

AGENDA

GOALS

Share our recommendation to address the long-term financial issues facing the Gary Community Schools Corporation

TOPICS

01

Recommendation

10 min

Sub-topics

- + Recommendation and Rationale

02

Evidence Base

10 min

- + Enrollment Trends
- + Current Financial State
- + 5-Year Financial Projections
- + Addressing the Deficit

03

Spring 2024 Priorities

10 min

- + Priorities for Spring 2024
- + Key Takeaways

Recommendation

Allow the new Superintendent and School Board to make a decision about school reconfiguration after they take control of the district and collect additional data on enrollment trends.

Rationale:



This district has implemented **cost-saving measures**, created a rainy-day fund, and stabilized enrollment. GCSC must continue these efforts to ensure financial sustainability.



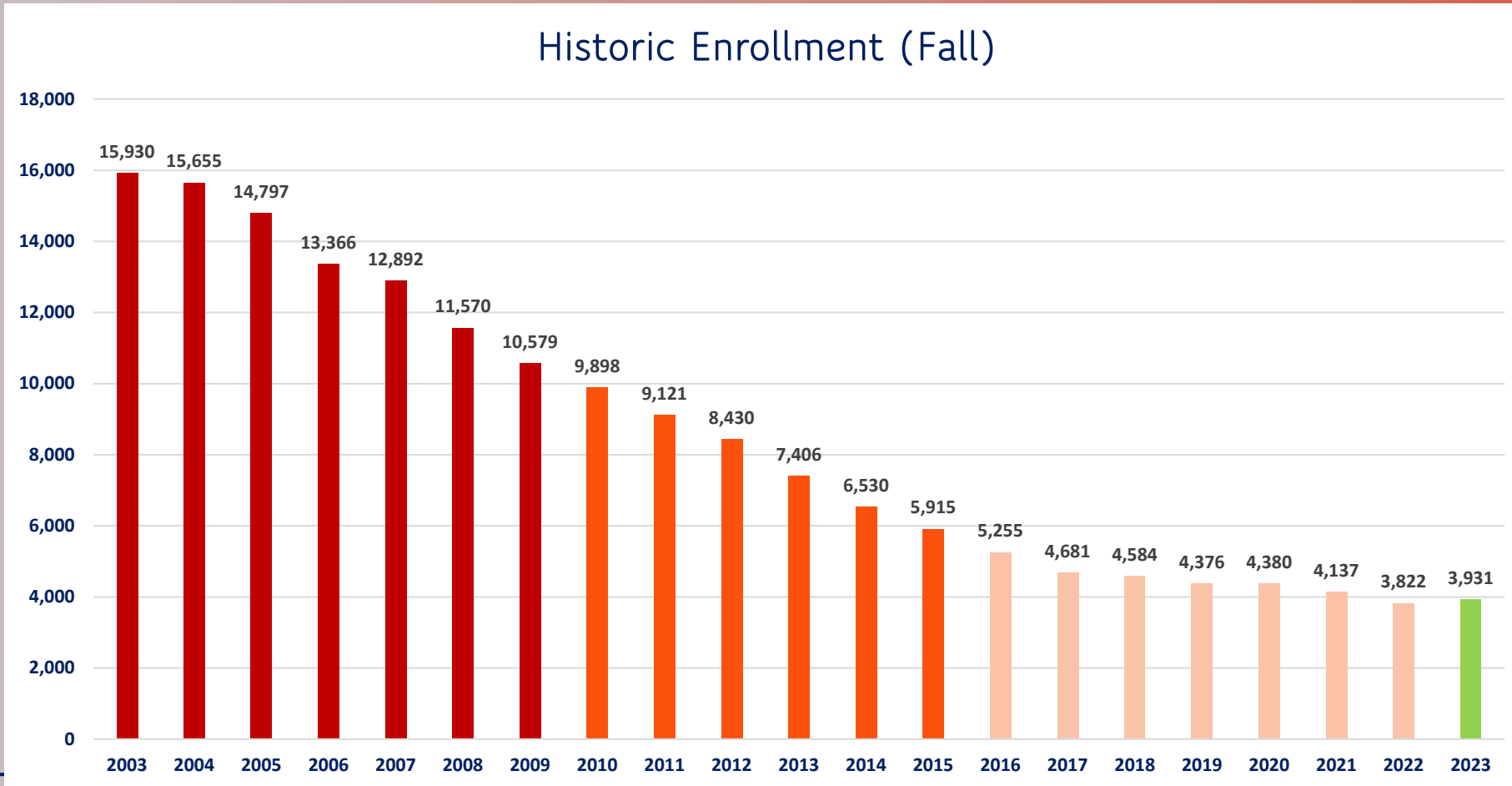
Feedback from the community is clear. The incoming administration and board should have the opportunity to determine the strategic direction of the district, including school configuration and closures.



