

The Boards of Directors Of  
East Chicago Focus Academy d/b/a Gary Middle College West ("GMC West")  
Gary Middle College, Inc. d/b/a Gary Middle College East ("GMC East")  
Charter School Combination Application  
Presented to Indiana Charter School Board  
May 1, 2021

**Part I. General Information and Narrative:**

1. Existing Schools

**Surviving Charter School**

Organizer/Charter School: East Chicago Focus Academy, Inc. d/b/a Gary Middle College West  
4030 West 5<sup>th</sup> Avenue, Gary IN 46406

Authorizer: Indiana Charter School Board  
James Betley, Executive Director  
jbetley@icsb.in.gov  
317-232-7584

Designated representative: Arlene Colvin, Board Chair  
acolvin@gary.gov  
219-614-5759

Board Members:

Arlene Colvin, chair, 2420 Marshall Place, Gary, IN 46404, phone: 219-614-5759  
Alyce Butler, vice chair, 8411 Hickory Ave., Gary, IN 46403  
Nadine McDowell, treasurer/secretary, 418 Arthur St., Gary, IN 46404  
Arlene Mitchell Pace, member, 5680 Pierce St., Merrillville, IN 46410  
Dana Gore, member, 5920 Roosevelt St., Merrillville, IN 46410  
Theo McClendon, member, 957 Whitcomb St., Gary, IN 46404  
Lisa Edwards, member, 2773 W. 19<sup>th</sup> St., Gary, IN 46404  
Katrina Hudson, member, 1580 State St., Hobart, IN 46342

**Merged Charter School**

Organizer/Charter School: Gary Middle College, Inc. d/b/a Gary Middle College East  
131 E. 5<sup>th</sup> Avenue, Gary IN 46402

Authorizer: Ball State University, Office of Charter Schools  
Dr. Robert Marra, Executive Director  
ramarra@bsu.edu  
317-400-5249

Designated representative: Arlene Colvin, Board Chair  
acolvin@gary.gov  
219-614-5759

Board Members:

Arlene Colvin, chair, 2420 Marshall Place, Gary, IN 46404, phone: 219-614-5759  
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2. Brief Description of Reason for Combination:

The two schools are located 3.5 miles apart on 5<sup>th</sup> Ave (one on the west side of Gary and the other on the east side of Gary), share the same board members, mission, student population, and much of the same staff. Indeed, to the families they serve, they are virtually indistinguishable from one another beyond having two convenient locations for students to attend. Yet, by being two different Local Educational Agencies with two different authorizers, the school incurs duplicative overhead costs in systems such as student information management, insurance costs for two boards and two staffs, two audits, two financial and payroll databases, duplicate academic site licenses, etc. Staff time is also wasted – and taken away from serving students – by having to prepare duplicative compliance reports, twice the number of financial statements, duplicate academic reports – and everything needs to be done twice to two different authorizers. This inefficiency even reaches to the Board level, by requiring two completely different Board meetings for different authorizers to address what is often essentially the same governance and policy issues, resulting in inefficient governance that takes away from the Board’s mission and responsibilities to serve students and parents effectively. By merging the two entities, all of these inefficiencies will be eliminated, resulting in more funds being available for the classroom, and more efficient use of Board and staff time to serve parents and students. Best of all, the merger requires no change in location or staff between either entity, resulting in a seamless change for students and no disruption in service for families.

**Part II: Organizational Structure**

1. Organizational Charts for each charter school and education service provider. (see attached)
2. Current Configuration of both schools, grades offered, enrollment and maximum approved enrollment.

GMC East and GMC West are Indiana’s only “hybrid” 9-12 high schools, serving all ages of youth and adults from traditional high school age as well as the adult learner population. As of fall count, GMC East serves 96 traditional-aged students and 60 adult learners and GMC West serves 64 traditional students and 44 adult learners. Both schools are approved by their respective authorizers to serve a maximum of 200 students each, with 250 of that 400-student-total approved by the state legislature to be adult learners.

### 3. Legal structure of proposed combination

The merger of the two organizations is relatively simple:

- GMC East to merge into GMC West, with West being the “surviving entity” and East “merged”.
- Liabilities: Neither school has any significant liabilities (mortgages, debts) beyond some small liabilities for teacher summer pay, which will be settled in the merger.
- Assets:
  - GMC West
    - No real property.
    - Some personal property (technology).
    - Cash assets of approximately \$400,000.
  - GMC East
    - One real property asset - single-story commercial building that it leases to West; approximate value \$300,000.
    - It currently leases the facility it resides in.
    - Some personal property (technology).
    - Cash assets of approximately \$900,000.
- Assets of GMC East as the merged entity will be transferred to GMC West under the terms of a merger agreement to be drawn up under the provisions of Indiana Non-Profit Law, once the merger has been approved by all relevant parties. It is anticipated that since GMC East is being merged under law, and not dissolved, the “cessation” provisions of IC 20-24-3-3 will not apply.

4. Organization chart and description of post combination structure. (see attached)

5. Resolutions from the governing boards in support of merger. (see attached)

6. Provide notice that Ball State University Office of Charter Schools has been notified of proposed merger.

Email sent from Board Chair of GMC East sent to Executive Director of Ball State Office of Charter Schools Dr. Robert Marra; Copy sent to James Betley on May 3, 2021.

