A Comprehensive Solution to the Structural Deficit

Committee Meeting Update

November 9, 2026

EVANSTON/SKOKIE
SCHOOL DISTRICT 65

Every Child, Every Day, Whatever it Takes



These decisions are deeply painful but building a stronger, more stable future for our students requires difficult choices today.

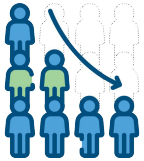
Our footprint is meant for a much larger enrollment



66%

SCHOOL BUILDING OCCUPANCY

66%	34%
OCCUPIED	AVAILABLE



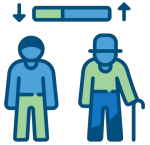
5,791 PreK-8 Students

Currently serving the lowest student enrollment in decades



16 school buildings

within 8.9 square miles



Decreasing # of Youth

2020 Census indicates a decreasing # of youth under 13



The District we operate today was built for a significantly higher enrollment and a fundamentally different financial reality.

Facilities



76 Years Old
(average building age including Foster Elementary School)



3 of 16 Buildings Rated as 'Good' on Facility Condition Index
Remainder of buildings range from 'Fair' to 'Consider Replacement'



$598 Million
in recommended facility repairs/improvements over 50 years

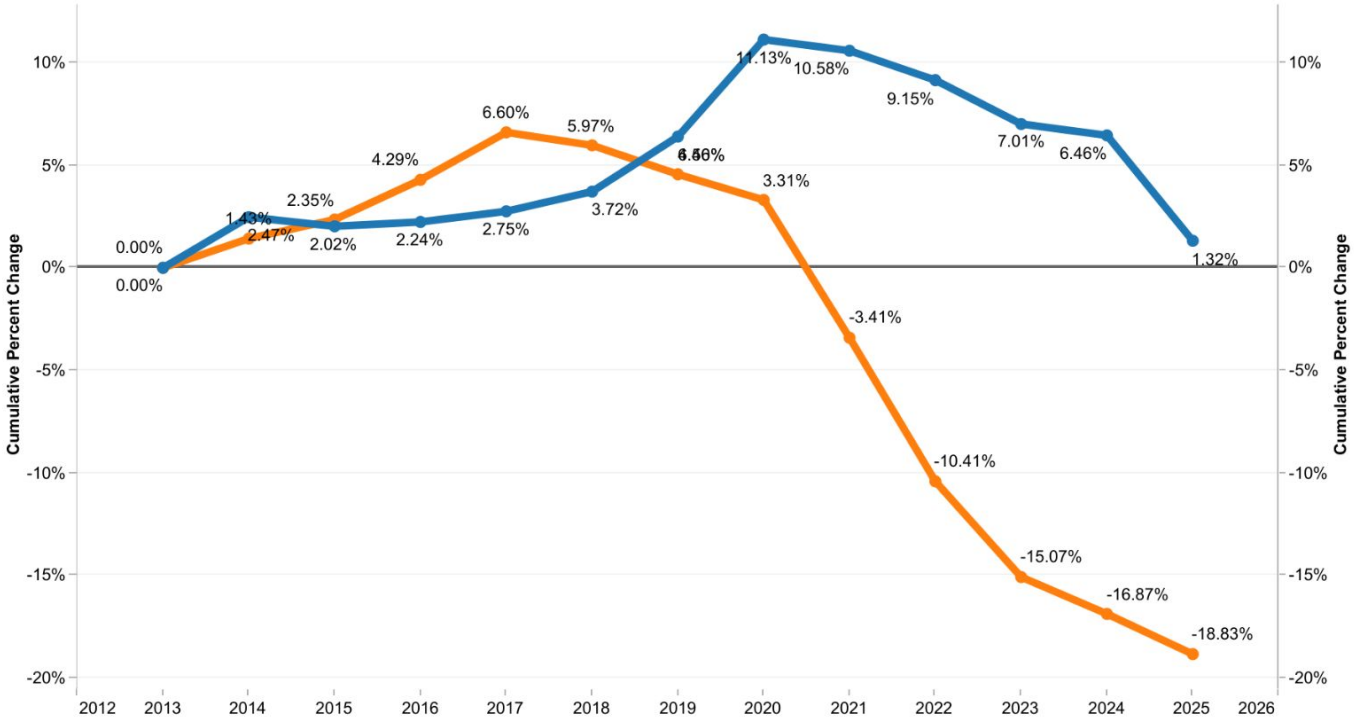


$2.7 Million
Current capital expenditure target
(recommendation is $20m annually)

With declining enrollment and aging facilities,

we must better align our resources to **prioritize student programming** , **services** , and **investments in** modern, welcoming **schools.**

Our people are our greatest investment



With nearly 75% of our budget dedicated to staffing, our staffing structure must evolve as student enrollment changes.

- Student Enrollment
- Staff FTE

NOTE: In Illinois, staffing increased 3.3% from 2019 to 2022 while student enrollment declined 4.7%

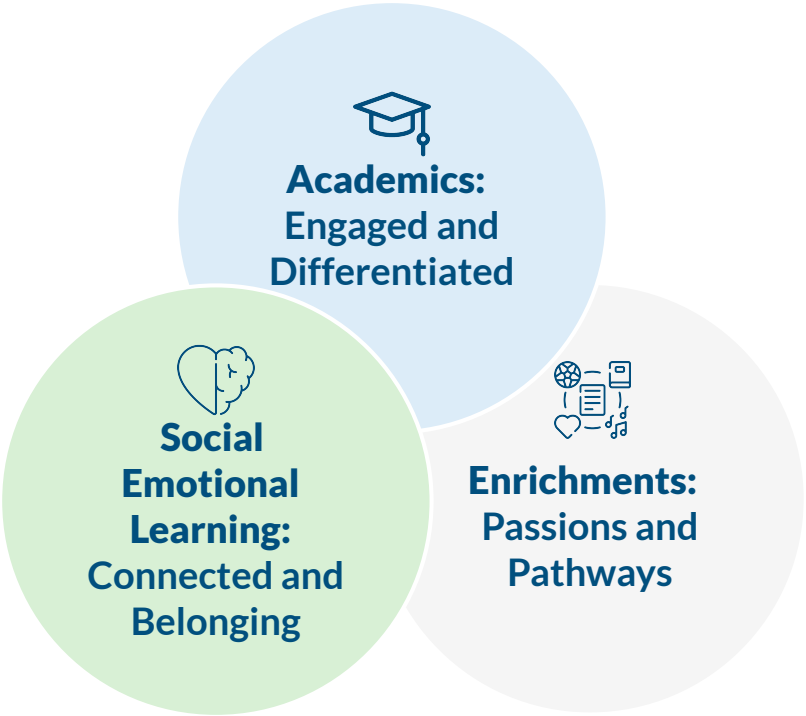
Educational & Financial Tradeoffs: Decision-Making

Our Commitment to the Whole Child

Enriching the daily lived experiences of our learners through vibrant learning communities where students are engaged, empowered and expressive resulting in an exceptional K-8 educational experience.

