Structural Deficit Reduction Plan (SDRP)
Phase III Update

September 8, 2025

EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Every Child, Every Day, Whatever it Takes

Today's Purpose

- Building out shared understanding around
  - School closures - Building efficiency, capacity numbers
  - Deferred maintenance
  - Financial sustainability/projections
- Review school closures scorecard
- Board discussion
- SDRP Phase III final timeline

"The Why"

Building our Shared Understanding









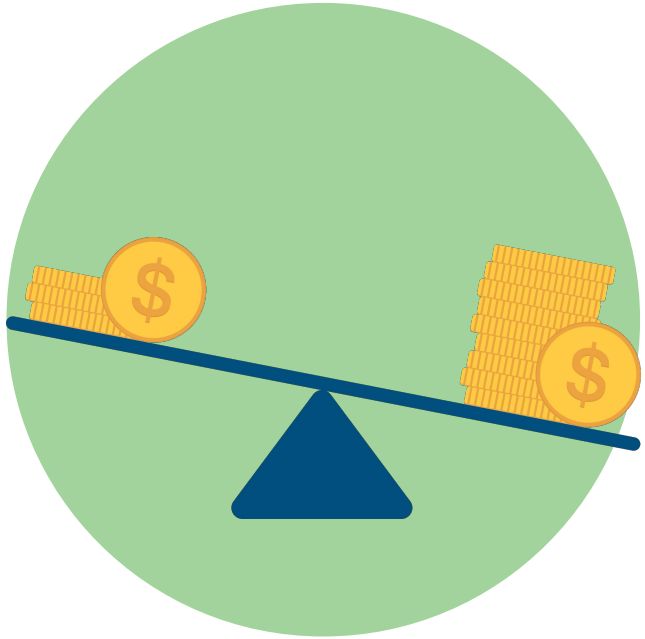




Creating a bright future for current and future generations of District 65 learners



Why consider the need for consolidation/closures?



Ensuring Long-term Financial Stability



School Buildings in Need of Significant Repairs and Improvements



Declining Student Enrollment and Underutilized Schools

Finance





$189 Million
operating budget



$20 Million
in operational reductions
over the past two years



$10-$15 Million
in estimated reductions
necessary for FY27



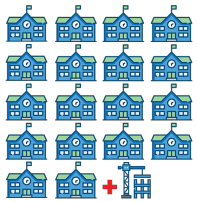
2.3% Expense Growth
Expenses outpace revenues on an annual basis *(structural deficit)*

- The Operating Budget supports all major district operations, programs and facilities.
- $20 million in operational reductions includes
  - Position closures/staffing reductions, and purchased services reductions (greater efficiencies)
- $10 - $15 million estimated reductions for FY27
  - Necessary to maintain financial stability and move toward sustainability.
  - Avoid short-term borrowing
- The Structural Deficit Reality
  - Expenditures have outpaced revenues by 2.3% annually over the past five years (FY19–FY24).

***Every* student has access to high quality, robust programming and the best and brightest staff. School closures/consolidations may allow us better align resources to meet this goal.**

Facilities





18 School Buildings
(+Foster) with 1.2M sqft of building space



8 Square Miles
D65 Attendance Boundaries



79 Years Old
(average building age)

Poor or Very Poor
building conditions



$188 Million
in recommended facility repairs/improvements

Facilities - Capacity

- 18 school buildings (1.2 million sq. ft of usable space)
- Schools serve an attendance boundary of 8 sq. miles.
- Current occupancy rate is 65% and will drop to **58%** when Foster opens and Rhodes closes.
- Buildings range from 7% overutilized to 47% underutilized

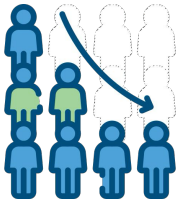
Facilities - Repair and Maintenance

- All Facility Cost Index (FCI) building rankings are poor or very poor with the exception of one building.
- The MFP projected $188 million in work over a 10 year period of time in 2021.
- Over 25% of buildings roofs are considered “unsatisfactory” and in need of replacement.
- 4 of 18 buildings are less than 50% ADA accessible.

