Structural Deficit Reduction Plan (SDRP) Phase III Continued Discussion

October 27, 2025

EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Every Child, Every Day, Whatever it Takes

Tonight's Agenda

- Review of need for SDRP Phase III
- Review board-requested Scenario 3X
- Review of school closing scenarios / financial models
- Recap of community engagement sessions
- SCS consultant board recommendation
- Board discussion
- Next steps











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



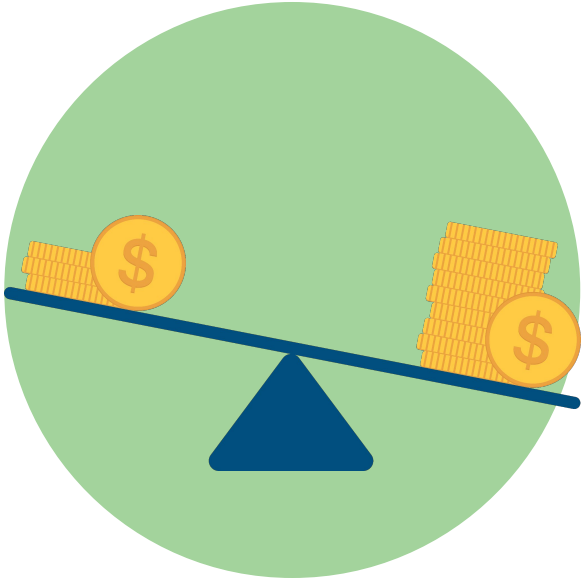
Why consider the need for consolidation/closures?



Declining Student Enrollment and Underutilized Schools



School Buildings in Need of Significant Repairs and Improvements



Ensuring Long-term Financial Stability & Investing in our Future

Our Reality: Taking a holistic look



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

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



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



$189 Million
operating budget

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

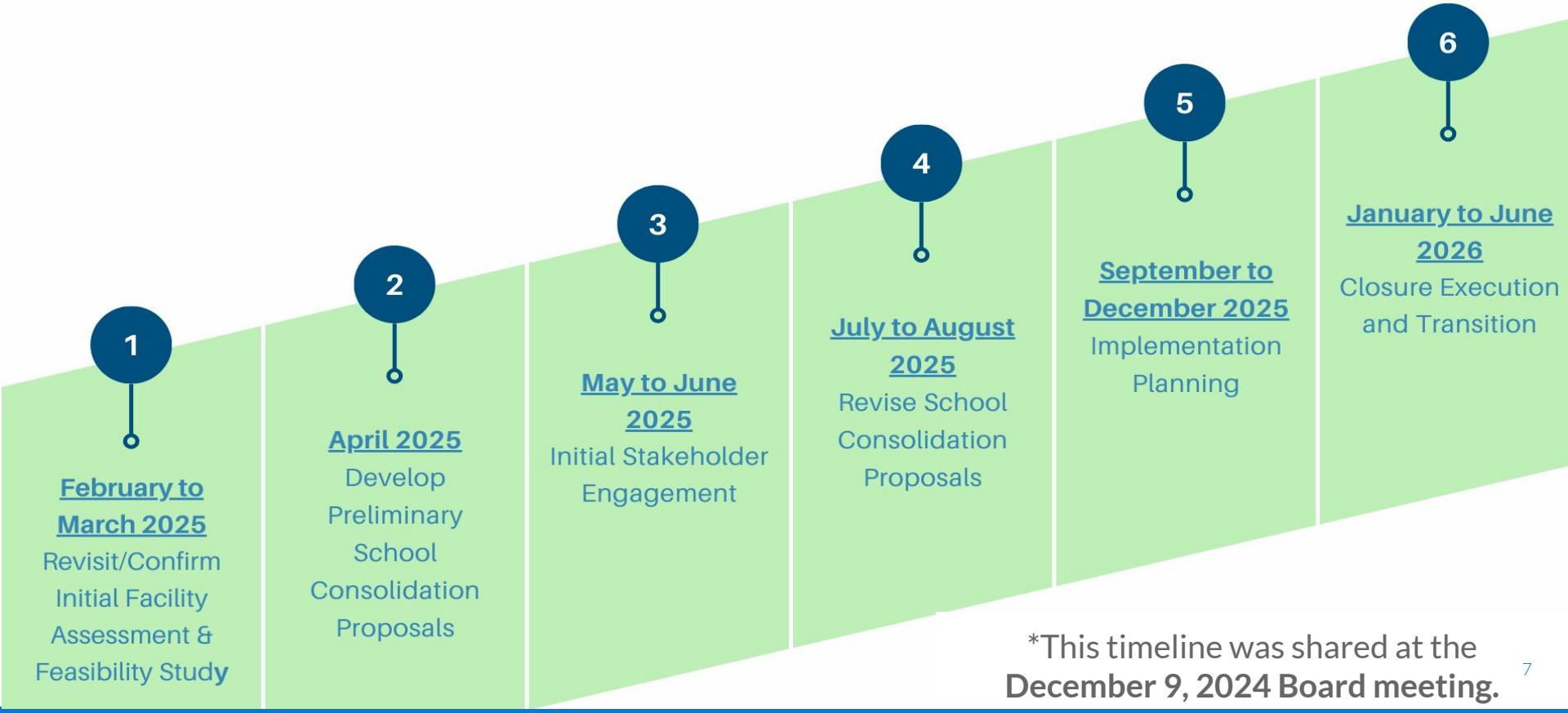
$10 -15 Million
in estimated reductions necessary for FY27

