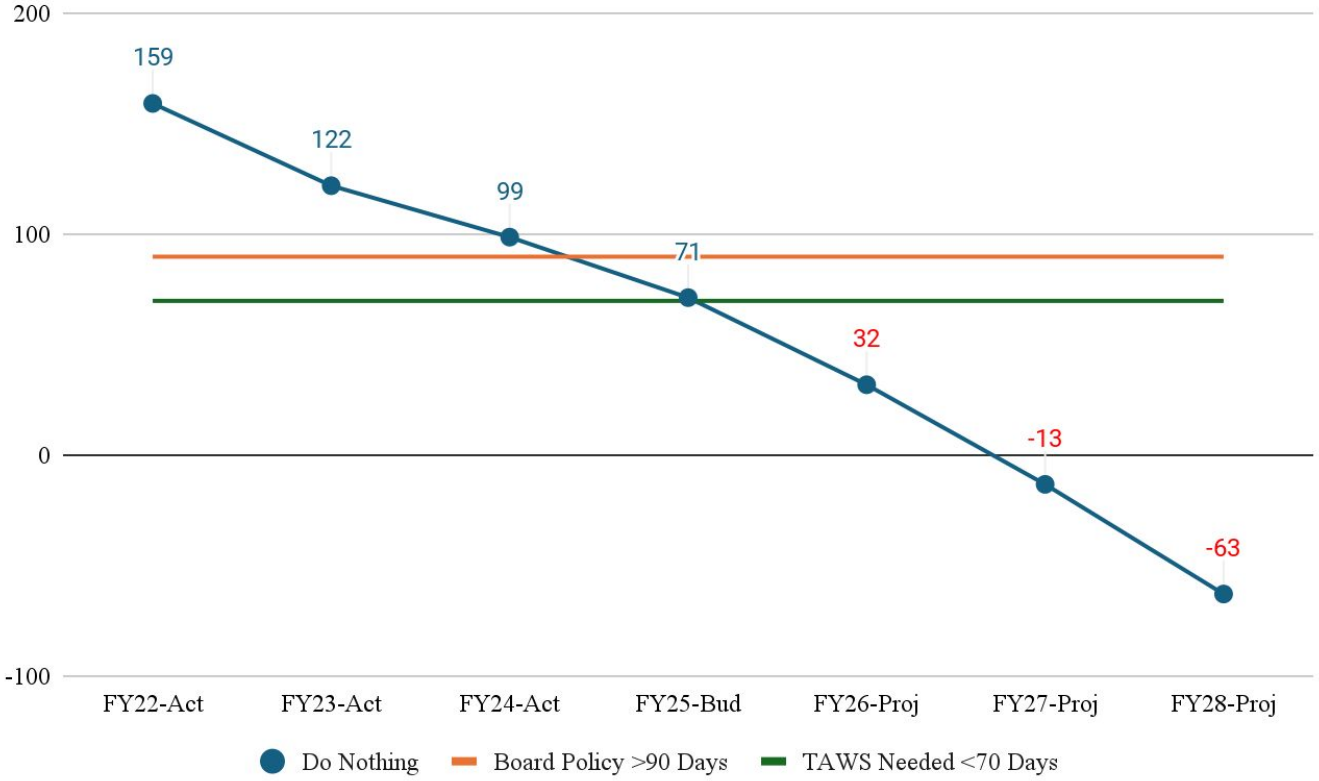
Result of taking no further action to reduce expenditures



Represents all funds <u>except</u> Debt Service and Capital Projects.

Need for the SDRP - Days Cash on Hand

Result of taking no further action to reduce expenditures



Framework for Strategic Deficit Reduction Plan

1 Reduce Staffing Levels

Proposal: January 13, 2025
Approval: January 27, 2025
Implementation: FY 25/26

2 Plan to "right size" district facilities

3 Plan to fund major capital needs

Work Begins: February 2025

4 Efficiencies in Individualized Education Services

Work Begins: December 2024

5 Efficiencies in Transportation

Proposal: January 13, 2025
Approval: January 27, 2025
Implementation: FY 25/26

SDRP Phase 2: Stabilize Reduction Overview

Focus of SDRP Phase 2 Reductions

Provide reductions for the FY26 school year that will:

- Minimize impact to our students
- Minimize impact to staff that directly support students
- Minimize racial inequities
- Focus on the key areas identified by the administration and approved by the Board
- Avoid short-term borrowing (TAWs) and related expenses

As provided previously, this will mean $13.2 million in reductions for the FY26 school year.