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Students





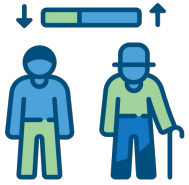
6,193 Students

declining enrollment for the next 10 years (aging population)



~~65%~~ 58 %Occupancy

school building occupancy



Decreasing # of Youth

2020 Census indicates a decreasing # of youth under 13



73% Enrollment Average

D65 returns to pre-pandemic enrollment averages

District enrollment has been consistently decreasing.

- Peak reported enrollment of 7,559 in 2016-2017 to 6,193 in 2024-2025.

Enrollment decreases are most evident in K-5 grade and in the Nichols and Haven feeder patterns.

District buildings are currently at 65% of their occupancy rate and this will shift downward when Foster opens and Rhodes closes.

The 2020 census indicates fewer children growing up in the Evanston Township boundaries - for example there were 1,056 13 years olds and 886 five year olds.

The median percent of students enrolled in the attendance boundaries has recovered 3% and is approaching pre-pandemic enrollment levels.

Our Reality: Taking a holistic look



$189 Million
operating budget

$20 Million
in operational reductions over the past two years alone

$10 -15 Million
in estimated reductions necessary for FY27

2.3% Expense Growth
expenses outpace revenues on an annual basis *(structural deficit)*



18 School Buildings
(+Foster) with 1.2M sq ft of building space

8 Square Miles
D65 Attendance Boundaries

79 Years Old
(average building age)

$188 Million
in recommended facility repairs/improvements

Poor or Very Poor
building conditions



6,193 Students
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~~65%~~ 58% Occupancy
school building occupancy

Decreasing # of Youth
2020 Census indicates a decreasing # of youth under 13

79.3% Enrollment Average
D65 returns to pre-pandemic student enrollment

Revisiting the Need for Budget Reductions

Our current reality (if no action was taken, i.e, SDRP Phase 2)

	FY21 actuals	FY22 actuals	FY23 actuals	FY24 actuals	FY25 budget	FY26 with no action
Surplus/Deficit	$3,288,685	$6 ,099,923	-$7,918,262	-$8,531,093	-$13,590,541	-$16,675,563

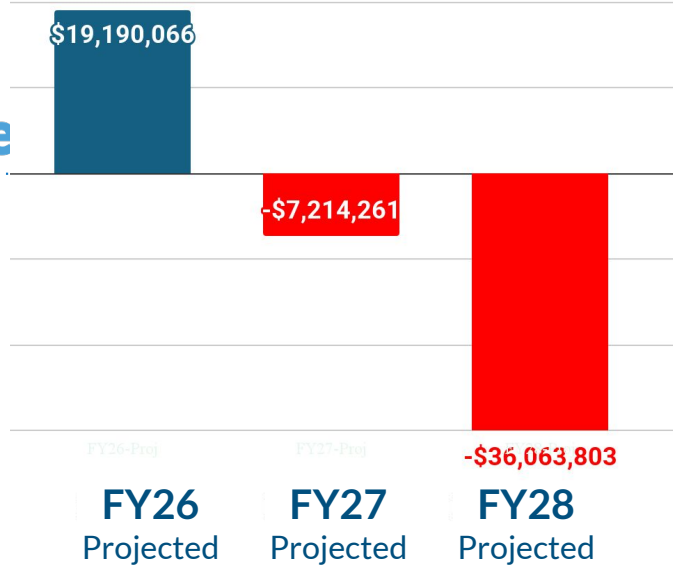
Projected Days Cash on Hand >900



FY25:	**71**
FY26:	**36**
FY27:	**-(13)**
FY28:	**-(63)**

Projected Fund Balance





Revisiting the Need for Budget Reductions

Our current reality (With SDRP Phase 2 reductions of $13.2M)

	FY21 actuals	FY22 actuals	FY23 actuals	FY24 actuals	FY25 estimated	FY26 budget
Surplus/Deficit	$3,288,685	$6 ,099,923	-$7,918,262	-$8,531,093	~~-$13,590,541~~ -$376,210	~~-$16,675,563~~ -$3,131,215