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

Evolution/Phases of Structural Deficit Reduction Plan

FY24	FY25	FY26	FY27 (Current)
Identification	**Phase I: Immediate Cuts**	**Phase II: Stabilize**	**Phase III: Sustainability**
Began in February 2024	**$6.5M in Reductions** Hiring Freeze, eliminated vacant positions Purchased Services reductions Went into effect: July 1, 2024	**$13.2M in Reductions** Stakeholder Engagement & Decision-making: December 2024 January 2025 Went into effect: July 1, 2025	**$10-15M in Reductions** Stakeholder Engagement & SDRP Committee Work: Began February 1 and remains ongoing Goes into effect: July 1, 2026

SDRP Tentative Timeline for Phase 3: Sustainability*



*This timeline was shared at the **December 9, 2024 Board meeting.**

Revisiting the Need for Budget Reductions

Our current reality as of Sept. 29 (**if no action is taken**)

	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	-$327,969	-$197,789

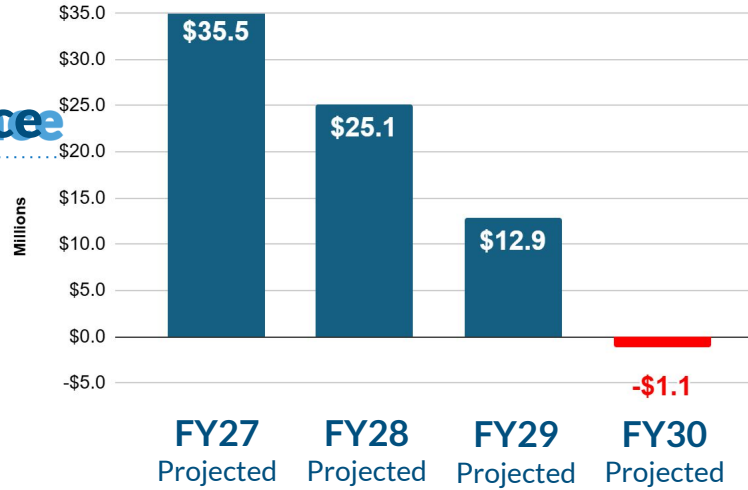
Projected Days Cash on Hand



FY27:	70
FY28:	47
FY29:	23
FY30:	-2

Projected Fund Balance





Current Utilization by Feeder Pattern

Middle School Feeder Pattern (2026-27 School Year)	Average Elementary School Utilization Rate Per Feeder Pattern
Chute (Dawes, Oakton, Walker)	73%
Haven (Kingsley, Lincolnwood, Orrington, Willard, and Foster)	50%
Nichols (Dewey, Lincoln, Washington)	68%

District 65 schools that do not follow an elementary/middle school feeder pattern:
Dr. Bessie Rhodes School of Global Studies, Dr. Martin Luther King Jr. Literary and Fine Arts School, Joseph E. Hill Early Childhood Center, Park School, and Rice Children's Center

