



Indianapolis Public Schools Operational Assessment – Options Review

June 28, 2018

Assessment Guiding Principles

1. IPS should spend its limited funds where they have the greatest positive impact on educational outcomes
2. Within schools, the quality of teachers and principals are the most important factors in driving educational outcomes
3. In order to recruit and retain outstanding teachers and principals, IPS should seek to substantially increase teacher and principal compensation
4. Paying higher taxes impacts the standard of living of every IPS taxpayer

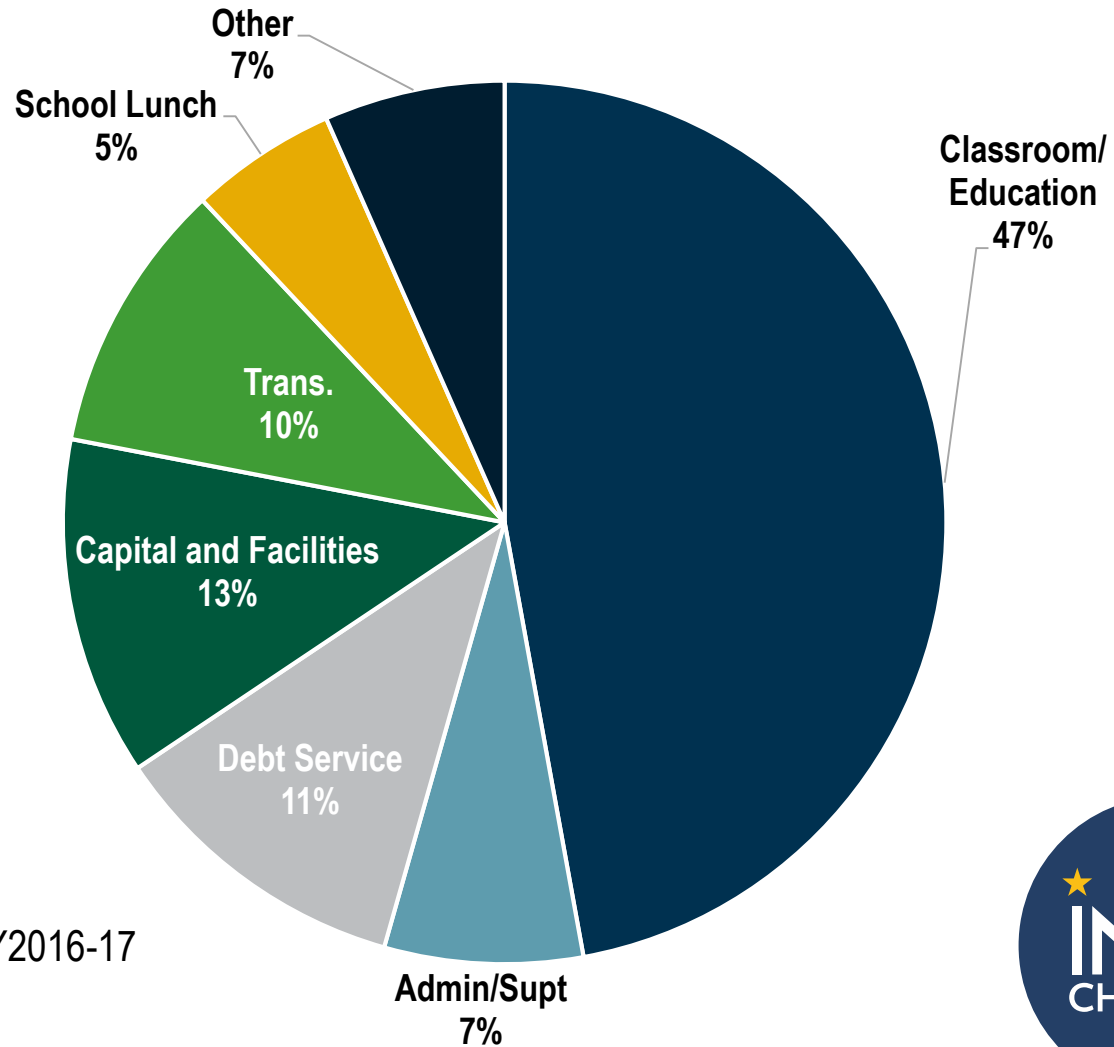


Balancing Priorities

- » Providing additional resources to teachers and principals;
- » Protecting taxpayers;
- » Minimizing operational interruptions and impacts.



