



**OPERATIONAL ANALYSIS
STATUS REPORT**

JUNE 2015

PROJECT SUMMARY

In late 2013, the Indy Chamber, under the guidance of our member businesses, released a comprehensive Operational Analysis of the Indianapolis Public School corporation.

The mission of the project was to conduct operational analysis in conjunction with IPS administrative and board leadership to produce a set of tangible recommendations regarding operational excellence, opportunities for significant savings, and opportunities for redeployment of resources to maximize dollars flowing to the classroom in a sustainable manner.

Areas of study include:

- Operations
 - Facilities and building
 - Warehouse/Contract Services
 - Transportation
- Human Resources
- Finance
- Information Technology

Project leaders set out to:

- Provide recommendations to IPS leadership that provide a path to operational excellence.
- Engage and educate Indy Chamber leadership on current IPS operational issues and findings of operational analysis
- Engage and educate community stakeholders
- Encourage stakeholder support for recommendations to ensure implementation

The following status report provides original operational recommendations and the current progress IPS leadership has made in implementing the recommendations set forth in the original IPS Operational Analysis.

OPERATIONS

RECOMMENDATIONS: FACILITIES AND BUILDINGS

A. Immediate

- Engage a real estate adviser, without a vested interest in the outcome or disposition of IPS real estate to provide an independent opinion of market value of certain assets for consideration by the Board and Administration. These assets include:
 1. The former Coca-Cola Bottling Plant, currently used for transportation maintenance, 901 N. Carrollton Ave.
 2. The former Ford Assembly Building, currently used for storage, 1325 E. Washington St.
 3. School 616, Key Learning Community, 777 White River Parkway West Drive
 4. School 315, Cold Spring Environmental Magnet School, 3650 Cold Spring Rd.
 5. Administrative Building, 120 E. Walnut St.
- Develop a task force of individuals and organizations representing or having expertise in development, civic or community planning, land use or real estate, local universities, businesses, and local government to explore realistic options for creating multi-use facilities in IPS and Indianapolis.
- Conduct energy assessments of buildings in the district, academic and non-academic, with a focus on those that cost IPS the most money to operate per square foot, in order to determine potential energy savings.

B. Strategic

- “Right-Size” the district’s facilities based upon capacity, costs and demographic trends.
- Based upon the above-referenced task force recommendations, redevelop appropriate buildings into multi-use facilities.
- Implement energy and resource efficiencies to reduce energy costs.
- Upon making difficult “right-sizing” decisions associated with school and other buildings, evaluate the potential for disposition or redevelopment of real estate holdings.
- Implement a suggested decision-making tool when considering changes within IPS.

CURRENT STATUS: FACILITIES AND BUILDINGS

Complete

- IPS has enlisted the services of a real estate professional without a vested interest to advise on disposition of excess properties
- Six properties will be prepared to list and show in May 2015
- RFP for former Coca-Cola Bottling Plant forthcoming; evaluation of development ideas to inform RFP has been ongoing

In Progress

- IPS is in discussions with individuals who may serve on an advisory task force to provide additional real estate advisory
- Energy audits have been conducted on the District's 10 highest utility cost buildings, findings are forthcoming and will inform capital planning

Under Consideration

- The strategic recommendations will be shared with the strategic plan efficient operations committee
- The development of a rigorous decision-making tool for facilities decisions would benefit from additional external expertise
- Further guidance on financing options needed (available grants, QECCB, QZAB, etc.)

RECOMMENDATIONS: WAREHOUSE/CONTRACT SERVICES

A. Immediate

- For all expenditures
 - Develop contract service budgets within available revenue.
 - Implement approval requirements for formal contracts, creation of new positions, new hires, designated service contracts, etc.
 - Manage designated service contracts across cost centers, focusing on meaningful cost reductions.
- Within certain conditions, relocate warehouse operations to an actual warehouse.
- Adopt “best practice” warehousing processes and procedures to achieve quick cost savings.

B. Strategic

- Better leverage expertise within IPS and the Indianapolis community to obtain cost efficiency and effectiveness.
- Incentivize high-performing schools to mentor low-performing schools as an alternative to other more costly approaches.
- Adopt best practice warehousing processes and procedures to institutionalize such practices.