Review of Three-School Closings

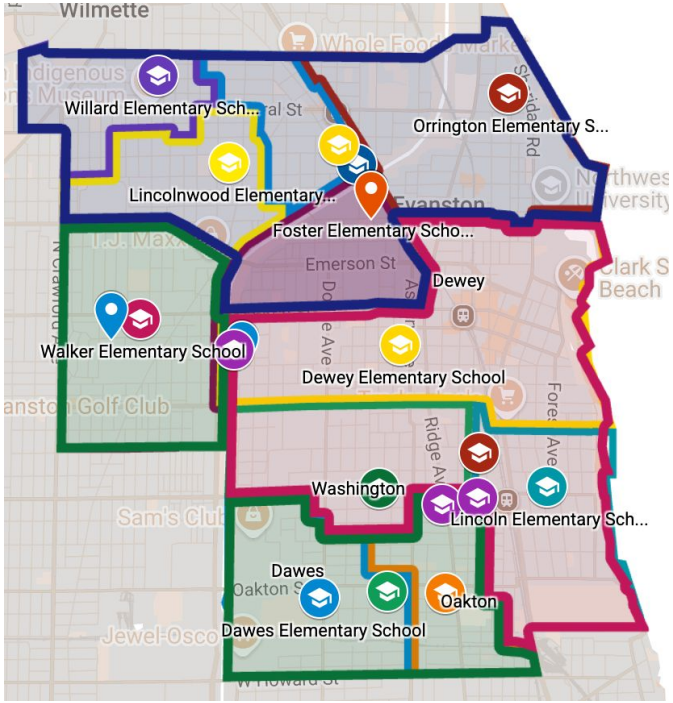
Scenarios: Three-School Closure

2026-27

3D-R **Close Lincolnwood, Kingsley, and Washington (75%*)**
Estimated Annual Savings: **$6,390,760**

3B-R **Close Lincolnwood, Kingsley, and Dawes (74%*)**
Estimated Annual Savings: **$6,288,522**

3X **Close Lincolnwood, Kingsley, King Arts, and Dewey; Open a K-5 King Elementary (76%*)**
Estimated Annual Savings: **$6,539,236**

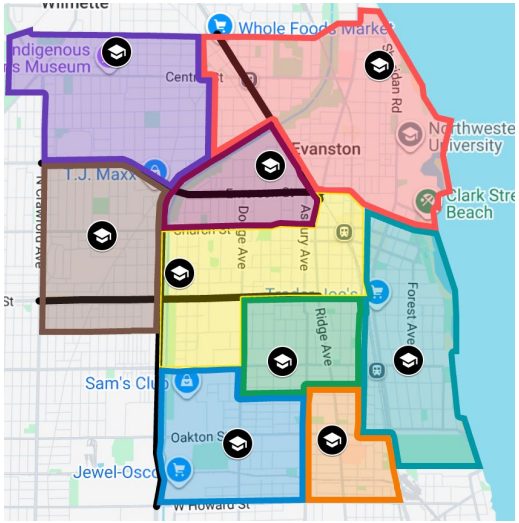


* Average Districtwide Utilization Rate

Scenarios: Board-Requested

3X Close Lincolnwood, Kingsley, King Arts, and Dewey; Open a K-5 King Elementary (76%*)

Estimated Annual Savings: $6,539,236



Lincolnwood, Kingsley, King Arts & Dewey are closed after the 2025-26 school year.

- Close TWI Section at Willard Elementary, Dewey TWI moved to Lincoln
- STEP moves to Orrington
- Close King Arts Magnet and move K-5 RISE to Willard and 6-8 RISE to Haven

Strengths

- Prioritizes maintaining neighborhood schools.
- Three schools feeding into each middle school.
- Maintains use of a fully ADA accessible building.
- Maintains middle school boundaries.

