

# Proposed Spending Cuts and Revenue Enhancement Strategy

Presentation to  
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

Revenue by type

Operating referendum revenue as % of total

Share of general fund spending tied to salaries

# Spending Cut Philosophy



We have listened to our community at school-based meetings and 3 community meetings.



We have identified spending areas to avoid layoffs and protect the quality of 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 the outcome of the referendum.

The background of the slide features a series of concentric, curved lines in shades of gray, creating a sense of motion or a stylized globe. A blue rectangular box with a speech bubble tail is positioned on the left side, containing the title text.

## 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  
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
  - \$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 (\$500,000 total savings, other half in Phase 2)
  - Booker T. Washington High School, Vigo Virtual Success Academy and other alternative education programs
    - McLean Education Center staff will lose their jobs—they will fill other positions
    - McLean repurposed for IT, space potentially used for other space, for-profit daycare, or as identified by board





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

- Asset-based strategies
  - Eliminate take-home cars
  - Forego planned purchase truck/equipment (\$75,000)
  - Reduce capital projects by \$250,000
- Bus Replacement Plan
  - One year only: extend current replacement timetable and purchase next year (\$1,500,000)
- Energy Conservation
  - District-level administrator 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



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

School Corporation	K-12 Enrollment	K-5 Enrollment	Students per Elem Building	Elementary 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, retirement)
  - Reduce contracted services by \$1,000,000 (in-house staff completes work)
- Process-based Strategies
  - Textbook accounting accuracy (\$100,000)
  - Lock in fuel/natural gas prices (\$100,000)
  - Paper usage (\$30,000)
  - Improve procurement (\$100,000)
  - Bus route efficiency (\$200,000)
  - Adjust pre-K fees to ensure all covered by Title I (\$100,000)



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

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



Phase Two:  
\$1,690,000

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



## Phase Two: \$1,690,000

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



## Phase Two: \$1,690,000

- Central Administrative Office Relocation
  - Sale of building used to re existing building space into office and special education space
  - \$70,000 in utilities
- Personnel-based Strategies
  - Reduction of administrator on school consolidation (\$ for 6 months/phase 2, full 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 Residential Services (\$200,000 in first year)
  - Expand Vigo Virtual Success Academy beyond Vigo County (\$400,000)
  - Continue to market facility rental (\$15,000)
  - Expand for-profit daycares: lease 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 or 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 (\$1,000,000)
- Process-based Strategies
  - Continued reduction of energy and 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 farm-to-table rentals (\$15,000)
  - Expansion of for-profit day care
- Other considerations
  - Exploration of alternative transportation 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

# Summary of Key Revenue Enhancement

Expansion of Vigo Virtual Success Academy

International Exchange Program

For-profit daycare: lease space o  
run

Facility rentals



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