### Part III: Governance

1. List governing board members of surviving entity, officer roles

Arlene Colvin, chair, 2420 Marshall Place, Gary, IN 46404, phone: 219-614-5759

Alyce Butler, vice chair, 8411 Hickory Ave., Gary, IN 46403

Nadine McDowell, treasurer/secretary, 418 Arthur St., Gary, IN 46404

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2. Provide updated Articles of Incorporation and Bylaws for surviving corporation. (see attached)

The original Articles of Incorporation for the Surviving Entity will remain the same, as that entity is not changing. The Bylaws have required some minor updating to reflect the name change, and two provisions more in line with ISCB policies (naming of registered agent; number of meetings per year.) Otherwise, the governance structure remains unchanged.

3. Provide evidence of surviving governing board's capacity to oversee the merged schools.

The surviving board members are the same as the current board members for both of the two schools in the proposed merger. Six of the board members have served on the founding of GMC East and West and all eight served as founders of GMC West. They are residents of the Gary area with three living in adjacent communities of Hobart and Merrillville. The board members have significant knowledge of Gary and the community at large and have significant experience in education, government, non-profits and health fields. As noted, the merger actually increases the Boards' capacity to serve in a more engaged and meaningful way by reducing duplication and allowing them to focus more effectively.

4. Services agreement. (see draft attached)

5. Describe any changes to an existing service agreement (if applicable):

While there have been no significant changes to fee structure or services provided, and the contract term remains commensurate with the length of the charter agreement, the service agreement has been reviewed to be more reflective of ISCB policy.

6. Provide completed ICSB Statement of Economic Interest and Conflict Forms for each governing board member of the surviving entity.

We are currently completing this item and will submit the completed forms to the ICSB. No member of the Board has any economic interest in or conflict with the school or the education service provider.

#### Part IV: Community Impact

1. Describe impact of proposed merger on community and education partnerships.

There will be no negative impact of proposed merger on any existing community and education partnerships. As noted, the merger is expected to increase efficiencies and reduce confusion with the community and partners in that they will now be able to reach students of each location simultaneously while only engaging with one leadership and administration.

2. Describe outreach/engagement each organizer and school has conducted to solicit the school community's feedback on proposed combination. Submit evidence of such feedback.

The two school boards have openly discussed the possibility of a combination of the two schools for the past year at each board meeting, with each board meeting publicly posted and open to

the public. Aside from the public board meetings, there have been no separate events or public meetings to discuss combining the two schools. The two sites will continue to exist and serve the community and will assume one name—Gary Middle College.

3. Provide a communication plan for existing families, students and staff regarding the proposed combination.

The communication will be quite simple as this is not a dramatic change in any way to the end user—staff and students. The board will work with the principal to write a letter stating that the two schools are now working under one name—Gary Middle College. There will be no interruption of service, no change in locations, no staff changes, no changes in education model, hours of operation, etc. We will also merge the two websites for the two schools into one.

Part V. Finance

1. Complete ICSB’s 5-year Budget Projection Workbook for the surviving school. (see attached)
2. In the budget narrative, describe potential impact of combination of expenses and revenues, highlight cost savings, including administrative and staff costs, operational costs, occupancy costs, transportation costs, debt, or other obligations.

Areas of cost savings:

- Duplicate student information systems: \$10,000
- Lease payments for GMC West: \$75,000
- Duplicate audit fees: \$25,000
- Duplicate payroll and accounting systems: \$15,000
- Duplicate technology site licenses: \$15,000

ANNUAL TOTAL: \$140,000

3. Provide copy of recent audit of the school or schools part of the proposed combination. (see attached)

Part VI. Operations

1. Describe how combination will affect enrollment, including the transfer of students between schools, etc.

The enrollment will not be negatively impacted by the merger/combination of the two schools. The two schools will serve a combined total of 282 students. We will request the ability to serve 400 students when the two schools are combined into one school organization. While enrollment is down currently due to COVID, prior school years have reached a combined total of over 350 students. Students will still be able to choose to attend the site that meets their needs best.

2. Describe how combination will affect existing academic programming at the schools, etc.

The combination of the two schools into one school will not negatively impact nor change the operations of the educational program at all, given that the schools currently operated under identical academic models. It is anticipated that the merger will actually increase academic offerings for all students, including ELL and students with disabilities, since the cost savings of the merger will allow for resources no longer needed for duplicative operational costs to be put back into student support where they should be.

3. Describe the effect the combination of admin, instructional and other staffing for surviving school, etc.

The combination will actually make the staffing more efficient, as the two schools currently “share” staff at this time. This requires staff to note time and effort between schools, keep separate time sheets, separate records for different reporting needs, etc. With the consolidation under one LEA, administrative and instructional staff will spend less time on administrative and operational tasks, and be able to focus more on student support. Students and staff will be able to move more seamlessly between buildings to suit their needs.

#### Part VII: Academic Performance

1. Provide the performance dashboard for all data for all non-ICSB authorized schools. (see attached)
2. Provide a signed assurance from each governing board chair that the combination is not being undertaken to avoid state or authorizer accountability. (see attached)