Our Challenge

Reduce spending by approximately $20 million resulting in a foundation that will support the achievement of our focus.



It's Time to Move Beyond Uncertainty

Prolonged uncertainty is taking a toll on our people and our ability to move forward.



The Reality:
Where We Are

- Declining enrollment
- Staff departures
- Staff morale at an all time low
- Years of difficult decisions
- Limited ability to focus on the future given prolonged uncertainty



What's Possible:
Where We Want To Go

Vibrant classrooms where students are engaged, empowered and expressive.



What We Need To Move Forward

Stability – Trust – Connection

and the **ability** to focus on co-designing an academic vision

A Plan that Moves Our Vision Forward

ACADEMIC EXCELLENCE & OPPORTUNITY

High-quality, engaging instruction with rich opportunities for educational programming, enrichment, and acceleration

MODERNIZED SCHOOLS

Focused investments across a sustainable footprint, creating modern, welcoming schools for all students.



INVESTING IN STUDENTS

More effective use of district resources, with greater capacity and investment toward student learning experiences

STRONG, COLLABORATIVE TEAMS

Greater staffing and scheduling flexibility, creating more opportunities for educators to collaborate and strengthen student support.

A MORE CONNECTED COMMUNITY

Tap into Evanston's deep community expertise and resources to strengthen support for students and families

Our Core Mission

Exceptional K–8 education for every student.

LASTING STABILITY

Greater financial, organizational, and educational stability, creating a more efficient and sustainable school district

Financial Update

Our Vision for the Future Requires a Financial Reset

Incremental cuts and short-term budget fixes have not changed our financial trajectory.

4 YEARS
of deficit budgets

$30M (or 45%)
Drawn from fund balance to cover expenses

~$26M
In expenditure reductions already made

Projected FY27 operating deficit

The Cost We Cannot Measure

The cumulative toll of years of uncertainty, repeated reductions, and difficult decisions on our students, staff, families and community.

The numbers tell the story.
We cannot continue down the same path and expect a different outcome.

Corrected Financial Projections:

Capital Correction:

- Reduced erroneous capital expenditures in prior Intervention / Comprehensive Plan Financial Projection.
- Provides additional unrealized capacity of approximately $27,353,000 over a 5-year period.

Foster School Lease Certificate Payments:

- Projections now draw from Operating Funds totaling $3.2M annually, beginning FY27 forward
  - FY27 Preliminary budget assumed Lease Cert payment came from school sale proceeds
  - FY27 Final Budget does not identify funds, nor transfer to Debt Service Fund
  - FY27 continues to trend toward an operating deficit

Updated Financial Projections:

Lowers expenses

- Healthcare: savings now $1.9M, up $400K from the earlier $1.5M estimate.
- SACC updated agreement $268K lower & SACC fee increase assumption of 12% for FY28 about +$180K a year

Raises expenses

- School closures: Net savings of $2.3M in year one, before the added transportation. Transportation: +$300K. This assumes the Ridge hazard is eliminated and ridership stays at the current rate.
- Transportation rebid: −$560K. The assumed rebid savings have been removed as target

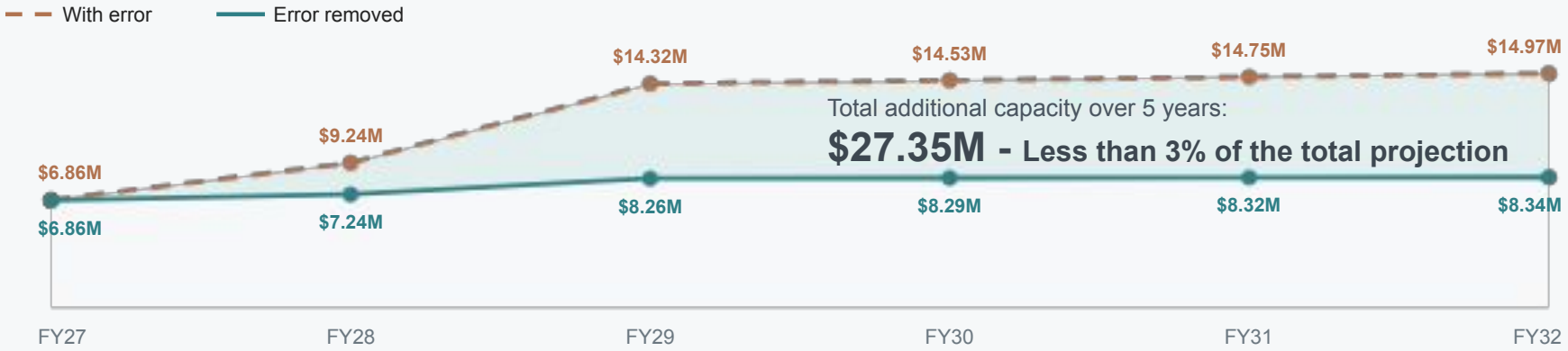
Shifts timing only

- Head Start transition moved to FY29: $2M of savings moves out of FY28. The FY29 amount is unchanged.

Correction of Capital Expenses in Prior Projections

The capital correction lowers annual capital expenditures

Annual capital expenditures (expense lines), with error vs. error removed • FY2027–FY2032



ANNUAL CAPITAL EXPENDITURES ($M)	FY27	FY28	FY29	FY30	FY31	FY32
Routine capital outlay (Fund 20)	0.83	0.84	0.86	0.89	0.92	0.94
Transfers to capital projects (Fund 64)	6.03	6.40	7.40	7.40	7.40	7.40
Capital expenditures, error removed	**6.86**	**7.24**	**8.26**	**8.29**	**8.32**	**8.34**
Counted twice in error	**–**	**2.00**	**6.06**	**6.24**	**6.43**	**6.62**
Capital expenditures, with error	**6.86**	**9.24**	**14.32**	**14.53**	**14.75**	**14.97**

Source: district-supplied capital spending table (total capital outlay), from the original (9/3) intervention projection. The amounts counted twice total $27,352,780 from FY28 to FY32: $2,000,000; $6,060,000; $6,241,800; $6,429,054; and $6,621,926. Excludes Foster School lease certificate payments ($3.23M a year), which the correction does not change. Figures may not sum exactly because of rounding.