Challenges

- Interrupts four school communities to get to three school closures.
- Loss of K-8 Arts magnet and K-8 RISE program.
- Low utilization rate of King Elementary (53%) and middle school appropriate aspect of the building not fully utilized.
- Nichols utilization rate is 96%.
- King neighborhood is adjacent to two IDOT hazards

* Average Districtwide Utilization Rate

Facility right sizing estimated financial impact

#	Facility Right Sizing	0	1A.	1B.	2F.	2D.	3D.	3B.	3X.
1	Non-Salary & Benefit Savings		$ 180,087	$ 155,377	$ 335,464	$ 349,079	$ 504,456	$ 494,228	$ 510,258
2	Salary & Benefit Savings		$ 1,132,442	$ 1,325,106	$ 2,457,548	$ 2,311,198	$ 3,636,304	$ 3,548,294	$ 3,758,978
3	Avoided Capital Cost		$ 145,379	$ 139,905	$ 475,000	$ 495,000	$ 725,000	$ 723,000	$ 735,000
4	Foster School Net Savings	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000	$ 50,000
5	Transportation Increase		$ (50,000)	$ (50,000)	$ (100,000)	$ (100,000)	$ (150,000)	$ (150,000)	$ (150,000)
6	Lease of Closed Facilities		$ 245,000	$ 230,000	$ 475,000	$ 495,000	$ 725,000	$ 723,000	$ 735,000
7	Section Savings		$ 300,000	$ 300,000	$ 600,000	$ 600,000	$ 900,000	$ 900,000	$ 900,000
	Total	**$ 50,000**	**$ 2,002,908**	**$ 2,150,388**	**$ 4,293,012**	**$ 4,200,277**	**$ 6,390,760**	**$ 6,288,522**	**$ 6,539,236**

Note: These are the maximum estimated savings from this school closing scenario. If the board were to select this scenario, the D65 staff would refine these numbers based on board input.

Financial model estimations

#	Assumptions	FY27	1A.	1B.	2F.	2D.	3D.	3B.	3X.
1	# of School Closures	0	1	1	2	2	3	3	3
2	Through Fiscal Year	2030	2030	2030	2030	2030	2030	2030	2030
3	Days Cash on Hand	90	90	90	90	90	90	90	90
4	Overall Capacity %	58%	68%	69%	72%	74%	77%	76%	80%
5	Capital Projects Annual Spend	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000	$ 2,700,000
6	Foster: Working Cash	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000	$ 6,000,000
7	FY27 SDRP Operating Fund Reductions	$ 12,100,000	$ 12,100,000	$ 12,100,000	$ 12,100,000	$ 12,100,000	$ 12,100,000	$ 12,100,000	$ 12,100,000
#	SDRP Levers	FY27	1A.	1B.	2F.	2D.	3D.	3B.	3X.
1	Facility Right Sizing	$ 50,000	$ 2,002,908	$ 2,150,388	$ 4,293,012	$ 4,200,277	$ 6,390,760	$ 6,288,522	$ 6,539,236
2	Revenue Levers	$ 1,356,600	$ 1,356,600	$ 1,356,600	$ 1,356,600	$ 1,356,600	$ 1,356,600	$ 1,356,600	$ 1,356,600
3	Expenditure Levers	$ 2,480,000	$ 2,480,000	$ 2,480,000	$ 2,480,000	$ 2,480,000	$ 2,480,000	$ 2,480,000	$ 2,480,000
4	Programming/Staffing Levers	$ 8,213,400	$ 6,260,492	$ 6,113,012	$ 3,970,388	$ 4,063,123	$ 1,872,640	$ 1,974,878	$ 1,724,164
	Total	**$ 12,100,000**	**$ 12,100,000**	**$ 12,100,000**	**$ 12,100,000**	**$ 12,100,000**	**$ 12,100,000**	**$ 12,100,000**	**$ 12,100,000**

School Closing / Financial Models

School Closing Scenario Summaries

Scenario	Schools	Capacity
1A.	Kingsley School	66%
1B.	Lincolnwood School	67%
2F.	Lincolnwood & Kingsley	70%
2D.	Kingsley & Willard	72%
3D.	Lincolnwood, Kingsley, Washington	75%
3B.	Lincolnwood, Kingsley, and Dawes	74%
3X.	Lincolnwood, Kingsley, Dewey, King Arts (k-5)	76%