7-12 consolidation is **still our recommended course of action based on current information.** This reconfiguration has significant academic and operational benefits, and consolidation is a necessary component of long-term financial stability.

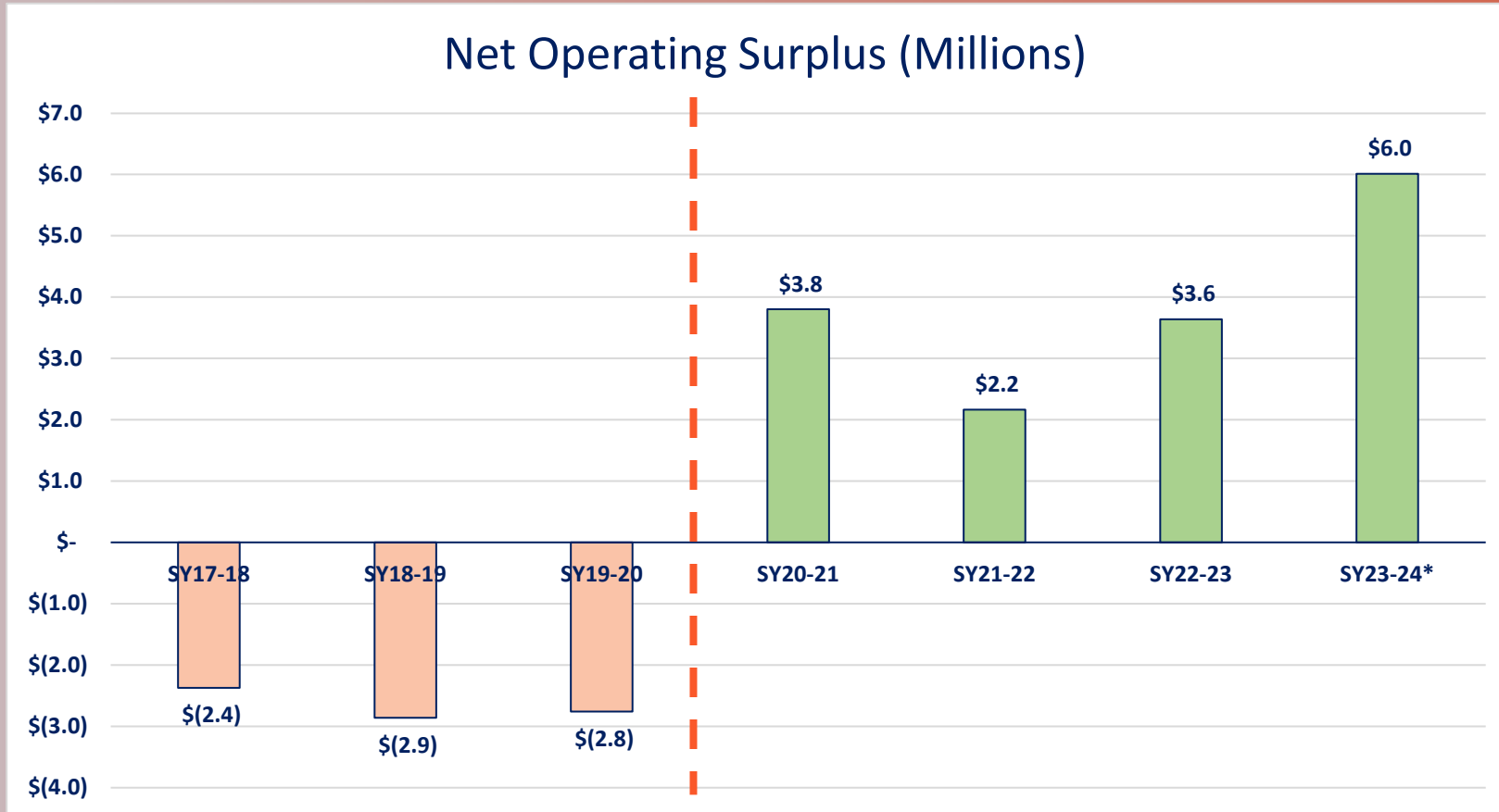
Enrollment Trends