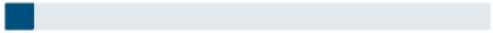
Why the Proposal Doesn't Change

The goal: right-size the district for current enrollment by FY28, cut recurring costs, and slow expense growth to improve cash flow and achieve **financial stability.**

CAPITAL CORRECTION

$27.4M

The capital correction adds about **$27.4M** in **projected capacity** over five years, equal to **5.5% of the $500M+ 20-year capital plan.**



5.5% $500M+ capital plan

OPERATING FUND BALANCE

25.2% → 11.5%



Under updated assumptions, operating fund balance peaks at **25.2% in FY29** and falls to 11.5% by FY32, below the **District's 25% policy minimum.**

VS. ORIGINAL FORECAST, FY29

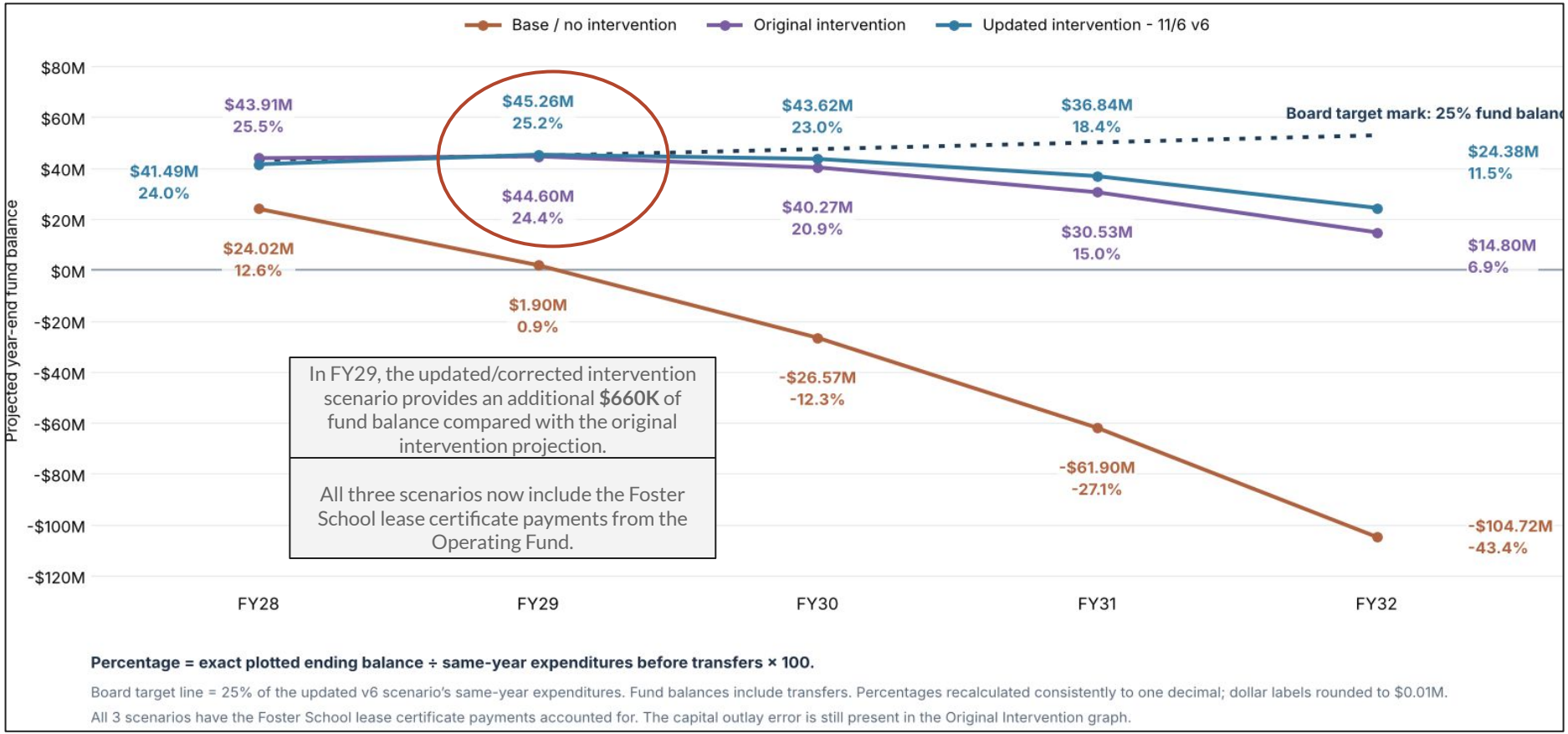
+$660,000

Corrected projections put the district about **$660,000** ahead of the original intervention forecast by the end of FY29, after a lower FY28 balance. The actual FY27 closing balance remains uncertain, and projections now include the Foster School lease certificate payments.

This improvement **adds capacity** and flexibility but **does not change the need for immediate action.** The plan is still needed to address the structural deficit, align recurring costs with available resources, and build lasting financial stability.

See IL ASBO Fund Balance White Paper

Three Scenario Fund Balance Comparison



Percentage = exact plotted ending balance ÷ same-year expenditures before transfers × 100.

Board target line = 25% of the updated v6 scenario's same-year expenditures. Fund balances include transfers. Percentages recalculated consistently to one decimal; dollar labels rounded to $0.01M.

All 3 scenarios have the Foster School lease certificate payments accounted for. The capital outlay error is still present in the Original Intervention graph.

School Closure Estimated Net Savings

Lincolnwood and Dewey, estimated annual savings

Annual estimate	Lincolnwood	Dewey	Combined
Gross savings, all closure line items	**$1,416,954**	**$1,480,065**	**$2,897,019**
Less building costs retained after closure			
Insurance	($211,343)	($217,059)	($428,402)
Utilities	($30,923)	($41,160)	($72,083)
Phone, network and security	($7,647)	($8,338)	($15,985)
Building checks and grounds	($10,000)	($10,000)	($20,000)
Miscellaneous	($20,000)	($20,000)	($40,000)
Maintenance and waste removal	—	—	—
Total retained costs	**($279,913)**	**($296,557)**	**($576,470)**
Savings before added costs	**$1,137,041**	**$1,183,508**	**$2,320,549**
Less added annual transportation	($150,000)	($150,000)	($300,000)
Net annual closure savings	**$987,041**	**$1,033,508**	**$2,020,549**

Additional transport costs assume current ridership / elimination of Ridge Hazard

$2.02M
Net annual closure savings after retained costs and added transportation

+

~$1.0M
Additional staffing savings the consolidation allows (estimate)

=

~$3.0M
Estimated total annual impact, including transportation and staffing

Retained costs reflect the two buildings while they are held after closure. The $1.0M staffing figure is a preliminary estimate; $2,020,549 + $1,000,000 = $3,020,549.