Financial Model Summaries - Reductions by Fiscal Year

#	Model Overview	FY27	FY28	FY29	FY30	Total
A	Foster: Working Cash, CapX: $2.7M	$ 12,100,000				$ 12,100,000
A.1	Foster: Bessie Rhodes Sale/Lease Certificates, CapX: $2.7M	$ 10,900,000				$ 10,900,000
A.2	Foster: Lease Certificates, CapX: $2.7M	$ 11,100,000				$ 11,100,000
B	Foster: Working Cash, CapX: $1.0M	$ 7,500,000	$ 2,750,000	$ 1,500,000	$ 1,300,000	$ 13,050,000
B.1	Foster: Working Cash, CapX: $2.7M	$ 8,600,000	$ 3,500,000	$ 1,250,000	$ 1,100,000	$ 14,450,000
B.2	Foster: Working Cash, CapX: $1M-FY27, $2.7M after	$ 7,500,000	$ 4,100,000	$ 1,500,000	$ 1,300,000	$ 14,400,000
C	Foster: Lease Certificates, CapX: $1.0M	$ 4,750,000	$ 3,750,000	$ 3,000,000	$ 2,000,000	$ 13,500,000
C.1	Foster: Lease Certificates, CapX: $2.7M	$ 4,800,000	$ 6,300,000	$ 2,250,000	$ 1,500,000	$ 14,850,000
C.2	Foster: Lease Certificates, CapX: $1M-FY27, $2.7M after	$ 4,750,000	$ 4,750,000	$ 4,000,000	$ 1,250,000	$ 14,750,000
D	Foster: Working Cash/Bessie Rhodes Sale, CapX: $1.0M	$ 4,500,000	$ 5,200,000	$ 2,000,000	$ 1,250,000	$ 12,950,000
D.1	Foster: Working Cash/Bessie Rhodes Sale, CapX: $2.7M	$ 5,500,000	$ 6,000,000	$ 1,750,000	$ 1,250,000	$ 14,500,000
D.2	Foster: Working Cash/Bessie Rhodes Sale, CapX: $1M-FY27, $2.7M after	$ 4,500,000	$ 6,250,000	$ 2,500,000	$ 1,250,000	$ 14,500,000
E	Foster: Bessie Rhodes Sale/Lease Certificates, CapX: $2.7M	$ 4,600,000	$ 6,250,000	$ 2,500,000	$ 1,250,000	$ 14,600,000

Note: All models assume 90 days cash on hand and a balanced budget through FY30.

Community Engagement Sessions

Stakeholder Engagement Outcomes and Analysis

- Independent analysis by local university partner
- Meeting summaries now available online: **district65.net/sdrp**

In-Person Stakeholder Engagement Sessions



~700 Participants



7 events (Oct. 14-16, 21)