Student Impact

Reduction Assessment

Level 1: Minimal Impact on ***ALL*** Students

Level 2: Moderate Impact on ***ALL*** Students

Level 3: High Impact on ***ALL*** Students

Staffing Impact

Reduction Assessment

Level 1: Positions that do NOT directly support students and are not located in schools

Level 2: Positions that directly support adults in schools

Level 3: Positions that directly support schools AND support students

Racial Equity Impact Assessment

Reduction Assessment

Level 1: Minimal Impact on Equity and Inclusion

Level 2: Moderate Impact on Equity and Inclusion

Level 3: High Impact on Equity and Inclusion

SDRP Phase 2 Stabilize: Potential Reductions/Impact

Reduction	Estimate	Assessment		
		Student	Staffing	REIA
Transportation Efficiencies	$3,000,000	Level 2	Level 1	Level 1
Purchased Services	$2,000,000	TBD	TBD	TBD
Summer/Academic Skills Center Programming	$500,000	Level 2	Level 3	TBD
Staffing	$7,700,000	TBD	TBD	TBD
Total FY26 SDRP Reductions	**$13,200,000**			

These are general estimates. Detailed reduction proposals will be provided at the January 13, 2025 Board Meeting.

SDRP Communications Plan

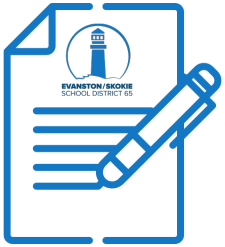
Multifaceted Stakeholder Engagement



Creation of SDRP Resource Hub



Communications Toolkit & Community Partnership



Letters from the Superintendent



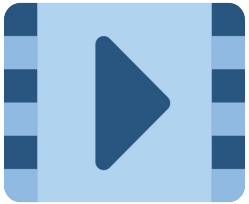
School Board Meetings



Fast Five Weekly News Blast



Stakeholder Engagement Tour



Video



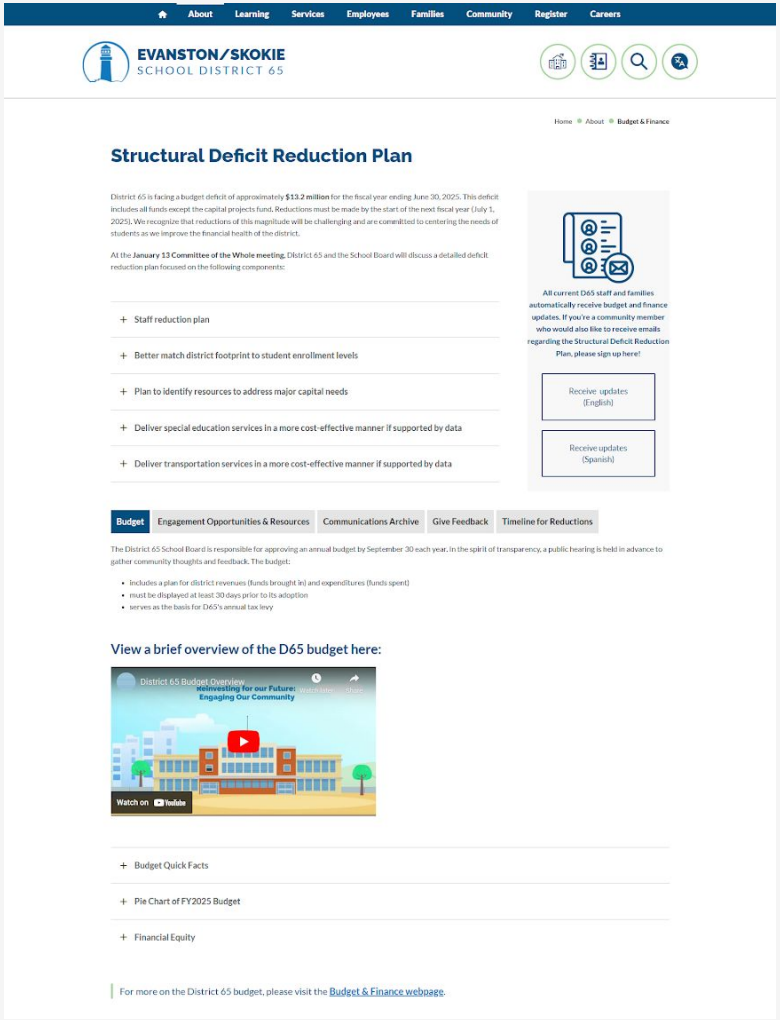
Text Messages



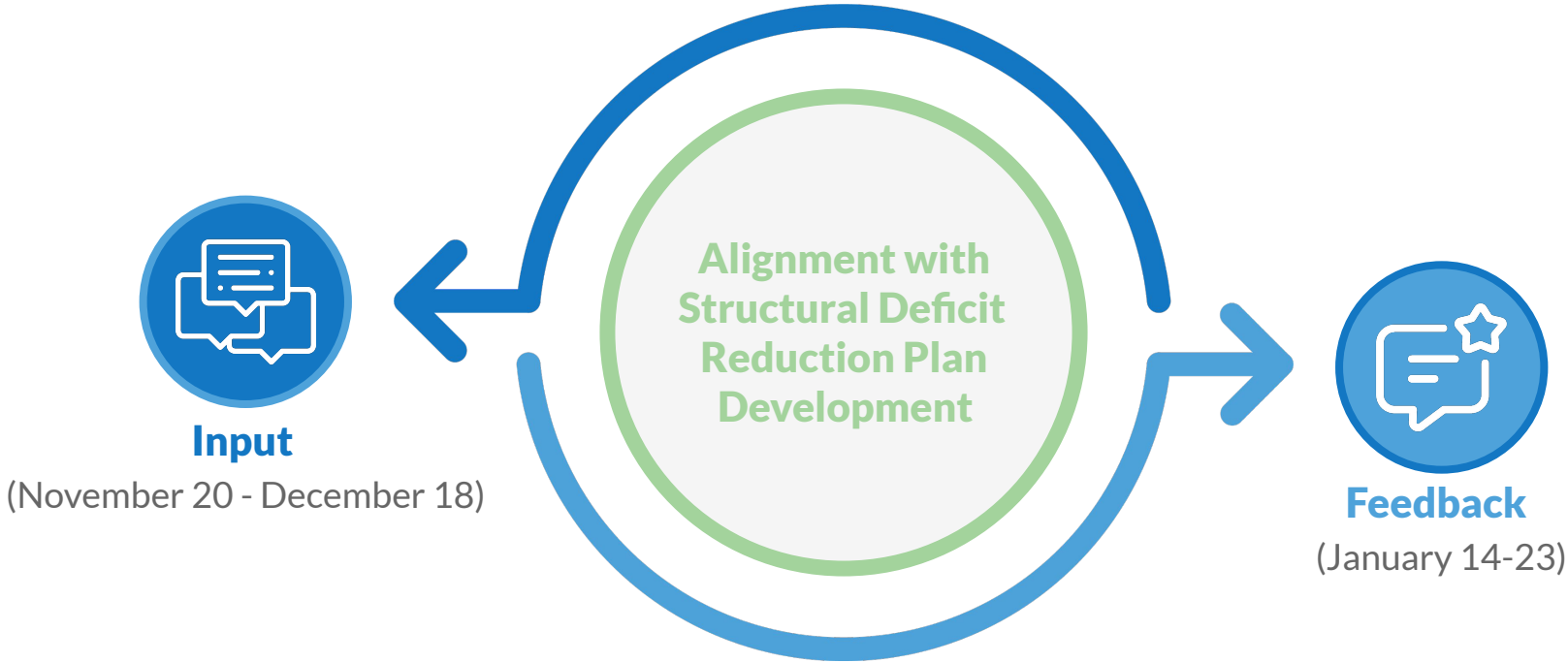
Media Engagement

Launch of SDRP Resource Hub

One-stop-shop for connecting the community with information.



