

WHY IS GARY COMMUNITY SCHOOLS HOLDING A REFERENDUM?

Our Gary Community Schools face a multi-million-dollar deficit, which results in deficit spending and continued control by Indianapolis. Through cost-saving efforts, the deficit for our Gary Schools decreased from \$22 million in August 2017 to \$6 million in December 2019. Revenue from the referendum will help ensure that we receive the funding necessary to meet the educational needs of this and future generations. A balanced budget is necessary for ending State control of our Gary Community Schools.

DOES GARY COMMUNITY SCHOOLS ALREADY HAVE A BALANCED BUDGET?

No. The problem has gotten better, but the budget is not yet balanced.

Gary Community Schools has two main funds to receive and spend funds: the “Education Fund” and the “Operations Fund.” To have a balanced budget, the revenue from both funds combined must exceed the expenditures from both funds. The support of our Gary community and continued efforts at cost-savings will enable us to provide a stable funding option for our schools and our community's future.

HOW MUCH WILL THE REFERENDUM RAISE?

If supported by voters on November 3, the referendum would raise approximately \$8.9 million per year. Every dollar raised goes directly to Gary Community Schools to support the costs listed in the ballot question: teacher salaries, support for instructional staff, expanding pre-school options, support for a high-quality athletics program along with extracurricular activities, enhanced student wellness, and ensuring the fiscal stability of our Gary Community Schools.

HOW WILL THE MONEY BE SPENT?

The referendum would balance the Gary Community School Corporation's budget, which is necessary if we want to end state control of our schools.

But we don't want to just dig ourselves out of a hole – we want to build a strong foundation for our students. We must have the funding necessary to meet the needs of this and future generations.

If the referendum passes, we would put aside money to ensure we can balance the budget.

And then with the rest of the revenue raised, we would make three important investments:

1. Increase teacher and instructional staff compensation (30 percent)
 - The first \$1 million the referendum raises would go directly to teachers.
 - Teachers have not received a raise in more than a decade, and they deserve one.
 - We must pay our educators competitive salaries in order to recruit and retain the best.
2. Improve arts, athletics, and extracurricular activities (21 percent)
 - Enrichment activities are important for our students, and they deserve the same opportunities available to students in other communities.
 - We would be able to offer more activities, such as sports in the middle school grades.
 - We would also be able to improve the programs we currently have, such as by investing in respectable band uniforms for our high school musicians.
3. Strengthen safety and student supports (49 percent)
 - The COVID-19 pandemic has created more challenges for students who were already grappling with a lot.
 - We would invest in supports for our students' social-emotional needs.
 - We would also ensure each student in our schools had access to a counselor and therapist.

HOW MUCH WILL THE REFERENDUM INCREASE TAXES?

Based on assessed values, taxes on the average home would increase approximately \$0.20 per day or about \$6.00 per month. For the average business, the increase would be approximately \$0.55 per day.

HOW MANY YEARS WILL THE REFERENDUM LAST?

If approved, funds will enable our students to have eight years of consistent support.

WILL REFERENDUM REVENUE BE SHARED WITH GARY CHARTER SCHOOLS?

No. Referendum revenue would not be shared with Gary charter schools.

ARE OUR GARY COMMUNITY SCHOOLS GETTING APPROXIMATELY \$25 MILLION FOR THE SCHOOL IMPROVEMENT FUND?

Yes, approximately \$25 million will be used over the next four and half years to make renovations to our schools and to remove blighted schools from our community. Repair projects include installing new boilers at multiple schools and installing a new roof at West Side.

Gary Community Schools is not getting more money to make these improvements. Instead, Gary Community Schools is getting flexibility to use money that would have been spent on loan repayment. These deferments do not increase debt but will extend the loan payments over a longer period of time.

The School Improvement Fund can only be spent on buildings and related projects. Revenue from this referendum cannot be spent on buildings. Revenue from this referendum will be spent on students, teachers, and staff and ending State control.

DID GARY COMMUNITY SCHOOLS GET \$4 MILLION FROM U.S. STEEL?

In August 2019, Gary Community Schools received a one-time payment of approximately \$4 million from U.S. Steel. This revenue was a one-time, upfront payment on future property tax revenue over 20 years. While a one-time payment may have a short-term positive impact on a fund balance, the Gary Community Schools overall (all funds) budget imbalance is a long-term situation that is not corrected by a one-time payment or receipt of funds from U.S. Steel.

IS GARY COMMUNITY SCHOOLS GETTING ABOUT \$4 MILLION FROM THE FEDERAL GOVERNMENT THROUGH THE CARES ACT?

Gary Community Schools is expected to receive approximately \$4 million from the Federal government through the CARES (Coronavirus Aid Relief and Economic Security) Act. This money is severely restricted and can only be used on coronavirus-related expenditures. CARES Act revenue cannot be spent on normal or everyday school activities not related to responding to coronavirus or for balancing the budget. Gary Community Schools has allocated CARES Act revenue to ensuring student, teacher, and staff safety and meeting increased student technology needs for the 2020-21 school year.

IF ALL OF THIS FUNDING IS COMING IN, WHY DOES GARY COMMUNITY SCHOOLS NEED TO PASS A REFERENDUM, TOO?