Online Survey



1,335 responses*

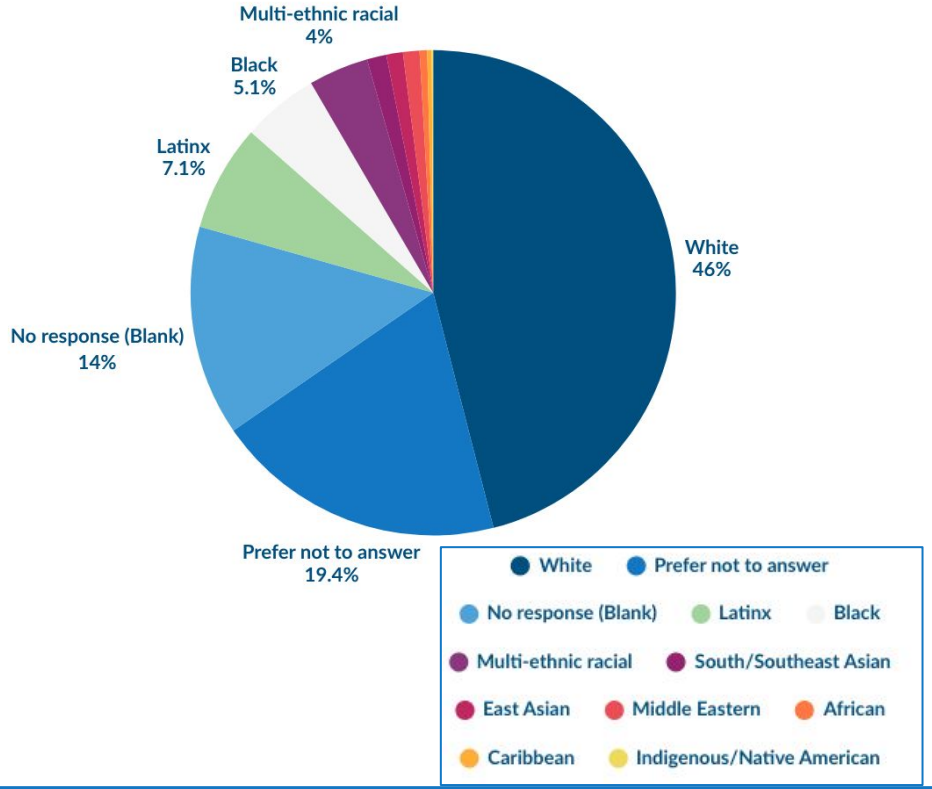


Sept. 29-Oct. 21

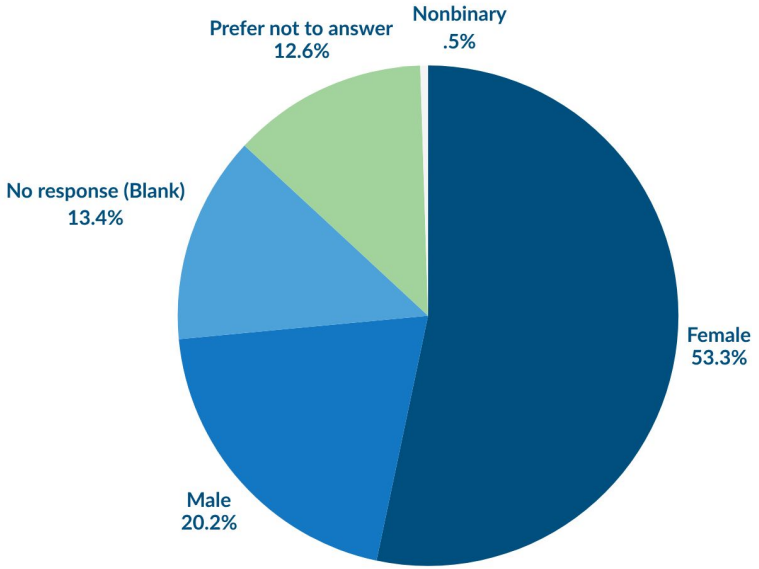
**Removed 1 response due to hate speech*

Survey Respondent Demographics

By race:

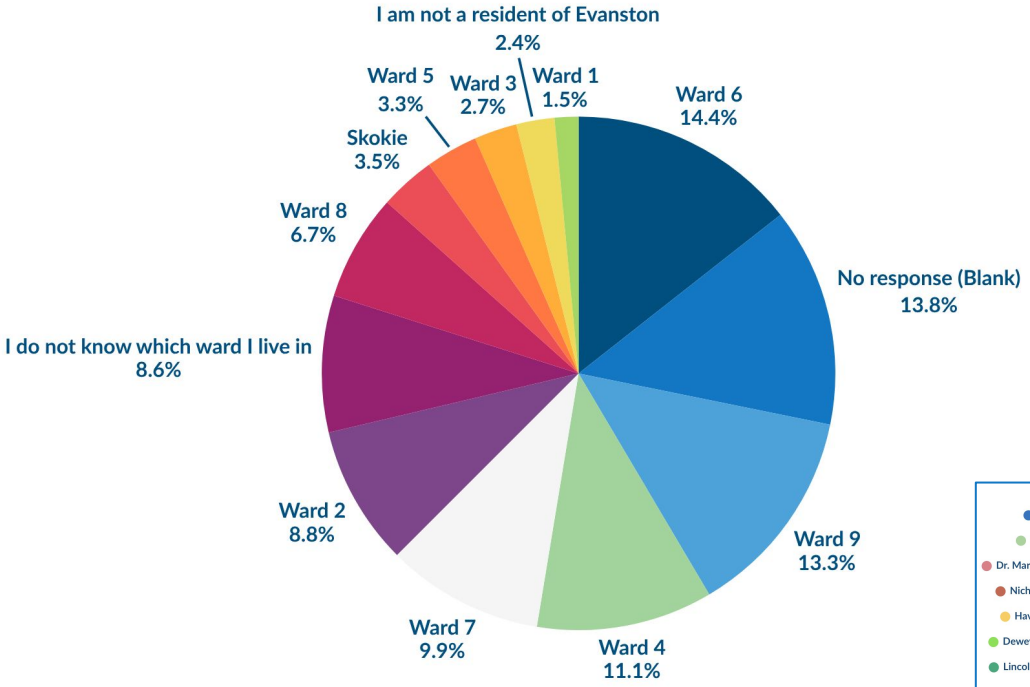


By gender:

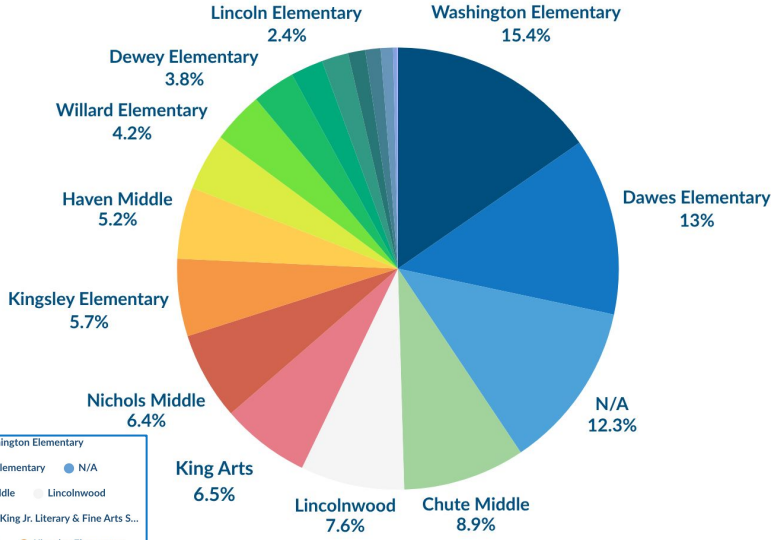


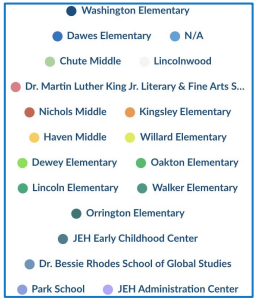
Survey Respondent Demographics

By ward:



By school:





Notes:
-Respondents were able to select more than one school.
-No respondents chose Rice Children's Center.

Global School Closure Feedback

- Concern about closing racially and economically diverse neighborhood schools (i.e., Washington and Dawes)
- Recommendation to close King Arts before neighborhood schools in alignment with community preference for walkable, neighborhood schools
- Concern about closing both Lincolnwood and Kingsley because doing so eliminates walkable, neighborhood school communities on the north side
- Concern about closing schools with vulnerable populations (e.g., Title I schools, schools with large Latino populations, schools serving large number of students with special needs)
- Desire to maintain an K-8 choice based option for families in Evanston.
- Significant movement of specialized programs (STEP/RISE) causes disruption and challenging transitions.

Global Process Feedback

- Slow down
- Concern about impact of simultaneously closing multiple schools on student experience, community cohesion, public perception, and property values
- Lack of trust in board and administration
- Confusion about the scorecard / data
- Questioning the authenticity of the feedback process
- Consider step-wise / dynamic closure scenarios
- Share latest financial analyses / audits
- Consider other cost-saving strategies beyond closure
- Interest in collaborating with City on solutions
- Concern about likelihood of selling / leasing buildings

Scenario 3B: Close Lincolnwood, Kingsley, & Dawes

505 3B responses coded; 1,910 codes applied across responses

Code Family w/ Leading Sub Code	% of Overall Codes*	Key Themes from Comments w/ Highest Frequency of Subcode
Location Walkability	≈ 23%	Closing both Lincolnwood & Kingsley would leave a large portion of NW Evanston without a walkable K-5 option; Long walks across busy roads like Central St. and Green Bay Rd; Emphasis on walkability as essential to student well-being, safety, and community cohesion.
Future Impacts Feeder & Occupancy	≈ 20%	Respondents living near Nichols or Chute express frustration at being reassigned to distant middle schools; Utilization imbalance between North Evanston schools like Willard and Orrington.
School Programming Magnet & TWI	≈ 16%	Respondents fear losing access to the full Spanish-English immersion program if Dawes closes; Moving TWI to Lincoln creates transportation barriers for SW Evanston; Some respondents state neighborhood schools should be preserved over magnet programs.
Equity Demographics	≈ 12%	Dawes serve high percentage of low-income students and receive Title I funding; Dawes noted for its Latinx population and support for multilingual learners
Social-Emotional Impacts Community & Student	≈ 10%	Dawes and Lincolnwood described as the “heart” of their neighborhoods; Concerns around how instability and overcrowding will affect learning and mental health of students.
Understanding Process & Trust	≈ 10%	Respondents question how criteria/scorecards were applied around walkability, equity, and utilization; Some cite community feedback hasn’t been meaningfully incorporated.