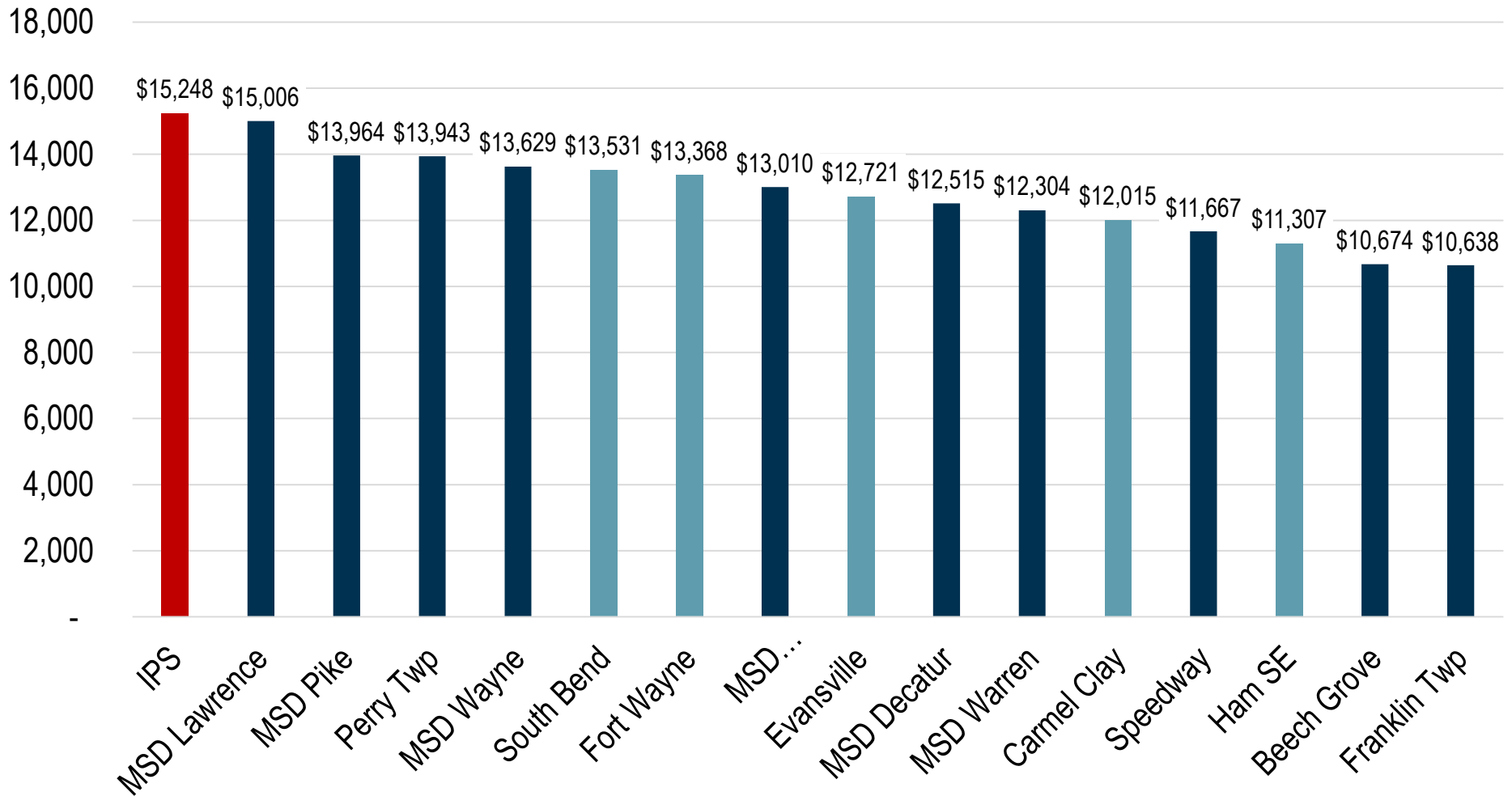
Composition of IPS Spend - 2016-2017



Source: Indiana Form 9, FY2016-17



Total Spend per ADM 2016-2017



Project Due Diligence & Progress to Date

- » Conducted >50 interviews: IPS senior executives, operational leads, teachers, educational experts, community stakeholders
- » Requested and reviewed >100 documents
- » Conducted a wide review of best practice information from other urban, choice-rich districts (E.g. Denver, Washington) and non-profit sources
- » Conducted deep dives into the data – financial, staffing, enrollment
- » Drafted detailed efficiency options in ~20 areas of focus
- » Identified more than 50 potential efficiency options
- » Developed and refined an 8-year financial projection model



Project Timeline

3/26-4/27

Initial interviews and research

4/28 – 5/25

Development/refinement of most impactful ideas

5/26 –

Options validation, discussion and finalization



Key Features of the Chamber Model

- » Includes a baseline developed with review and input from IPS
- » Incorporates a number of efficiency options that represent significant changes in the IPS operating model, including transportation, facilities, central office, and other staffing
- » Results in an adjusted estimated financial IPS baseline surplus
- » However, the Chamber's commitment to improving IPS student outcomes leads it to seek a substantial increase in IPS teacher and principal pay
- » The Chamber is willing to find private resources to support the transition team necessary to make these changes



Major Areas of Focus – Teachers and Principals

- » Within the school, the quality of teachers and principals has the most impact on students' educational outcomes
- » IPS has a lower student teacher ratio than other large school districts in the region
- » Though seeing significant improvement in retaining novice/early career teachers, IPS loses many of its teachers each year
- » Other urban districts are having some success improving teacher retention through the use of data
- » IPS teacher and principals are underpaid relative to their peers at other large school districts in the region
