



Proposed Spending Cuts and Revenue Enhancement Strategy

Presentation to the
School Board of Trustees

10.21.19

House Enrolled
Act 1315
directed the
Distressed Unit
Appeals Board
to establish
fiscal and
qualitative
indicators

Student enrollment trends

School fund balances

Annual deficit/surplus

Fund balances as % of expenditures

Tuition support vs. gen. fund expenditures per
ADM

Revenue by type

Operating referendum revenue as % of total
revenue

Share of general fund spending tied to salaries/
benefits

Spending Cut Philosophy



We have listened to our community in 18 school-based meetings and 33 community meetings.



We have identified spending cuts that avoid layoffs and protect the education happening within our classrooms.




We have focused on reducing administrative costs and positions.



We propose these cuts occur in three phases--but this is dependent on winning the referendum.

Top spending cut suggestions

1. Redistrict/consolidate schools
2. Four-day week
3. Retirement incentive/buyout
4. Relocate central office/sell building
5. Improve bus maintenance
6. Stagger start times
7. Combine bus routes
8. Reevaluate administrative positions/combine jobs
9. Reduce paper/use technology
10. Maximize building capabilities
11. Utility usage
12. Administrator salary freeze



Phase One:
\$3,765,000


- Administrative costs: \$450,000 total
 - \$20,000 reduction in superintendent compensation
 - 4.75% reduction in top central office administrators' compensation
 - Realignment/absorption of administrative positions due to retirement, including reduction of four administrative positions

Phase One:
\$3,765,000
(continued)

- Alternative Education Transition Plan: \$250,000 (\$500,000 total savings, other half realized in Phase 2)
 - Booker T. Washington High School and Vigo Virtual Success Academy hosts future alternative education programs
 - McLean Education Center staff will not lose their jobs—they will fill open positions
 - McLean repurposed for IT, vacated space potentially used for office space, for-profit daycare, other uses as identified by board

Phase One:
\$3,765,000
(continued)

- Asset-based strategies
 - Eliminate take-home cars (\$5,000)
 - Forego planned purchase of new truck/equipment (\$75,000)
 - Reduce capital projects by \$250,000
- Bus Replacement Plan
 - One year only: extend current replacement timetable and forego purchase next year (\$1,500,000)
- Energy Conservation
 - District-level administrators audit building energy, prepare comparative report (\$200,000)



Phase One:
\$3,765,000
(continued)


- Elementary School Consolidation
 - Create Elementary School Reduction Task Force (teachers, staff, administrators, residents)
 - Consolidation in Phases 2 and 3

While our land-based footprint is larger than our peers, we operate more elementary schools

| School Corporation | K-12 Enrollment | K-5 Enrollment | Students per Elem Building | Elementary School Buildings |
|--------------------|-----------------|----------------|----------------------------|-----------------------------|
| Fort Wayne | 28,488 | 13,735 | 429 | 32 |
| IPS | 25,428 | 14,077 | 282 | 50 |
| Evansville | 21,995 | 10,106 | 389 | 26 |
| Hamilton SE | 21,599 | 9,611 | 565 | 17 |
| South Bend | 16,538 | 7,822 | 489 | 16 |
| Perry Twp | 16,328 | 8,079 | 734 | 11 |
| MSD Wayne | 16,406 | 7,460 | 678 | 11 |
| Carmel Clay | 16,240 | 6,953 | 632 | 11 |
| MSD Lawrence | 15,505 | 6,836 | 621 | 11 |
| Vigo County | 14,341 | 6,880 | 382 | 18 |

Phase One:
\$3,765,000
(continued)

- Personnel Savings
 - Reduce FTEs by \$175,000 (resignation and retirement)
 - Reduce contracted services by \$150,000 (in-house staff completes work)
- Process-based Strategies
 - Textbook accounting accuracy (\$85,000)
 - Lock in fuel/natural gas prices (\$80,000)
 - Paper usage (\$30,000)
 - Improve procurement (\$100,000)
 - Bus route efficiency (\$200,000)
 - Adjust pre-K fees to ensure all costs covered by Title I (\$100,000)



Phase One:
\$3,765,000
(continued)

- Revenue Enhancement
 - Expand Vigo Virtual Success Academy to K-12 for Vigo County Students (\$100,000)
 - Market facility rental options in buildings (\$15,000)



Phase Two: \$1,690,000

- Since Phase 1's bus replacement strategy is meant to be one year only, Phase 2 is intended to cover the costs of reintroducing bus replacement
- Alternative Education Transition Plan savings of \$250,000 realized in this phase (second six months of savings)



Phase Two:
\$1,690,000

- Elementary School Consolidation
 - Consolidate 18 elementary schools into 16
 - Consolidated buildings proposed by task force
 - Vacated space: office space, for-profit daycares, other board-identified uses
 - \$350,000 of 6 month cost savings realized in Phase 2 per school, \$700,000 total



Phase Two: \$1,690,000

- Central Administrative Office Relocation
 - Sale of building used to renovate existing building space into central office and special education office space
 - \$70,000 in utilities
- Personnel-based Strategies
 - Reduction of administrators based on school consolidation (\$170,000 for 6 months/phase 2, full cost savings of \$340,000)

Phase Two: \$1,690,000

- Process-based Strategies
 - Energy consumption reduction (\$100,000)
 - Paper usage (\$10,000)
 - Transportation efficiency (\$100,000)
 - Procurement strategies (\$25,000)
- Revenue Enhancement
 - Launch of International Residency Program (\$200,000 in first year)
 - Expand Vigo Virtual Success Academy beyond Vigo County (\$400,000)
 - Continue to market facility rental options (\$15,000)
 - Expand for-profit daycares: lease space to existing providers and/or run our own

Phase Three: \$1,555,000

- Elementary School Consolidation
 - Second \$350,000 from Phase 2 consolidation
 - Consolidate 16 elementary schools into 15 (\$350,000)
 - Displaced staff fill open positions from retirement/resignations
- Covered Bridge Relocation
 - Upon end of 2021 lease, Covered Bridge moves into VCSC-owned space (\$150,000)



Phase Three: \$1,555,000

- Administrative Costs
 - Reduce administrators through retirement/resignation (\$100,000)
- Process-based Strategies
 - Continued reduction of energy, paper (\$55,000)
 - Continued enhancement of procurement, transportation (\$35,000)



Phase Three: \$1,555,000

- Revenue Enhancement
 - Expansion of International Residency Program (+\$400,000)
 - Growth of Vigo Virtual Success Academy (\$100,000)
 - Continued marketing of facility rentals (\$15,000)
 - Expansion of for-profit daycares
- Other considerations
 - Exploration of alternative energy for school buses and buildings

Summary of Key Spending Cuts

Reduction of administrative costs

- \$20,000 cut for superintendent
- 4.75% salary cut for top central office administrators
- Reduction of administrative positions through retirement/resignation

Elementary school consolidation

- 18 to 16 to 15

Alternative education redesign

One year pause in bus replacement

Scrutiny of every position upon retirement/resignation

Summary of Key Revenue Enhancemen t

Expansion of Vigo Virtual Success Academy

International Exchange Program

For-profit daycare: lease space or VCSC-run

Facility rentals

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