*this column is calculated as a percentage of each code family in relation to the overall number of codes applied across the scenario. (example: in this case, 1,910 codes were applied total. The “Location” family made up 23.3% (or 445) of those 1,910 codes.

Scenario 3D: Close Washington, Kingsley, Lincolnwood

518 responses coded

Code Family w/ Leading Sub Code	% of overall codes*	Key Themes from Comments w/ highest Frequency of Subcode
Location Walkability & Safety Surrounding Location	≈25% of codes	Most common code family; adjacent to Robert Crown; walkability & safety for vulnerable population; leaving north end without walkable school;
School Diversity & Programming (TWI; STEP & RISE)	≈18% of codes	Second most common code family; Washington has the most diverse student body; WA has the highest utilization rate; closing established TWI/STEP if closing WA; closing a Title 1 school;
Future Impacts Middle school feeder; Future building use	≈15% of codes	Closing Lincolnwood & Kingsley does not allow for future growth; breaking up Washington families into 4 schools; concerns for future use of WA as a historic building; concerns for closing 2 schools inHaven feeder pattern; future use of school buildings;
Understanding (Process, Trust)	≈15% of codes	Slow down the process; low trust in the board; alternatives to school closing;
Social-Emotional Impacts Students; Community	≈12% of codes	Closing WA further harms an already vulnerable community; setting up TWI & STEP in another community; need to consider the qualitative impact;
Equity (community demographics)	≈8% of codes	Dismantling the south side of Evanston; further harming an already vulnerable population; lack of representation of Latine families in the process;

Scenario 3X: Close Kingsley, Lincolnwood,King Arts, & Dewey; Open a King Arts K-5 73 responses coded

Code Family w/ Leading Sub Code	% of overall codes	Key Themes from Comments w/ highest Frequency of Subcode
Future Impacts Occupancy & Enrollment	≈30% of codes	Most common code family; Concerns about moving multiple feeder patterns, occupancy & enrollment
Location Walkability	≈22% of codes	Second most common code family; concerns about shifting so many locations
Understanding Process, Trust	≈14% of codes	Questions about the addition of this scenario and the logic of the King Arts shift from magnet to K-5 neighborhood
Social-Emotional Impacts Students; Community	≈12% of codes	Too many disruptions all at once
Equity	≈8% of codes	Concerns about closing Dewey as a diverse school

Our Reality: This doesn't address for $188M



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

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



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



$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)*

SCS Recommendation

1. **Right-Size Facilities to Align with Enrollment:** 2-school closing plus Bessie Rhodes
2. **Adopt a Strategic Reduction Financial Model:** Models D.1 or E
3. **Preserve Financial Sustainability:**
    a. 90 days cash on hand
    b. Limit use of working cash
    c. Balanced budget
4. **Refine Financial Levers After Model Selection:** TBD
5. **Continue Transparency and Communication with Stakeholders:** Continue
6. **Reinvest in Buildings Strategically:** Life Safety Funding and/or Future Referendum

Board Discussion

Upcoming Board Updates & Feedback Sessions

NOV 3

Committee of the Whole Meeting

Review updated scenarios

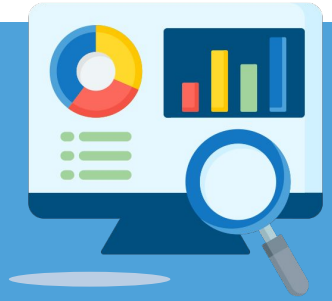
- Modeling - Updated school closure information

NOV 17

Regular Board Meeting

Continued discussion

- *Tentative* — Board comes to consensus on scenario



Find October meeting summaries, updated scenarios, and more:

district65.net/sdrp

Thank you