This is about educational equity. The districts with the most challenges deserve the most support. Through hard work, Gary Community Schools is beginning to receive more support. Some of this support is restricted to certain uses. Together, Gary Community Schools is putting together a comprehensive plan to improve schools in a sustainable way so that taxpayers will know that their tax dollars are being used in the best ways possible.

WILL EXPENDITURES INCREASE IF THE REFERENDUM PASSES?

Gary Community Schools' investments in students, teachers, and staff will increase if the referendum passes. Those investments will provide this and future generations of Gary residents with a better-educated workforce, more students seeking additional education and public service opportunities, and major improvements to many of our facilities.

WHAT HAPPENS IF THE REFERENDUM FAILS?

1. The State of Indiana will continue to manage our schools. That means no local control of the Gary Community School Corporation.
2. Parents considering Gary for a future community will bypass the community and look elsewhere.
3. Residents with children in the Gary Community School Corporation may move away from Gary to other communities where schools are improving.
4. The ability to recruit any new and better-paying jobs will be eliminated because employers will not place jobs where communities do not support schools.
5. Gary residents will have passed the opportunity to invest in their community's future while Hammond, Hobart, Crown Point, Lake Station and potentially Merrillville did support their local schools.

WHAT DOES DUAB (DISTRESSED UNIT APPEALS BOARD) SAY ABOUT A REFERENDUM?

The DUAB, the State agency with present oversight over Gary Community Schools, gave unanimous approval on July 9 for the district to hold a referendum.

DOES MGT BENEFIT FINANCIALLY FROM A REFERENDUM?

No. MGT is the firm hired by DUAB to operate Gary Community Schools while under State control. The money raised by the referendum can only be spent on what is stated in the ballot question. MGT would not receive a dime from the referendum. MGT's focus is on positioning Gary Community Schools to end State control.

IS THE REFERENDUM ASKING FOR AN AMOUNT DIFFERENT THAN WHAT WAS PREVIOUSLY ANNOUNCED? I THOUGHT THE AMOUNT WAS \$6.5 MILLION.

Gary Community Schools have listened to the community throughout this process. There has been constant support from community members who believe that investing in our children is wise. The amount changed based on strong feedback from community members who believe it is important to have the resources necessary to invest in our children, the future of our community.

HOW WILL THE REFERENDUM EXPENDITURES SUCH AS YARD SIGNS, MAILERS AND ADVERTISEMENTS BE PAID FOR?

Indiana law prohibits the use of school resources to promote the referendum. Gary Community Schools can provide you and other Gary residents with factual information about the referendum. No school funds will be used for any of the purposes mentioned earlier.

HOW DOES THE SIZE OF YOUR ADMINISTRATION COMPARE TO SIMILAR-SIZED DISTRICTS? I'VE HEARD IT'S PRETTY TOP HEAVY.

Each district designates administrators differently, so an apples-to-apples comparison is difficult if not impossible. What we do know is that we have made and continue to make an effort to prioritize positions and funding at the school level, and we believe our administrators comprise a small percentage of our overall staff, as compared to peer districts.

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WHY AREN'T YOU ABLE TO ELIMINATE THE DEFICIT BEFORE ASKING FOR ADDITIONAL FUNDS?

From August 2017 to December 2019, we were able to reduce the deficit from \$22 million to \$6 million. We were able to make these reductions without negatively impacting the classroom. What has become clear, however, is that further cuts would harm students and continue to punish teachers, who have not received a raise in a decade. We agree with the community feedback we have received to invest in not just balancing the district's budget but also investing in continuing to improve the Gary Community School Corporation.

WHAT CUTS WOULD NEED TO BE MADE WITHOUT THE REFERENDUM?

All cuts would be on the table. What's more, without the referendum the State of Indiana would continue to manage our schools. That means no local control of the Gary Community School Corporation. In addition, parents considering Gary for a future community would be more likely to bypass the community and look elsewhere, and residents with already children in the Gary Community School Corporation may move away from Gary to other communities where schools are improving. Not having the referendum would significantly hamper the ability to recruit any new and better-paying jobs because employers will not place jobs where communities do not support schools.

WHY IS THE REFERENDUM RATE SO MUCH HIGHER THAN OTHER COMMUNITIES HAVE ASKED FOR?

These are not apples-to-apples comparisons -- each community is different, and for a number of reasons Gary has greater needs than many communities. The Gary Community School Corporation has listened to the community throughout this process. There has been constant support from community members who believe that investing in our children is wise. The referendum rate increased based on strong feedback from community members who believe it is important to have the resources necessary to invest in our children, the future of our community.

I'D FEEL BETTER IF MORE OF THE MONEY WERE FOR TEACHERS' RAISES AND KIDS NOT DEFICITS.

n/a

WHEN IS THE REFERENDUM?

The referendum will be on the same ballot as the presidential election. That is Tuesday, November 3, 2020. However, you can vote earlier in Lake County at several locations and also you can cast an absentee ballot. For more information on voting rules, please contact the Lake County Election Board at 219.755.3795.

Thank you for taking the time to review our proposed referendum Frequently Asked Questions. If you have any additional questions, please contact Dr. Paige McNulty at 219.886.6400.