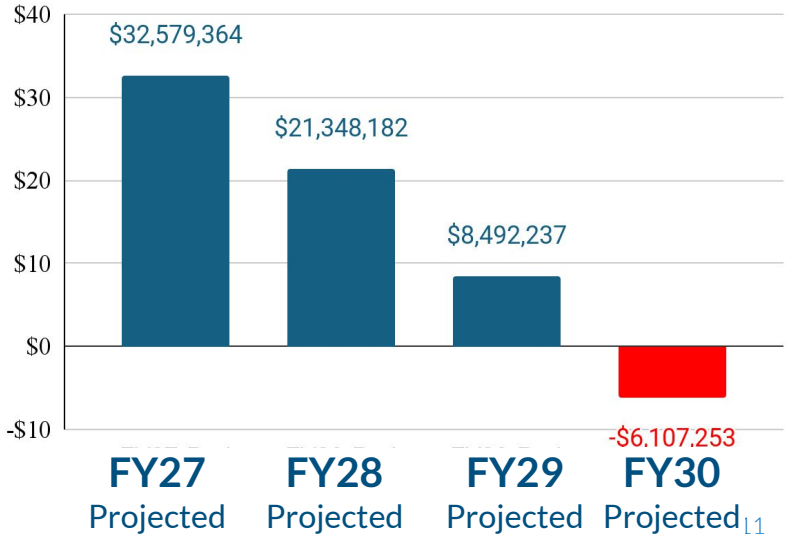
Projected Days Cash on Hand >90



FY26:	~~36~~/94
FY27:	~~(13)~~/64
FY28:	~~(63)~~/40
FY29:	15
FY30:	-11

Projected Fund Balance





School Score Cards



Sample School Scorecard

Preview

Goal: Provide a sample school scorecards (baseline and scenario specific) for the purpose of building understanding of the scorecards and their role in scenario development.

Categories & Criteria

EQUITY

Connecting Every Student to the Resources and Support They Deserve

We remain committed to fully understanding and assessing potential decisions to ensure they do not disproportionately affect the diverse communities we serve.

Criteria

- **Impact on Students:** Consider how many students would have to change schools—and which students are most affected.
- **Demographics of Impact:** Identifying whether certain groups (socioeconomic status, language, or special education status) are more heavily impacted.



GEOGRAPHY

Making School Access Safe and Practical

We are committed to ensuring that any changes to boundaries minimize the challenges students and families may face getting to school each day.



Criteria

- **Walkability:** Ensuring as many students as possible remain within a reasonable walking distance of their school *(recommendation to model 0.75 miles or less).*
- **Safe Routes to School:** Taking into account known safety concerns (such as traffic and hazards identified by IDOT) near schools or along common travel routes.
- **Transportation Needs and Costs:** Percentage of students who would qualify for transportation and accompanying costs.
- **Geographic Proximity:** Average distance of three closest adjacent **schools.**

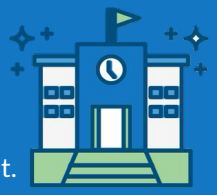
BUILDING FUNCTIONALITY

Ensuring Schools Meet Today's and Tomorrow's Needs

We must ensure that buildings are designed and equipped to support high-quality academic and social emotional learning experiences for all students—now and in the future.

Criteria

- **Accessibility:** Whether buildings meet current ADA standards and are fully accessible to all students and staff.
- **Key Facilities:** Whether the school includes dedicated, separate spaces for a cafeteria and gym to support student health, wellness, and instructional activities throughout the day.
- **Size of School Facility:** Assess the number of classrooms that a school has that can serve students and support overall enrollment.



FINANCIAL IMPACT

Being Responsible with Public Resources

We must make fiscally responsible decisions that support long-term sustainability and allow us to invest more directly in teaching and learning and overall student experiences.