Spring 2024 ADM is currently projected to be 4,052, indicating that enrollment is stabilizing and has begun to increase.



Current Financial State

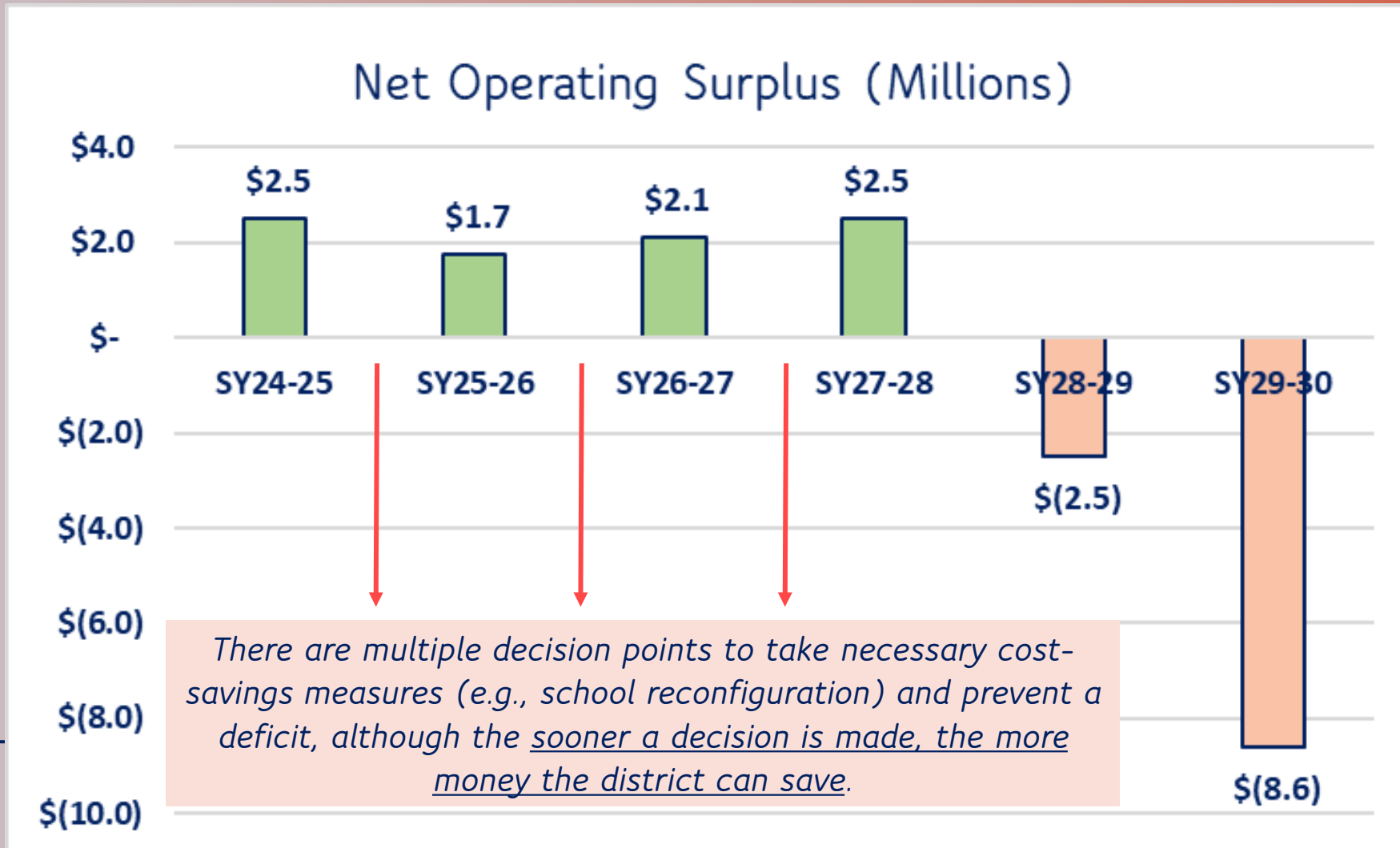
We've been working hard to find efficiencies and cost savings that have helped stabilize GCSC finances, meeting criteria to exit distressed status.