CURRENT STATUS: WAREHOUSE/CONTRACT SERVICES

Complete

- IPS has contracted with two consulting firms with cost reduction expertise; contract payments contingent on realized savings
- KSM Profit Advisors will analyze warehouse, routine supplies, maintenance and transportation agreements, and account payable processes
- True Champions Consulting will explore opportunities for savings in healthcare, utilities and telecom, and IT

In Progress

- Pending property disposition deal with Angie's' List to re-locate existing warehouse operation to a purpose built facility
- Warehousing processes and procedures to be modified in response to consultant recommendations
- Although focused primarily on instruction at this point, IPS has created Lead Principal role for high-performing leaders to mentor peers

Under Consideration

- Guidance on structures to leverage expertise from the Indianapolis community
- Approval requirements for contracts in the Academic Division have changed from past practice, with a cost/benefit analysis required for contract consideration
- Expansion of best practices to contracted services across all Divisions remains a need

RECOMMENDATIONS: TRANSPORTATION

A. Immediate

- Implement a pilot program to utilize IndyGo buses for magnet students needing extracurricular transportation.
- Implement technology update to allow GPS location of buses.

B. Strategic

- Explore potential maintenance partnerships with the City of Indianapolis and IndyGo.
- Partner with IndyGo for route evaluation study.
- Where possible, transition inefficient routes to IndyGo transportation (i.e., extracurricular routes and “deadhead” routes, which occur when a bus route starts or finishes in a location away from the bus garage).
- Implement a true 3-tier bell system which is three individual start times to the school day which could require fewer buses to support the transportation needs.
- Place Grade 9-12 students outside of a school’s home geographic area onto IndyGo buses and fully implement blended routes between IPS and IndyGo.
- Conduct analysis to evaluate the need for an outside bus contractor.

CURRENT STATUS: TRANSPORTATION

Complete

- Feasibility study of IndyGo transportation for all middle and high school students completed
- Internal evaluation of findings to be completed and presented to Board of Commissioners Spring 2015

In Progress

- GPS technology is on all busses
- Evaluating vendors to better communicate bus status with students and families via smart phone app and SMS alerts

Under Consideration

- Do not intend to pursue 3-tier bell system at this time
- Contracted transportation is cost-effective but quality of service remains concerning
- Contract includes flexible assignment of routes will be reduced or eliminated depending on service level

HUMAN RESOURCES

RECOMMENDATIONS

A. Immediate

- Using the Baldrige Criteria 5 Workforce metrics for guidance on key questions regarding workforce engagement, conduct a broad and random employee survey, followed by small focus group discussions, in order to fully incorporate and assess the knowledge and views of employees in order to reveal strengths and areas for improvement within IPS.
- Implement a more rigorous human resource “headcount management” planning process in order to increase parity and improve efficiencies in the district, including benchmarking against comparable urban public schools systems facing similar challenges to those of IPS related to layers of supervision, management spans of control, student/teacher ratios, student/staff ratios, externally-contracted services, etc., followed by action on unexplainable deviations from benchmark data. Improve the recruiting process for all positions in order to attract and retain qualified applicants.
- Improve the performance management process so employees know what is expected of them and are recognized for attainment of goals.

B. Strategic

- Identify strategies to improve culture and morale.
- Develop talent management/succession planning to identify and develop top performers.
- Review benefits packages to remain competitive and look for efficiencies.
- Ensure the progressive discipline policy is understood by all employees and being applied in a consistent manner.

CURRENT STATUS: HUMAN RESOURCES

Complete

- Rigorous performance management tools have been developed and implemented for Core Leadership
- Hired Human Resource Officer with expertise in best practice in HR from private sector experience
- Completed re-organization of Human Resources division to align with Learning Community structure and organization expectations of increased role complexity
- Designed and hired Coordinator of Talent Development role to lead recruiting efforts for instructional and classified staff and lead implementation of performance management processes

In Progress

- Development and implementation of similar performance management tools and processes for all classified staff underway
- Established goal of full staffing to open school for SY 2015-16 (past results have had ~10% vacancy for instructional roles to open school)
- Deployed survey to forecast vacancies and assess strengths and weaknesses in teacher experience to develop strategy for improvement
- Healthcare benefits review underway; shopping for a new healthcare plan and assessing feasibility of onsite clinics at locations across the District

Under Consideration

- Assessing best way to approach differentiated professional development for all employee groups
- Additional expertise required to utilize Baldrige Workforce metrics or a similar benchmark
- Focus-group follow up to survey is desired but not yet scheduled or structured
- No additional development of progressive discipline policy or implementation to report; work to improve to be conducted in consultation with Board of Commissioners
- Although “loyalty bonus” was provided to both bargaining units in 2014-15 contract negotiations, work remains to be done to ensure competitive compensation and leadership opportunities for teachers

FINANCE

RECOMMENDATIONS

A. Immediate

- Participate and engage with the Council of the Great City Schools to benchmark and incorporate best practice in finance, procurement and other functions.
- Adopt a by-budget model that matches revenues and expenditures by type and by fund.
- Ensure financial reporting to the Board of School Commissioners contains year-to-date comparison to budget.