District 65 Historic Healthcare Trends

FY27 15.2%-16.4% Health Premium increases

September 2026 Co-Op trend was approx. 11.6%; Future years uncertain

HMO · EVANSTON/SKOKIE SD 65 · 2026–2027

108.7% → 16.4%

loss ratio — rate increase

Evanston/Skokie SD 65 vs. EBC average · loss ratio and resulting rate adjustment

	PPO		HMO	
Plan year	EBC average	Evanston/Skokie SD 65	EBC average	Evanston/Skokie SD 65
2026–2027	109.0% → 16.2%	99.9% → **15.2%**	105.7% → 16.4%	108.7% → **16.4%**
2025–2026	104.1% → 6.9%	81.0% → **3.9%**	103.7% → 5.2%	104.0% → **5.2%**
2024–2025	103.7% → 7.3%	100.2% → **7.3%**	101.2% → 8.8%	110.2% → **9.8%**
2023–2024	108.2% → 10.4%	100.5% → **9.4%**	102.3% → 7.5%	111.8% → **8.5%**
2022–2023	103.3% → 7.5%	101.8% → **7.5%**	99.5% → 9.7%	105.5% → **10.7%**
2021–2022	92.3% → −0.1%	99.2% → **0.9%**	90.2% → −2.9%	97.1% → **−1.9%**
2020–2021	98.9% → 5.7%	104.6% → **6.7%**	93.9% → 4.3%	108.9% → **6.3%**
Average	102.8% → **7.7%**	98.2% → **7.3%**	99.5% → **7.0%**	106.6% → **7.9%**

Transportation Savings FY28/29 - $1.54M Target

Savings category	Proposal target	Confidence	Evidence and assumption status
Adjust Preschool For All	$700,000	Verified basis, estimated amount	**Verified $700K FY28 rate;** eliminate approx. 6 routes, additional aides.
Rebid / routing	$0	Target	Consultant to carry out study and assist in re-bidding
Review aide assignments	$225,000	Estimate	**Verified $200K.** Removal of 5 aides from the identified pool. Potentially up to 3 additional special ed further reduced. Dedicated 16 retained
End Head Start transportation	$550,000	Estimate	**Verified.$500K+**, Start FY29. District funding share.
End driver attendance bonus	$200,000	Verified basis, estimated amount	$18k–$20k monthly × 10 months.
Required summer services only	$165,000	Verified basis, estimated amount	FY28 repricing
Additional Closure Routes	($300,000)	Estimate	Assumes current ridership no Ridge hazard. With hazard adds cost of $200K

$1.47M Documented with current ridership and no Ridge hazard.. Full ridership reduces savings to $1.10M. Keeping the Ridge hazard reduces them by another $0.2M, to $0.90M.

Increased Investment: Capital Projects & Teaching/Learning

The District must increased annual investments in both Capital/Health Life Safety Projects and Teaching and Learning: Additional annual expense of $5.5M.

Annual Investment

Capital / Life Safety Projects

$4.7M

Annual Investment

Teaching & Learning

$800K



Necessary dedicated funding: allocations will remain flexible and based on long terms planning.

Achieving Stability through a Comprehensive Approach

Category	Potential Savings
Staffing and Compensation	$11,808,000
District Footprint	$2,320,000*
Non-Mandated Programs	$1,500,000
Other Purchased Services	$2,370,000
Transportation	$1,540,000
Subtotal Potential Savings	**$19,538,000**
Additional Revenue	$645,000
Annual Capital and Teach/Learn Investment	-$5,500,000
FY28-29 Net Total Potential Savings	**$14,683,000**
Implementation Costs (one time cost)	-$1,000,000

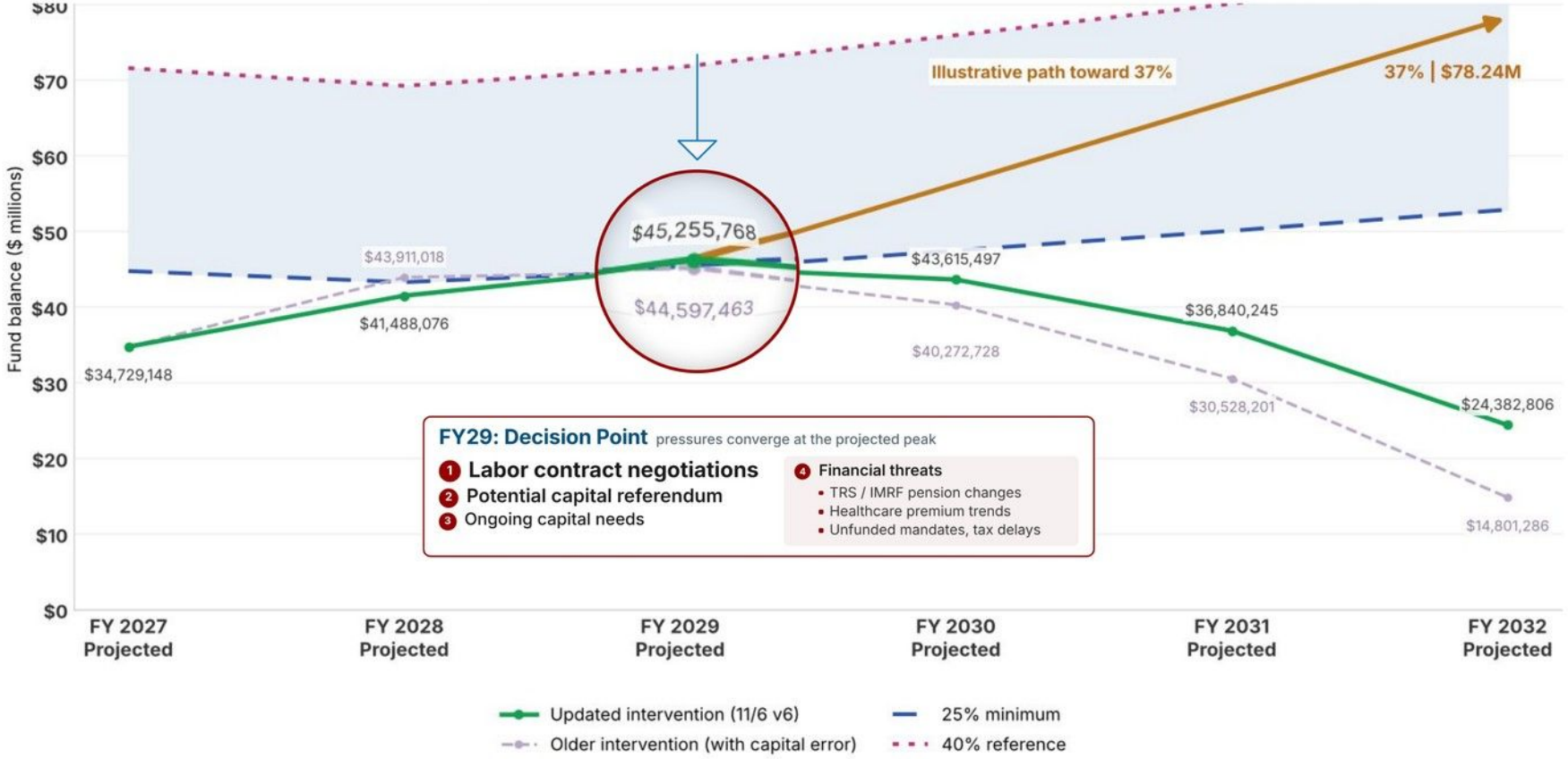
*Footprint savings does not include transportation added costs

- This package resets our expense base to address the structural deficit, align spending with peer districts, and eliminate non-essential costs.
- Maintain ongoing budget discipline to align revenues and expenditures, control cost growth, and manage recurring expenses.