*SY23-24 is based on expected revenues and expenditures while SY17-18 through SY22-23 is based on actuals.

5-Year Financial Projections with Flat Enrollment

Financial projections show that GCSC will begin running a deficit in SY 28-29 assuming flat enrollment and no referendum renewal.



Addressing the Deficit in SY 28-29

There are multiple levers GCSC can utilize in the coming years to alleviate the deficit in SY 28-29 and beyond.

1



Referendum

If the referendum were renewed in 2028, GCSC would end SY 28-29 with an operating surplus of \$791K and remain solvent through SY 33-34.

2



Enrollment

If enrollment increases by 232 students by SY 28-29, we would be able to generate just over \$2.5M in additional revenue, which would create an operating surplus of \$20K.

3

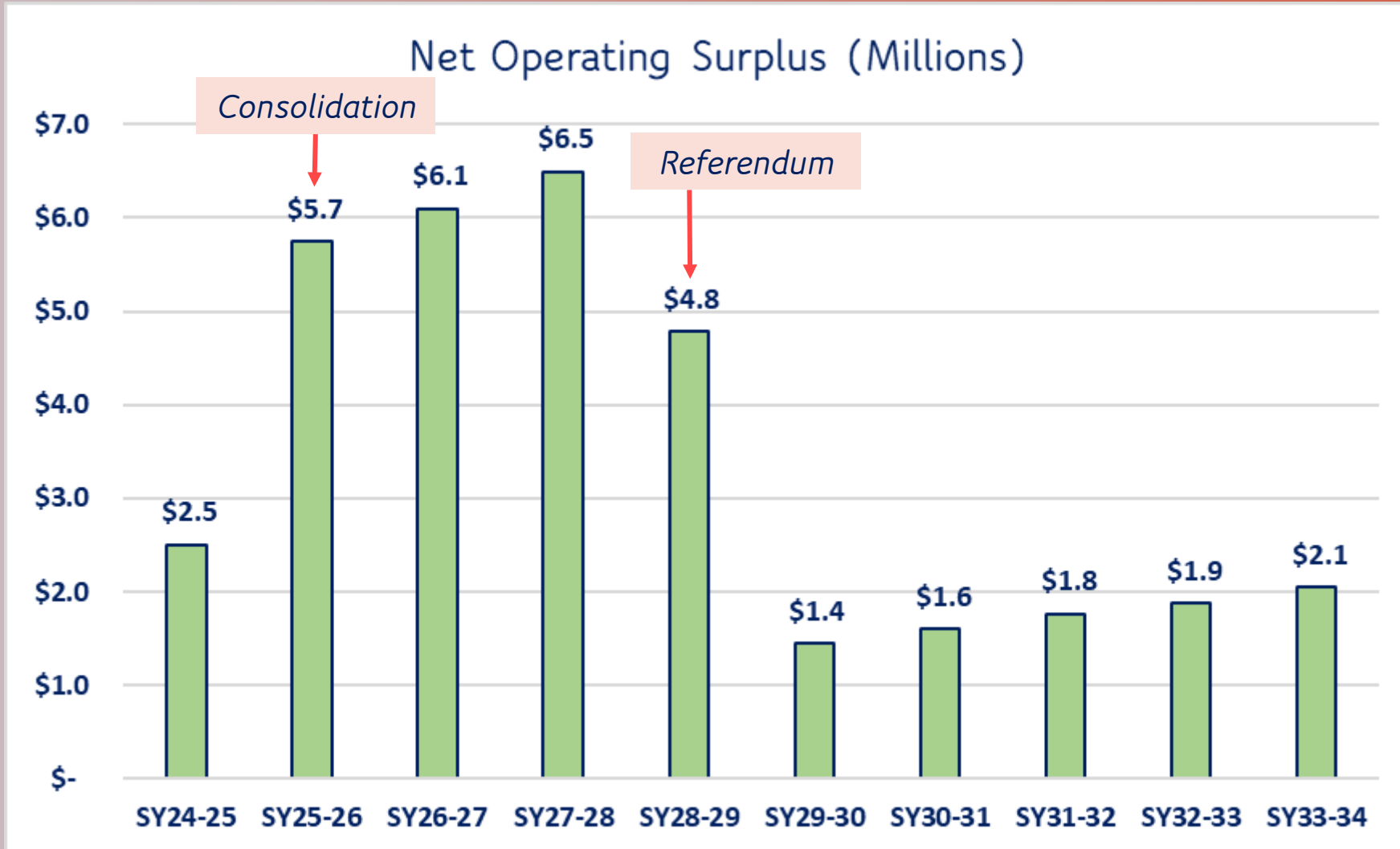


Consolidation

If we close two schools, we'll be able to generate ~\$4M annually in savings, which would create an operating surplus of \$1.5M in SY 28-29.