Criteria - Building Income

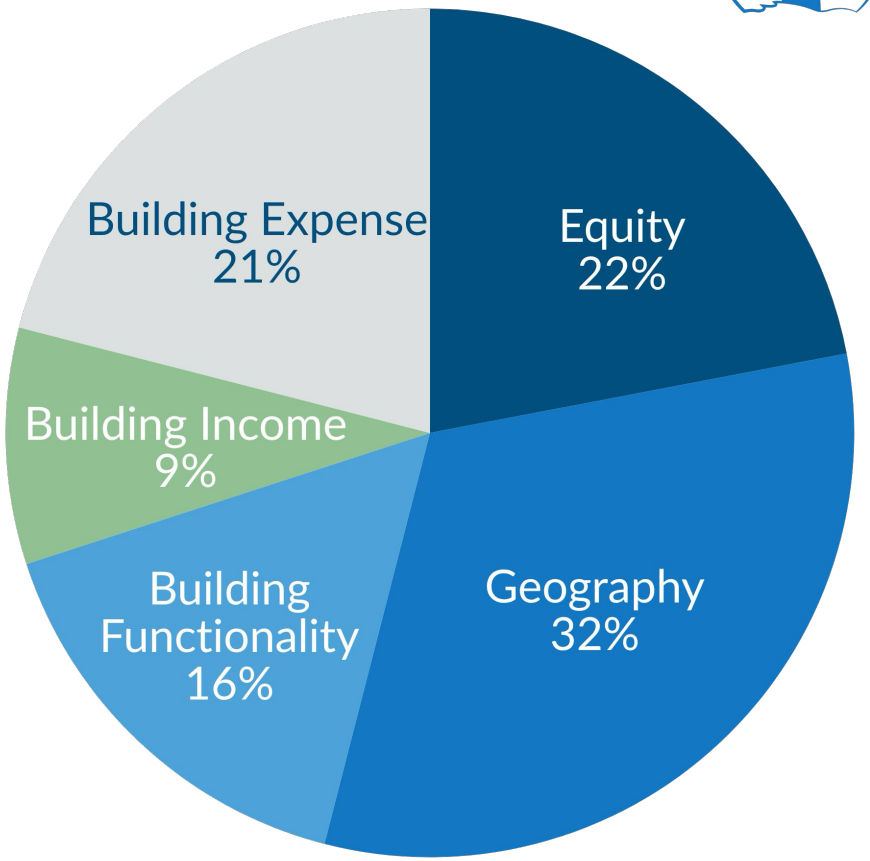
- **Revenue Opportunities:** The potential for a property to generate income for the district if repurposed or sold, including considerations related to landmark status and zoning restrictions.

Criteria - Building Cost

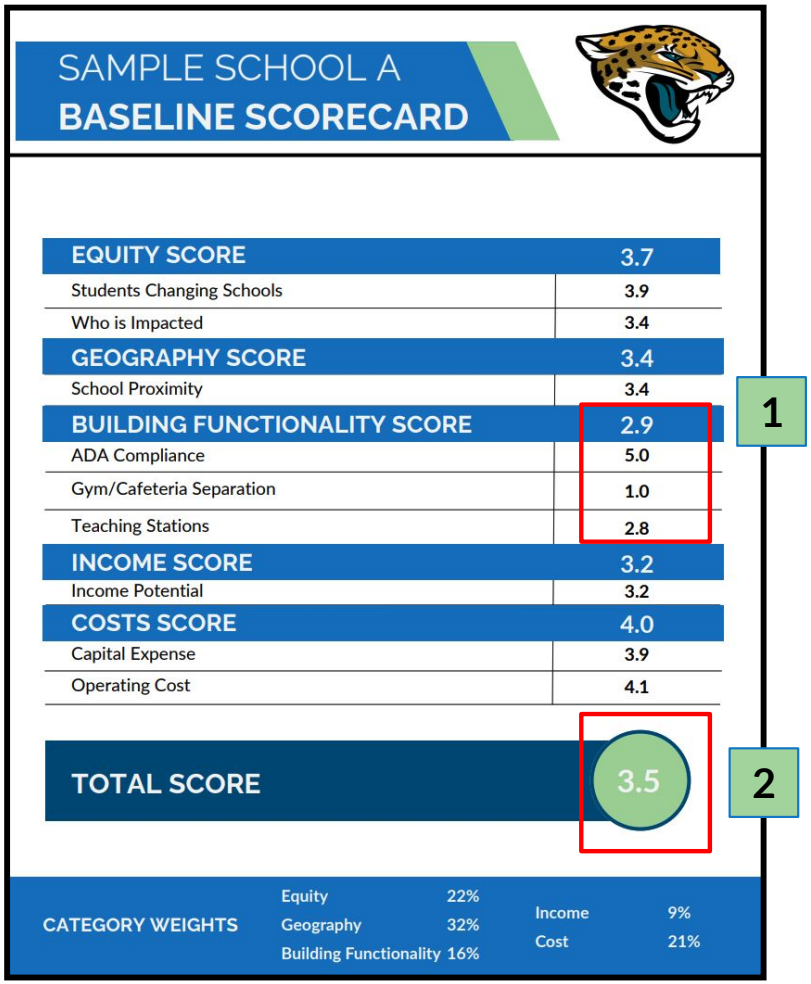
- **Operating Costs:** The ongoing monthly expenses to operate each building, including utilities, maintenance, and related costs.
- **Capital Expenses:** The projected costs required to bring each building up to baseline safety, accessibility, and instructional standards.