- » The Chamber is committed to working with IPS to increase significantly the pay for teachers and principals



Major Areas of Focus - Transportation

- » IPS spends about 10% of its total budget on transportation
- » IPS spends about more on transportation each year than the amount of money it receives from property taxes to fund transportation
- » IPS provides more service and spends more on transportation per student versus peer districts that offer school choice (e.g. Denver, Detroit, New York, Washington)
- » In April 2018, IPS made a round of transportation changes seeking to lower transportation costs for the next school year
- » Many other urban school districts rely on public transportation to transport older students



Major Areas of Focus - Facilities

- » IPS spends about 13% of its total budget on facilities and capital
- » IPS owns about 8.4 million square feet of facilities
- » IPS' inventory of buildings has a median age of 56 years
- » Even with just four operating high schools, IPS expects the average utilization rate of those facilities to be lower than desired
- » Broad Ripple High School is an in-demand facility with high interest and substantial market value



Major Areas of Focus – Central Office/Non-Academic Staff

- » Autonomous schools that rely less on central office functions educate a growing proportion of IPS students
- » A prior consultant study projected that a significant reduction in central office staffing was possible as the District develops more autonomous schools
- » IPS has more custodians than peer school districts
- » There is no position within the administration whose sole job is to focus on efficiency



Major Areas of Focus – Employee Healthcare

- » The District's current healthcare plan spending is about \$35 million per year
- » The District projects that the cost of healthcare will continue to grow substantially over the next 8 years
- » There are tested strategies that organizations have used to reduce the rate of increase in the cost of healthcare while maintaining its quality



Questions & Discussion