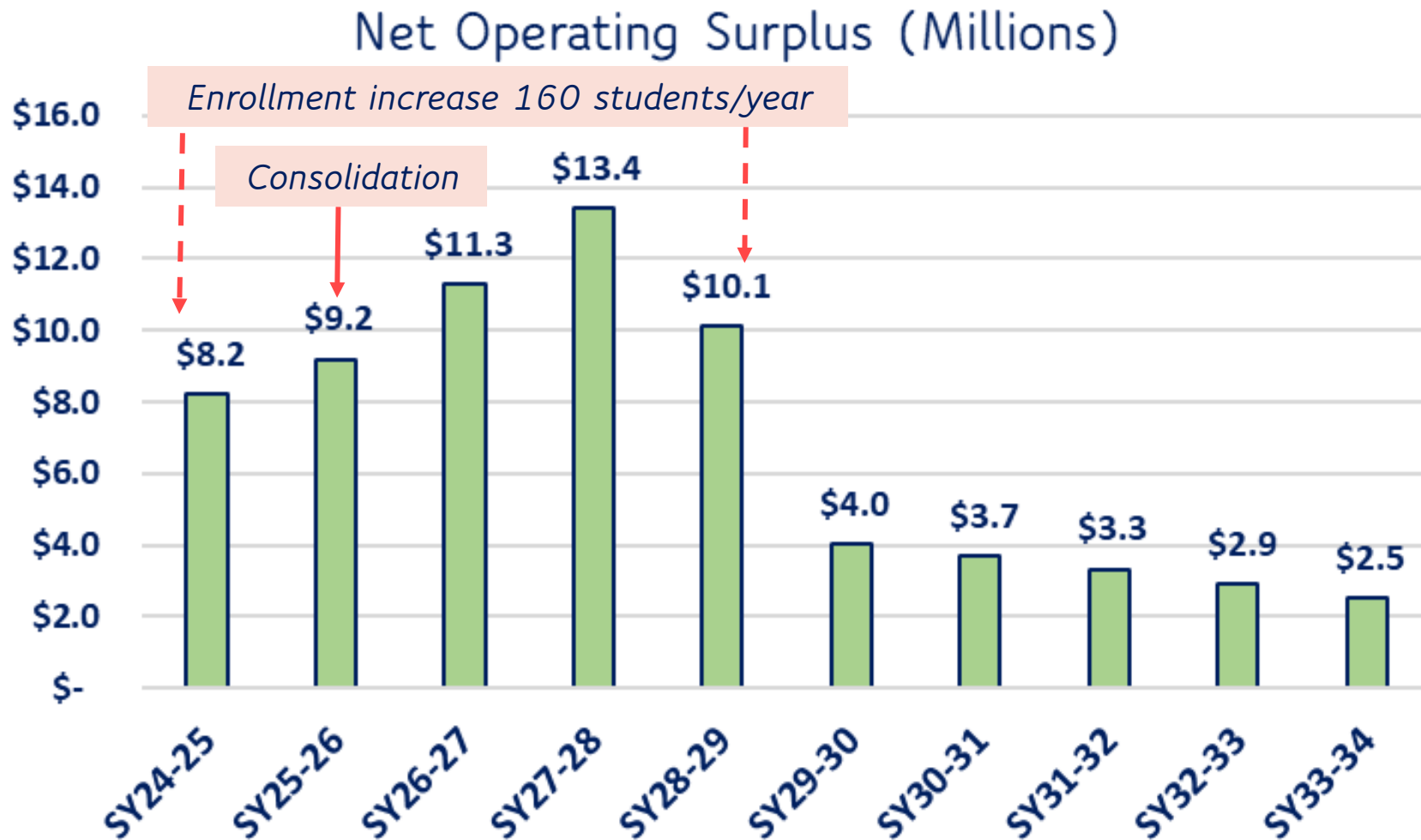
Scenario 1: Consolidation + Referendum

Consolidation in SY 25-26 allows the district to maintain a net operating surplus through SY 28-29, helping address deferred maintenance and capital needs. Referendum renewal in SY 28-29 allows the district to remain solvent through SY 33-34.



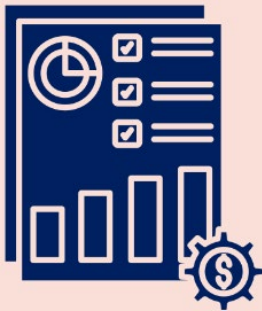
Scenario 2: Consolidation + Enrollment Increase

Consolidation in SY 25-26 alongside an enrollment increase of 160 students per year through SY 28-29 allows the district to maintain a net operation surplus through SY 28-29 and remain solvent through SY 33-34.



Priorities for Spring 2024: Finance

Our goal this Spring is to set the new School Board and Superintendent up for success on Day 1, with potential future reconfiguration in mind.



- Continue to reduce administrative and operational costs to save money over time
- Implement effective budgeting systems and procedures
- Utilize remaining ESSER & 1065 funding with future cost savings in mind;
 - Make necessary facilities upgrades, including West Side
 - Invest in energy and cost-savings initiatives
- Grow operational cash reserves to ensure funds for needed expenses post-2024

Priorities for Spring 2024: Operational

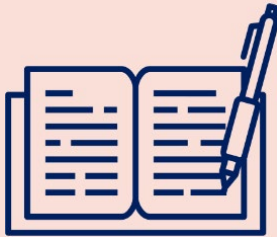
Our goal this Spring is to set the new School Board and Superintendent up for success on Day 1, with potential future reconfiguration in mind.



- Invest in needed upgrades to West Side Leadership Academy
- Ensure that HVAC is fully functional and climate resilient at all elementary schools
- Implement energy-savings initiatives

Priorities for Spring 2024: Academic

Our goal this Spring is to set the new School Board and Superintendent up for success on Day 1, with potential future reconfiguration in mind.



- Deepen implementation of the Science of Reading K-12
- Create and iterate on curriculum & assessment systems utilizing 2023 Indiana Learning Standards
- Create and implement professional development & peer learning structures for teachers and administrators
- Design and launch an innovative teacher recruitment and pipeline strategy
- Implement a high-impact tutoring program and analyze the results for possible expansion
- Implement a Multi-Tiered System of Supports districtwide

Key Takeaways

GCSC's finances are stable for the time being, but **action must be taken for the district to be financially sustainable after SY 28-29.**

- School consolidation is recommended within the next two years.
- Enrollment must remain stable, and any increase will improve the district's financial outlook.
- GCSC should begin garnering community support for a referendum renewal in 2028 by articulating how it aligns with the community's long-term goals for the district.
- The district must continue to identify and **implement operational efficiencies.**