Category Weighting

Category	Weight
Equity	22%
Geography	32%
Building Functionality	16%
Building Income	9%
Building Cost	21%



Baseline Scorecard



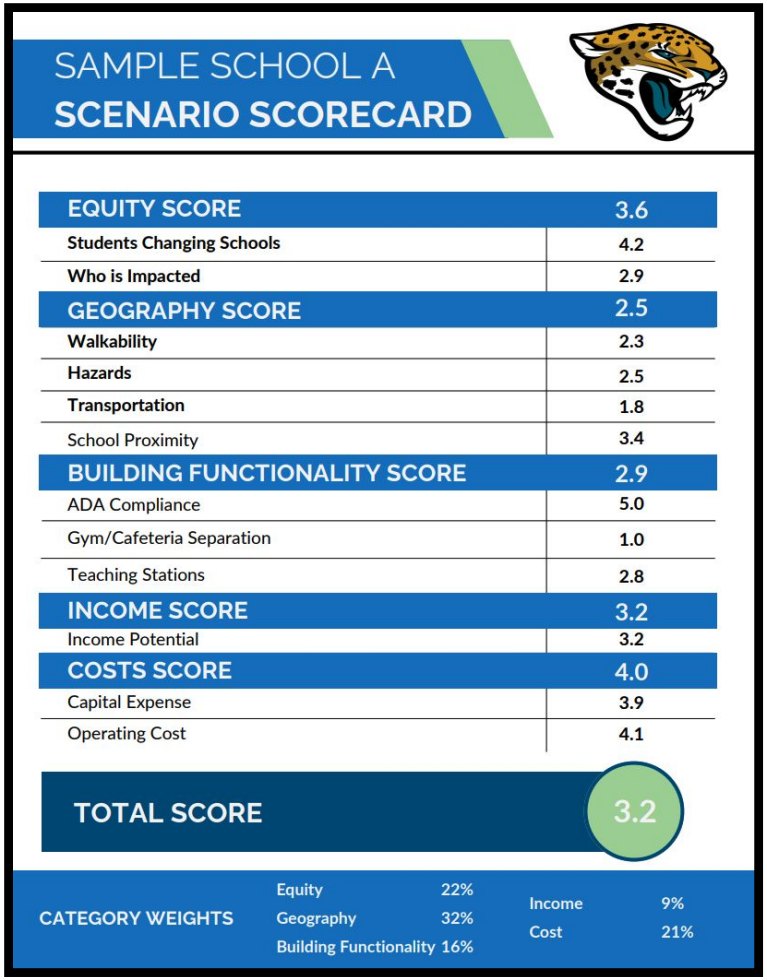
Process:

- Consistent categories and criteria as well as data sources were identified in the spring by our facility subcommittee.
- Each school receives an total score which is the weighted average of the criteria.
- Scores range from 1 (Least impactful) to 5 (most impactful)

Use

- The baseline scorecard informs the creation of scenarios which are modelled and evaluated for potential school closure.