A NOTE ON IMPLEMENTATION

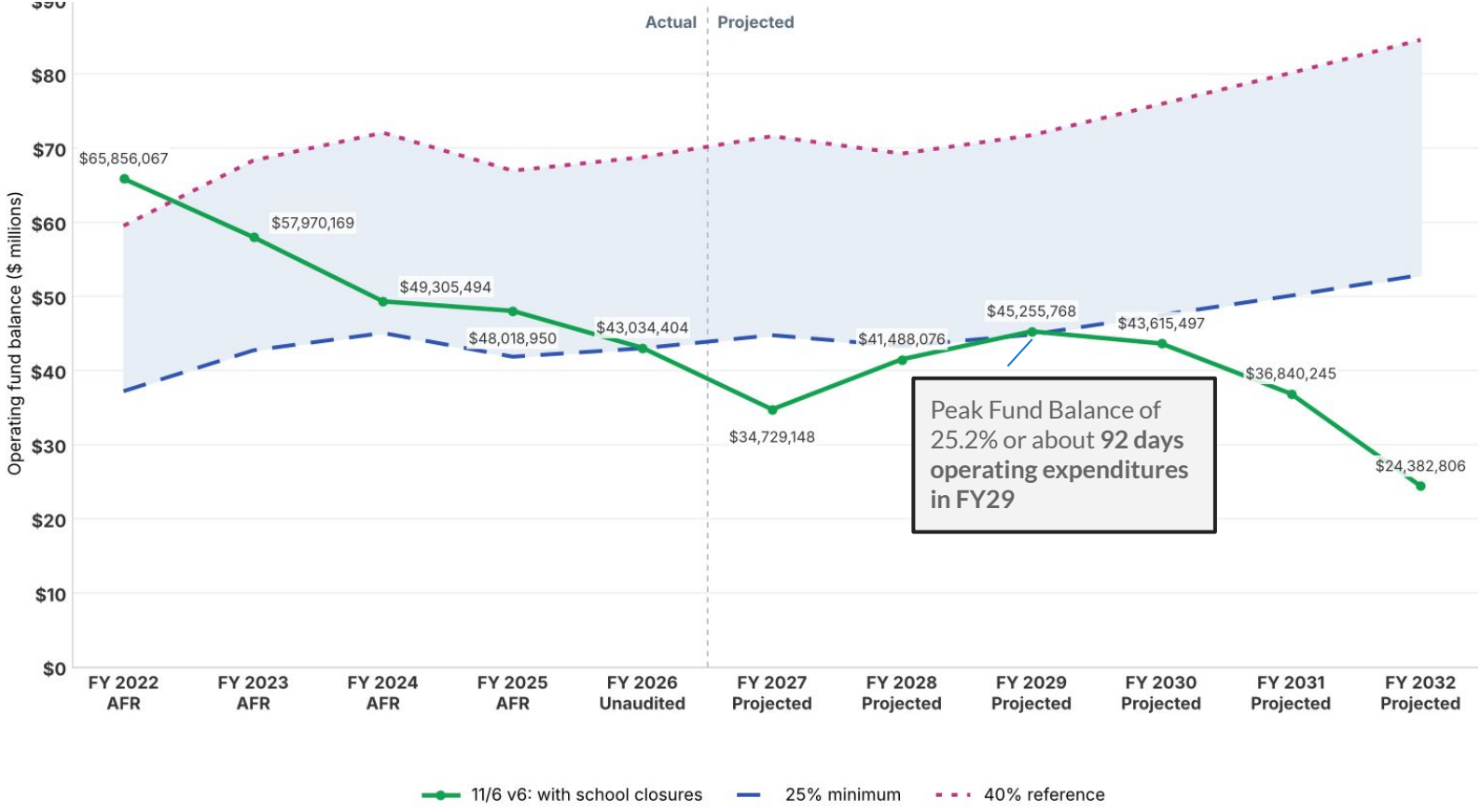
We believe many of these items can be addressed prior to the July 1, 2027 implementation. The District will continue to engage in the REIA to quantify and document the work as part of the operationalization of the approved scenario.

Updated 5 Year Projection: What is the focus?