B. Strategic

- Create a standardized grants management process.
- Establish revenue generation via grants management, an office of development, an “adopt a school” initiative, utilization of naming rights/sponsorship opportunities and utilization of the IPS artwork collection.
- Ensure the inclusion of the financial management team in spending decisions.
- Review and assess current investment portfolios.

CURRENT STATUS: FINANCE

Complete

- Council of Great City schools conducted and delivered an audit of finance/business division and made recommendations for reorganization
- Re-aligned fiscal year with academic year for more efficient planning and increased financial transparency for building leaders
- Implemented routine updates (YTD comparisons, etc.) from Finance Division to ensure clear understanding of the District's financial position by Board of Commissioners and public at-large
- Presented revised investment policy and received Board approval to seek higher return investment opportunities with cash reserves

In Progress

- Re-organization of Division has begun with development of Finance Officer role; internal candidate placed as interim as SY 2015-16 budget is developed and approved
- Further steps to re-organization to occur when budgetary processes are complete
- Director of Development role crafted and hired to lead major fundraising and grant writing efforts
- IPS Business Alliance has paired 11 priority schools one-to-one with business partners, early results are encouraging but relationships need to be elevated

Under Consideration

- Opportunities to leverage the IPS artwork collection have not yet been investigated
- Naming rights and sponsorship opportunities have been discussed at a high level but a program to conduct the process has not been developed
- While a deliberate effort has been made to more closely involve the finance team in all spending decisions, best practice processes have not been formalized

INFORMATION TECHNOLOGY

RECOMMENDATIONS

A. Immediate

- Align district strategic and technology planning, leveraging a Chief Education Technology Officer role.

B. Strategic

- Institutionalize Financial Management processes for “Total IT Expenditure Management.”
- Implement Information Technology services standards and road map.
- Investigate opportunity to leverage synergies of other local government department IT services.
- Investigate opportunity to offer educational IT services beyond IPS district.
- Conduct a detailed business case analysis for payroll processing modernization.
- Conduct a detailed business case analysis for saving opportunities in the areas of Help Desk/Field Support outsourcing and Data Center hosting and support outsourcing.

CURRENT STATUS: INFORMATION TECHNOLOGY

Complete

- IT Officer role created and filled
- Extensive outreach conducted in local business community to source competitive candidates
- Evaluated several candidates with varied experience including private sector and higher education experience
- Pleased to report a strong hire with a track-record of change management in public and private sector

In Progress

- Establishment of baseline technology standards for all classrooms and schools; capital planning underway to ensure all schools meet minimum standards to be presented to Board April 2015
- Engaged in preliminary discussions with vendors to assess outsourcing of help desk and data center; intend to conduct rigorous cost-benefit analysis with new leadership installed

Under Consideration

- Opportunity to offer IT services to charter schools and Innovation schools
- Investigation of opportunity to leverage synergies of other local government IT services and contracts
- Conduct a business case analysis for payroll processing modernization

ADDITIONAL HIGHLIGHTS: ACADEMICS

In addition to the recommendations set forth in the Indy Chamber's IPS Operational Analysis, IPS leadership has made progress in improving the academic environment throughout the district. Following are a few of these highlights.

- Academic Division restructuring is complete; achieved full staffing January 2015
- Schools organized into three Learning Communities
- Geographic organization for neighborhood schools (East and West LC); Magnet Learning Community for choice offerings
- Academic Improvement Officer for each learning community serves as single point of contact for principals and school staff; provides efficient interactions with central office and effective structure for supervision of schools
- Director of Transformation provides additional instructional supports for priority schools; leads a team of coaches to improve direct instruction and lesson planning in most challenging classrooms
- Director of Career and Technical education has redesigned District offerings to align with State workforce development councils; several innovative partnerships have been secured and capital projects to support cutting-edge opportunities at Arsenal Technical High School are in progress
- Academic division has implemented rigorous controls for purchases using school improvement and Title 1 grant funding; increased audit of expenditures and established higher expectations for academic impact of spending
- Established Parental Involvement Educator role at all schools to coordinate community and parent engagement; utilized Title 1 funding to avoid cuts to general fund budgets
- Re-directed over \$3 million in Title 1 funds to provide early childhood education; planned expansion of pre-K seats for SY 2015-16 to over 1,000 4 year olds