Scenario Specific Scorecard



SAMPLE SCHOOL A
SCENARIO SCORECARD

EQUITY SCORE	**3.6**
Students Changing Schools	4.2
Who is Impacted	2.9
GEOGRAPHY SCORE	**2.5**
Walkability	2.3
Hazards	2.5
Transportation	1.8
School Proximity	3.4
BUILDING FUNCTIONALITY SCORE	**2.9**
ADA Compliance	5.0
Gym/Cafeteria Separation	1.0
Teaching Stations	2.8
INCOME SCORE	**3.2**
Income Potential	3.2
COSTS SCORE	**4.0**
Capital Expense	3.9
Operating Cost	4.1

TOTAL SCORE 3.2

CATEGORY WEIGHTS				
	Equity	22%	Income	9%
	Geography	32%	Cost	21%
	Building Functionality	16%		

Process

- A second scorecard is developed for each scenario using the same method but adjusting based on the scenario.

Use

- Scenario scorecards help to determine which scenarios are more deeply vetted or considered to be advanced to the School Board.

Timeline

- Baseline and scenario scorecards will be finalized by the September 29 School Board meeting.

Board Discussion



Questions for and Clarity from the Board

Facilities

1. What **number of school closures** should we bring to you in our scenarios? (0-4)

2. Should we be considering **middle school closures** in our scenarios?

3. Should we be considering **magnet school closures** in our scenarios?

Questions for and Clarity from the Board

Deferred Maintenance

1. Is there a specific **timeframe** for addressing deferred maintenance?

2. As we develop our financial models, are there any restrictions on how we would **fund deferred maintenance**?
   a. Should be considering a capital bond referendum?
   b. Are Life Safety Bonds a lever to address critical projects?

3. Barring no identified revenue source for deferred maintenance, is there a **priority of projects** the administration should focus or an **amount** that we should add to the annual budget for capital improvements?

Questions for and Clarity from the Board

Finances

1. Factoring in the structural deficit and the items above, what is the **amount/range** that we should be targeting in our modeling? ($8-$15M)

2. What is the basis for making these reductions?

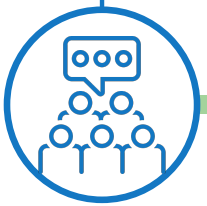
Next Steps: Structural Deficit Reduction Plan

April 2025
Stakeholder Engagement
(in-person meetings/online survey)

June 2025
Finalize/present criteria to stakeholders and board

September-October
Stakeholder input on scenarios (1st & 2nd rounds)

November
Board decision on scenario













Meeting summaries shared on District 65 website

April-June
Analyze feedback

SDRP Committee Work

July-August
Development of school closure/consolidation scenarios

December 2025
Public Hearings *(potential closures)*

2026-2027 ***(effective July 1)***
Approved scenario in effect

Upcoming Board Updates & Discussion on SDRP

SEPT 29

Regular Board Meeting

Review initial scenarios

- Potential school closings, including opportunities and challenges
- Impact on financial projections/deficit reduction, inclusive of opportunities and challenges

OCT 27

Regular Board Meeting *(NEW DATE)*

Review updated scenarios

- Potential school closings, including opportunities and challenges
- Financial projections/deficit reduction, inclusive of opportunities and challenges

There will be no meeting on October 20.

NOV 3

Committee of the Whole Meeting

Review updated scenarios

- Modeling - Updated school closure information

Stakeholder ENGAGEMENT

SEPT 29 Thru OCT 14

Scenario Review and Reflection

OCT 14 Thru OCT 16

Stakeholder Listening Sessions

Early OCTOBER

Online Feedback

Save the Date: Stakeholder Engagement



**After school sessions for staff will also be held during this window.*