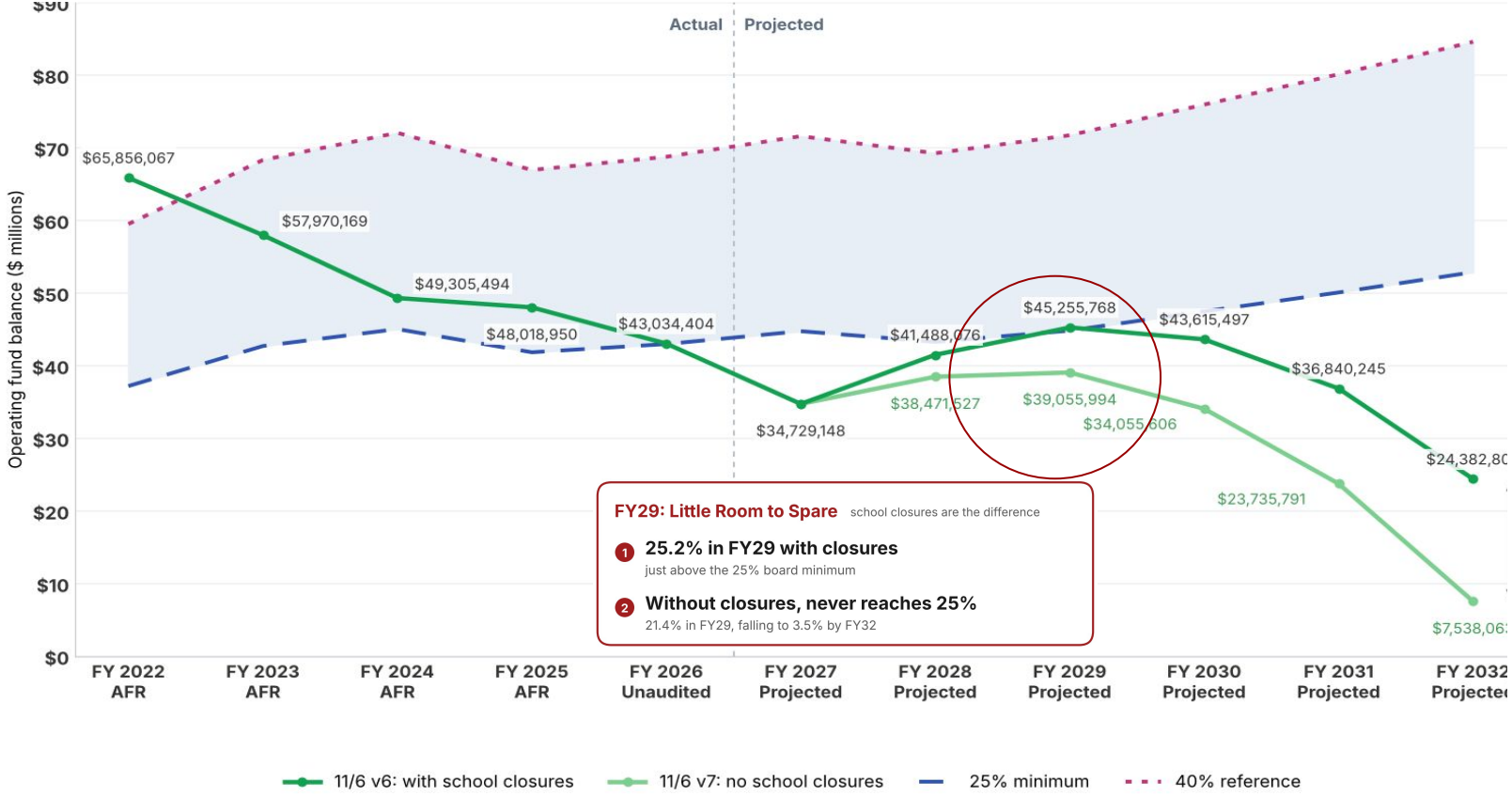


25% minimum and 40% reference = share of the updated v6 scenario's same-year expenditures. Both scenarios include the Foster School lease certificate payments. The capital outlay error is still present in the older intervention.

FY22-32 Financial Projection - Fund Balance



FY22-32 Financial Projection: With & Without Closures



Operating funds = Educational, O&M, Transportation, IMRF/SS, Working Cash and Tort. 25% minimum and 40% reference = share of each year's total expenditures (FY27 to FY32 use v6); same lines for both scenarios. FY22 to FY25 are audited (AFR); FY26 is unaudited. FY27 is the same in both scenarios and includes the Foster School lease certificate payments. v7 removes the school closures from the 11/6 v6 projection.

Proposed Attendance Boundaries

Rightsizing Towards a Stronger, More Sustainable D65



Preserve Student Foundations

Preserving key roles and programming within the K-8 student day with a focus on students academic and social emotional growth.



Create Capacity

Align staffing, resources, and facilities with today's enrollment and student needs.



Build for the Future

Establish a cohesive, long-term academic vision across our schools co-designed by educators, leaders, families, and students.

Rightsizing is about more than reducing costs. It creates the stability and capacity to protect essential student supports, invest in stronger classrooms, and build the educational future our students deserve.

How We Develop Attendance Boundaries

OUR FOUR PRIORITIES

1. **Keep Students Close to Home**
   Minimize travel distances and prioritize safe, walkable routes to school.

2. **Reduce Transportation Needs**
   Limit the number of students who require busing because of distance or safety hazards.

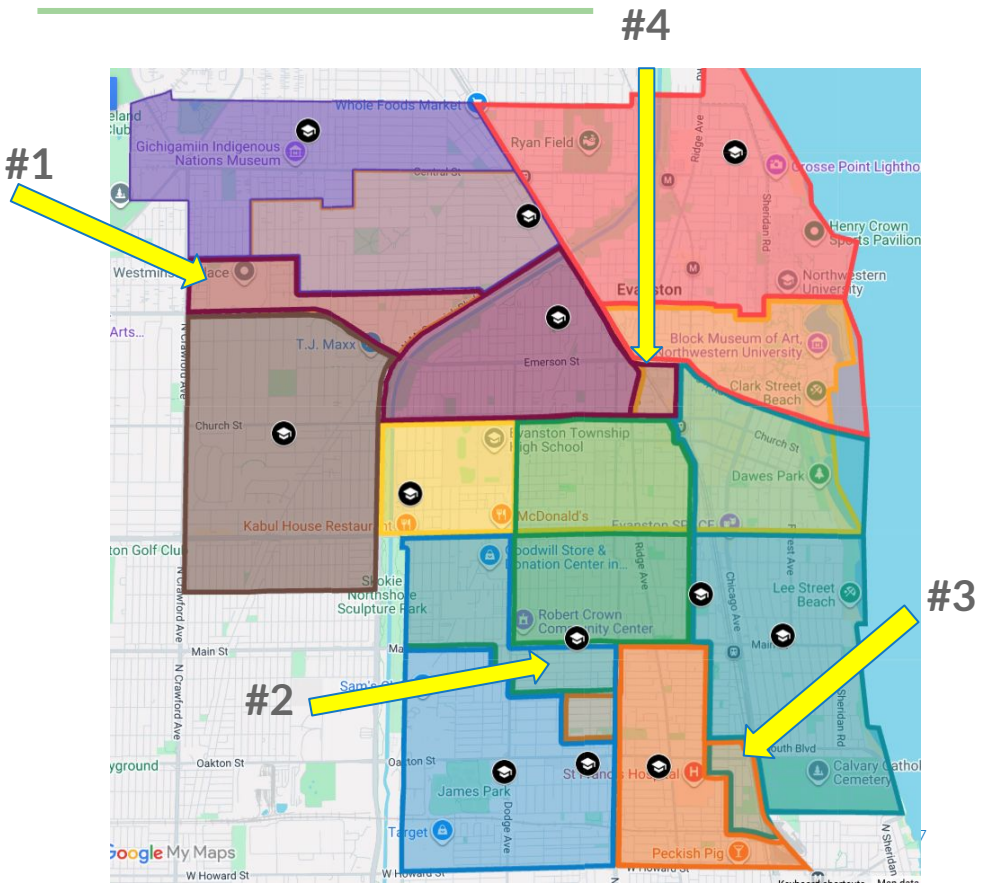
3. **Balance Enrollment Across Schools**
   Make the best use of our buildings, targeting 75–90% capacity to support strong, sustainable school communities.

4. **Minimize Disruption for Families**
   Avoid unnecessary boundary changes, particularly for students and families already impacted by school transitions.



Attendance boundaries involve more than drawing lines on a map. We work to balance student and family needs with responsible, long-term planning for our schools.

