Financial Projection Assumptions

Five-year planning framework | Base forecast and proposed reduction scenario

Purpose and scope

The base forecast projects financial results without additional intervention. The proposed scenario applies the revenue improvements, spending reductions and investments listed in this document. These are planning assumptions and estimates, rather than adopted program or staffing decisions.

Revenue assumptions

Revenue source	Assumption used in both scenarios
Property taxes: new property	$8 million in new property each year.
Property taxes: assessed value	Equalized assessed value (EAV) increases 10% in each triennial reassessment year and 0% in other years.
Property taxes: inflation	Consumer Price Index (CPI) growth of 2.7% for levy year 2026 and 3.0% in subsequent levy years.
Corporate personal property replacement taxes (CPPRT)	Held at FY27 budgeted levels.
Interest income	Held at FY27 budgeted levels.
Other fees	Base forecast held at FY27 budgeted levels; proposed increases shown on page 3.
State revenues	Held at FY27 budgeted levels.
Medicaid reimbursement	Base forecast held at FY27 budgeted levels; proposed increases shown on page 3.
Other federal revenues	Held at FY27 budgeted levels.

Compensation & Cost Growth

Annual growth assumptions underlying the five-year forecast

Cost category	Forecast assumption
Teachers and other certified staff	Annual 2.27% base increase, 2.85% step increase and $800,000 for lane changes. Current District Educators' Council (DEC) contract terms are assumed to continue beyond FY28 in both scenarios.
Classified staff	Annual aggregate increase of 3.82%: 5.45% average for Evanston Teachers' Assistants Association (ETAA) staff and 3% for other classified staff.
Administration and central office	Annual increase of 3%, aligned with assumed CPI growth.
Substitutes	3% increase every other year: FY28, FY30 and FY32.
Supplemental pay	Base forecast: annual increase of 2.27% for overtime and stipends. Proposed overtime reductions appear on page 3.
Custodial, buildings and grounds, and transportation staff	Annual increase of 3%, aligned with assumed CPI growth.
Staffing levels	Base forecast holds staffing at FY27 budgeted levels. Proposed staffing and program changes appear on page 3.
Retirement benefits	Annual increase of 6%. Proposed scenario also assumes no future salary increases above 6% for Teachers' Retirement System (TRS) purposes to avoid penalties, with savings shown on page 3.
Health and dental benefits	Base forecast: annual increase of 12%. Proposed scenario includes plan redesign savings shown on page 3.
Other benefits	0.3% of total compensation in both scenarios.
Purchased services and technology	Base forecast: annual increase of 5% in the Education Fund and for technology; 3% for Operations and Maintenance (O&M;) purchased services.
Transportation and agency staffing	Base forecast: annual increase of 5% for transportation and special education agency staffing.
Outplaced tuition, curriculum and capital projects	Base forecast holds spending at FY27 budgeted levels.

Proposed Revenue & Staffing Changes

Recurring annual changes relative to the base forecast

Amounts shown in FY29 are additional to the recurring changes introduced in FY28. Staffing counts are estimates from the scenario.

Revenue improvement	Begins FY28	Additional in FY29
Other fees	$150,000	$50,000
Medicaid reimbursement	$1,180,000	$200,000

Staffing, programs and benefits

Proposed change	Begins FY28	Additional in FY29
General education certified staffing Estimated reduction of 56 staff	$4,648,000	-
Special education certified staffing Estimated reduction of 19 staff in total	$1,625,000	$1,020,000
Classified staffing Estimated reduction of 40 staff	$2,120,000	-
Administration and central office Estimated reduction of 6 staff	$540,000	-
School consolidation Closure of two schools	$3,000,000	-
School-Aged Child Care (SACC) Program elimination	$400,000	-
Head Start Program elimination	$1,500,000	-
Supplemental pay Reduced overtime	$300,000	$100,000
Retirement benefits Avoidance of TRS penalties	$135,000	-
Health and dental benefits Healthcare plan redesign	$1,800,000	-

Proposed Service Changes & Investments

Recurring annual changes relative to the base forecast

Purchased services and other efficiencies

Proposed savings	Begins FY28	Additional in FY29
General purchased services Reduced use of contracted services	$1,000,000	$250,000
Technology Reduced purchases	$350,000	$150,000
Special education transportation Rebid transportation services	-	$300,000
Other transportation Route consolidation and operating efficiencies; savings partially offset by transportation costs associated with two school closures	$2,200,000	$300,000
Special education outplaced tuition Placement efficiencies	$300,000	$200,000
Special education agency staffing Bring positions in-house and reduce agency reliance	$300,000	$200,000
Federal Title funding Increase use of available federal funding	$120,000	-

Additional recurring investments

Proposed investment	Begins FY28	Additional in FY29
Curriculum New instructional materials	$1,000,000	-
Capital projects Improved maintenance of district buildings	$4,000,000	$1,000,000

Reading the scenario

Recurring changes continue in subsequent forecast years. Revenue improvements and spending reductions support the financial plan; the curriculum and capital investments increase spending. All figures reflect the assumptions in the source scenario.