Two-pronged Stakeholder Engagement Approach



Next Steps: Stakeholder Engagement

Community Roadshow Purpose

- Offer educational opportunities to learn about the budget and financial outlook
- Provide input to help ensure decision making is aligned to community values
- Combination of targeted outreach and open sessions with inclusivity in mind:
  - Sessions with internal stakeholder groups including all staff, union leaders, school leadership
  - Launch of advisory councils for parents/caregivers and students
  - Bilingual Parent Advisory Council, PTA Council, Community IES Leadership

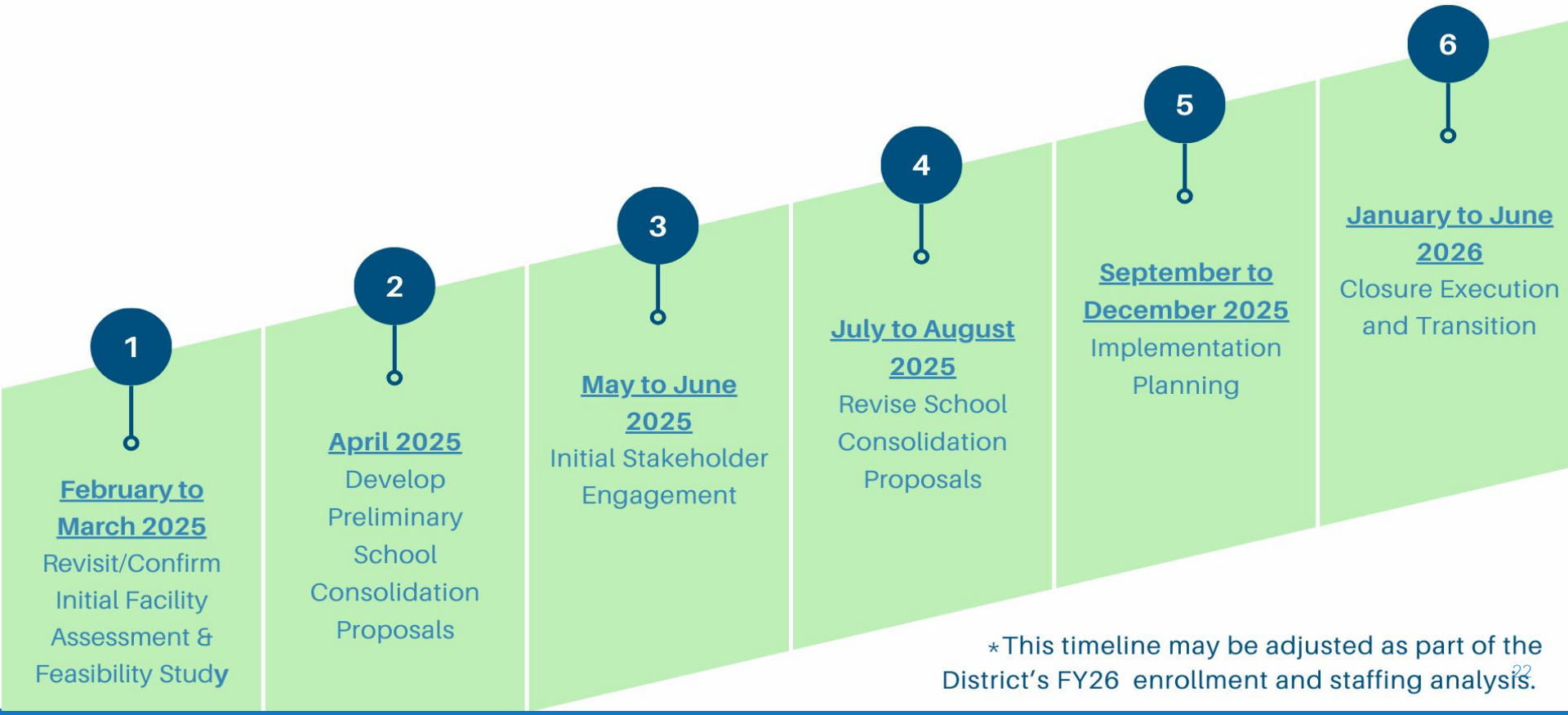


SDRP Next Steps

SDRP Timeline for Phase 2: Stabilize



SDRP Tentative Timeline for Phase 3: Sustainability*



*This timeline may be adjusted as part of the District's FY26 enrollment and staffing analysis.

Issues Still Facing the District**

- $189M in capital projects needs
- Declining enrollment
- Declining staff to student ratios
- Increasing costs
- Complexity of student needs
- Decreasing CPI
- Loss of ESSER and CPPRT dollars
- Funding lease certificate payments
- Funding full cost of Foster School

** As presented in February 2024 by Illuminate