Our Challenges



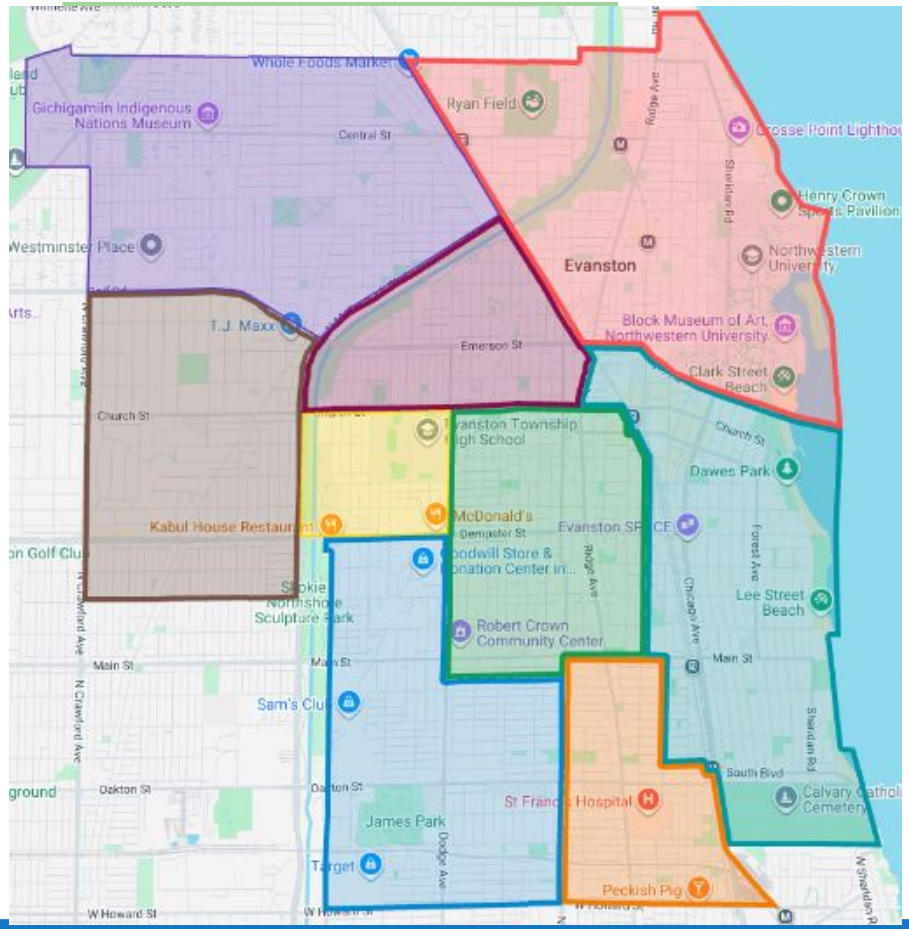
Issue #1: The Isthmus

Issue #2: Houses South of Main/Washington

Issue #3: Lincoln/Oakton

Issue #4: Dewey/Foster

Revised Boundaries - November 6 Proposed Boundaries



Shifts:

- **Issue #1:** Moves all students who live in the current Lincolnwood boundary and attend Lincolnwood into Willard unless they are a STEP student. **Partially Addressed**
- **Issue #2:** Moves the southern boundary of Washington from Main to Washington. **Partially Addressed**
- **Issue #3: Not Addressed** Current boundary aligns to placing students in schools closer to home.
- **Issue #4:** Assigned to Lincoln. **Addressed**

November 6 Proposed Boundaries - Summary

November 6 Boundary Revision

630 (13.1%)
K-8* Students Changing Schools

272 (43.2%)
Marginalized Students Changing

73.5% (K-5)
72.7% (K-8)
Overall Utilization

1,540
Students Eligible for Transportation (K-8)
(maintaining Ridge as a Hazard)

Additional Notes:

- K-5 Range of utilization rates - 61.4% to 97.5%
- Middle School: 62.6% - 86.3%
- # of Students Changing Schools Twice: 76 students

*Note: the above numbers will continue to change until boundaries are finalized. *K-8 including Park and Rice*

Boundary Considerations & Permissive Transfer Priorities

Boundary Considerations

- Lincolnwood STEP to Orrington and Dewey TWI to Lincoln
- Students currently in 6th/7th grades remain at middle schools.
- Students remain in current educational programs (TWI/ACC), specialized programs (RISE/STEP) or magnets.
- Existing permissive transfers are honored unless school closed.
- Lydia Homes/MKV stay in assigned schools

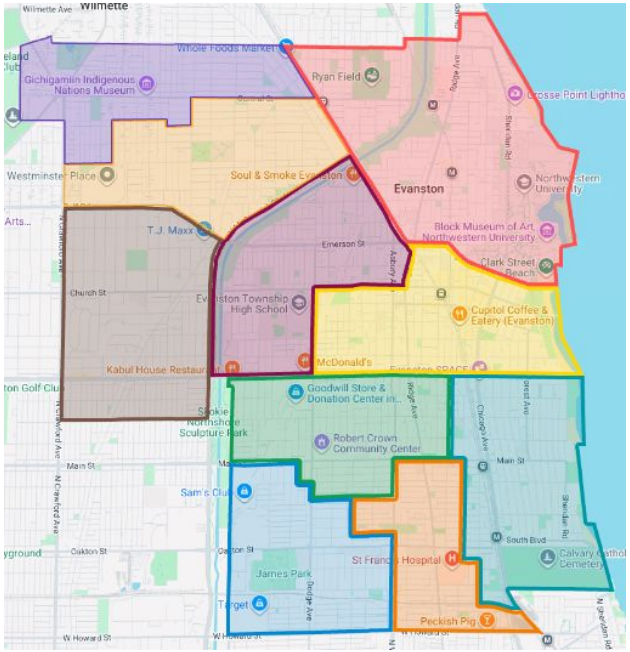
Permissive Transfer Prioritization:

- Twice impacted by closure or boundary change resulting in attending new schools
- Newly impacted by school closure
- Sibling of student previously impacted by school closure
- 4th graders going into 5th grade
- Other students with new assignment due to boundary change
- All others

Board Requested Scenario

King Arts - One School Closure

Board Requested Scenario



Assumptions:

- RISE moves to Dawes and Chute
- King Arts students return to home schools

Additional Considerations:

- Best practice utilizations for middle school programs - 80% - need to decrease Nichols utilization from 96%
- ADA Accessibility at schools receiving RISE students
  - ADA accessibility playground
  - Fully accessible ADA bathrooms throughout the building
  - Classroom bathrooms/changing spaces

RISE is a self-contained, special education program which provides a supportive and rigorous educational experience for students who present with moderate to significant disabilities and require special education instruction for more than 50 percent of the school day.

King Arts - One School

King Arts - One School Closure

443 (9.2%)
K-8* Students Changing Schools

282 (63.7%)
Marginalized Students Changing

66.1% (K-5)
70.6% (K-8)
Overall Utilization

1,262
Students Eligible for Transportation (K-8)
(maintaining Ridge as a Hazard)

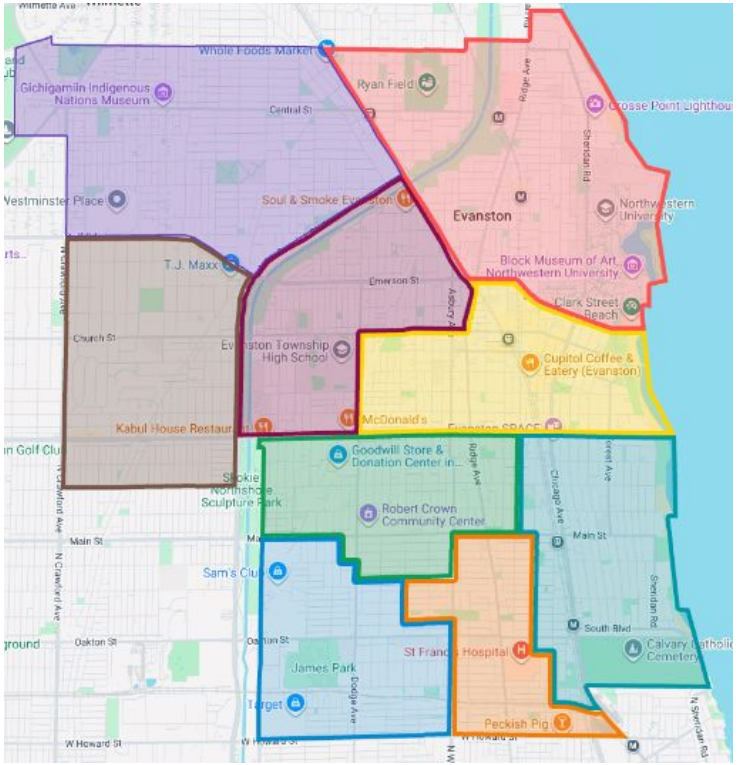
Additional Notes:

- K-5 Range of utilization rates - 52.2% to 81.0%
- Middle School: 68.8% - 96.5%
- # of Students Changing Schools Twice: 49 students
- Eliminating King Arts routes is a approximate reduction of $11,000 per route (6 King Arts routes that are doubled)

*Note: the above numbers will continue to change until boundaries are finalized. *K-8 including Park and Rice*

King Arts - Two School Closure

Board Requested Scenario



Assumptions:

- RISE moves to Dawes and Chute.
- King Arts students return to home schools.

Additional Considerations:

- Best practice utilizations for middle school programs - 80% - need to decrease Nichols utilization from 96%
- ADA Accessibility at schools receiving RISE students
  - ADA accessibility playground
  - Fully accessible ADA bathrooms throughout the building

King Arts - 2 School Closure

King Arts - 2 Schools Closing

721 (15%)
K-8* Students Changing Schools

378 (52.4%)
Marginalized Students Changing

72.8% (K-5)
75.4% (K-8)
Overall Utilization

1,261
Students Eligible for Transportation (K-8)
(maintaining Ridge as a Hazard)

Additional Notes:

High Utilization Rates

- Willard utilization is 99%
- Nichols utilization is 96.4%
- K-5 Range of utilization rates - 51.8% - 99.2%
- Middle School: 68.7% - 96.4%
- # of Students Changing Schools Twice: 107 students
- Eliminating King Arts routes is a approximate reduction of $11,000 per route (6 King Arts routes that are doubled)

*Note: the above numbers will continue to change until boundaries are finalized. *K-8 including Park and Rice*

School Comparison - Marginalized Groups

Current Data	Dewey	Lincolnwood	King Arts
Total Enrollment	314 students	331 students	443 students
% Low Income	35.7%	20.8%	50.3%
% IEP	15.6%	18.7%	27.8%
% EL	13.7%	3.6%	10.6%
Programs	TWI	STEP	RISE Magnet School of America Title 1

Data as of 10/1/26

Option Summary

Category	Lincolnwood and Dewey	King Arts	King Arts and Lincolnwood
Students Changing Schools	630 (13.1%)	443 (9.2%)	721 (15%)
% Marginalized Students Changing	272 (43.2%)	282 (63.7%)	378 (52.4%)
K-5 and K-8 Utilization Rates	73.5% (K-5) 72.7% (K-8)	66.1% (K-5) 70.6% (K-8)	72.8% (K-5) 75.4% (K-8)
Students Moving Twice	76	49	107
Transportation Eligibility (K-8)	1,540	1,262	1,261
Net Recurring Savings	$2,099,000	$1,393,000*	$2,359,000*
Annual Savings Before Added Costs	$2,399,000	$1,393,000	$2,509,000

Transition Planning

01

Transition Advisory Partnership

Form a diverse group of parents, teachers, school leaders, and students, with intentional representation from those who navigated past transitions, to analyze what worked and what didn't and uncover blind spots.

02

January-to-January Roadmap

A full year-long approach to transition support, starting in January and continuing through the entire following fall/winter, ensuring that preparation begins early and support doesn't end on the first day of school in August differentiated by and for stakeholders (Leaders, teachers, families, support staff and students).

03

Qualitative & Quantitative Cohort Data

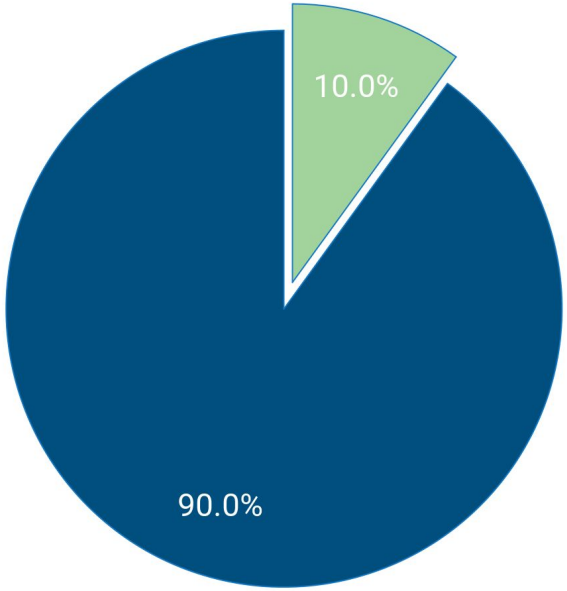
Building on current work that is tracking transition cohorts through both hard data (academic growth, attendance, SEL screeners) and human stories (interviews, narrative feedback, survey trends) to evaluate the true social and academic impact of these moves over time.

04

Responsive Community Support

An open-ended, flexible commitment to add new targeted focuses resources, or specialized interventions as unique needs surface.

What Won't Change: Our Commitment to Students



Total District Budget: ~$200 Million

FY28 Budget Reduction
$20M (10%)
Reset expense base to a sustainable level

All Other District Expenses
$180M (90%)
Staffing, benefits, programs, services, facilities, and other purchased services.

While this is a significant portion of our budget, about

90% remains

Along with the people, programs, and learning experiences that make District 65 special.

Building Our Future Together



- **Intensify** Targeted Intervention & Acceleration
- **Expand** Enrichment Opportunities
- **Cultivate** Distributed and Teacher Leadership
- **Foster** Professional Learning with Job-Embedded Coaching
- **Champion** Innovative Teaching Practices & Partnerships
- **Nurture** Authentic Family & Community Partnerships

By balancing fiscal responsibility with the staffing needed to support high-quality instruction, District 65 is working to ensure every child is engaged, empowered, and expressive.


A stronger foundation today.
A brighter future for our students.
Academic Excellence
Educational Equity
Modern Facilities
EVANSTON/SKOKIE
SCHOOL DISTRICT 65
Every Child, Every Day, Whatever it Takes