

Enhancing Public School Funding Impact: How to Better Position the NLCS Career Center

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NORTH LAWRENCE
COMMUNITY SCHOOLS

PROVIDING PATHWAYS TO SUCCESS

How to Better Position the Career Center

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Hometown: Long Grove, IL
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Our Team Completed a Review of the NLCS Career Center Including Market Fit and Continued Financial Viability



Key Findings:

- The job industry outlook in southern Indiana is mixed.
- Currently the career center is running a small profit and is susceptible to small economic changes.
- Pricing for out-of-district students should be quantified, reviewed and updated regularly.

Future Job Market

Program Cost Breakdown

Tuition Pricing



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The Future of the Career Center: A Cohesive Strategy for Market Fit and Financial Viability



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The Career Center is Currently Preparing Students for Key High Growth Careers

Existing Programs Doing Well	National Growth	Program Growth	Pros	Cons
Computer Science	+ 8.4%	+21%	Evolving industry, lots of job growth, broad career option	Resource intensive, high investment, education requirements change often
Nursing	+ 7.5%	+36% CCMA -21% CNA	Consistent job presence, especially in Indiana	Requires significant further education
Early Childhood Ed	+4%	+ 23%	High level of demand	Low compensation, usually limited growth

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There Are Three Industries That Should Be Considered For Growth By the Career Center

Recommended Pathway Focus	National Job Growth	Job Outcomes	Rationale
Expanded Offerings			
Computer Science: Cybersecurity	+ 29%	Tech Support, IT Analyst, Network Admin, Management Tech	Enables quick entry and upward mobility
New Offering			
Supply Chain and Logistics	+ 17%	Warehouse Lead, Inventory Control Specialist, Logistics Coordinator, Transportation Analyst	Quick Advancement to Supervisor / Analyst roles
Emergency Medical Services	+ 11%	Paramedic, ER Technician, Firefighter, 911 Dispatcher	Aging population and 24/7 emergency coverage needs

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Current Career Center Programs That Should be Considered for Change

Programs to Consider Changing	National Change	Program Decline	Pros of Changing	Other Considerations
Digital Design	+ 2%	-9%	Free space/resources for other programs that will attract more students and better prepare them	Are these programs serving an important need other than what we have considered
Radio & TV	-1%	-40%	Same as above	Same as above

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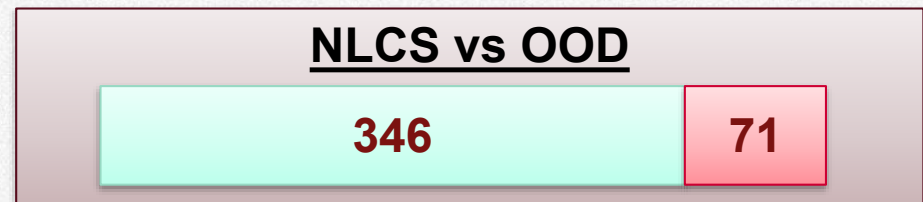
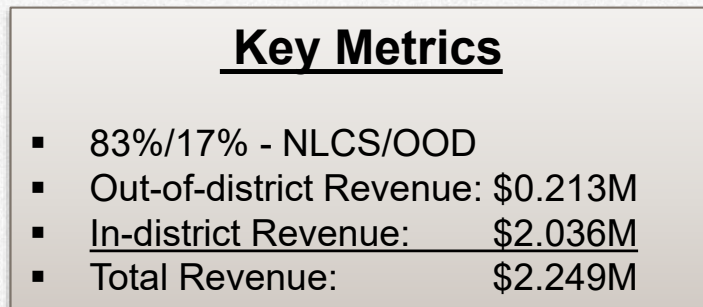
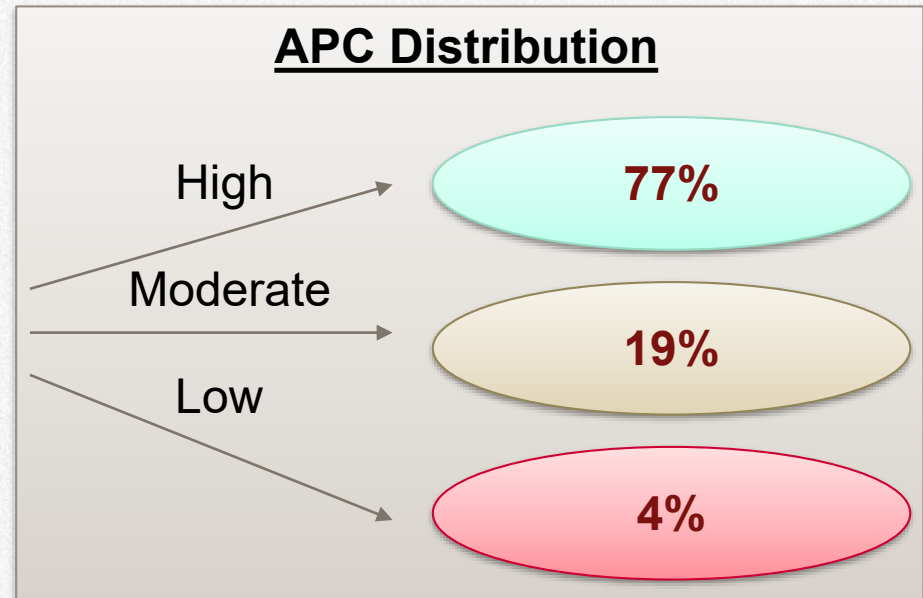
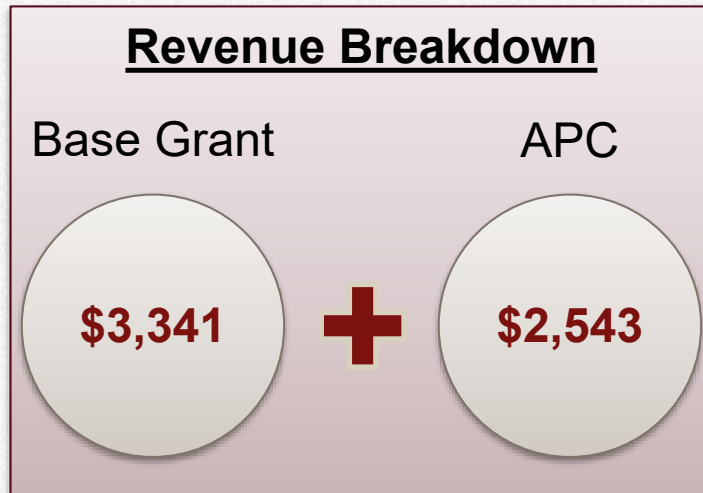
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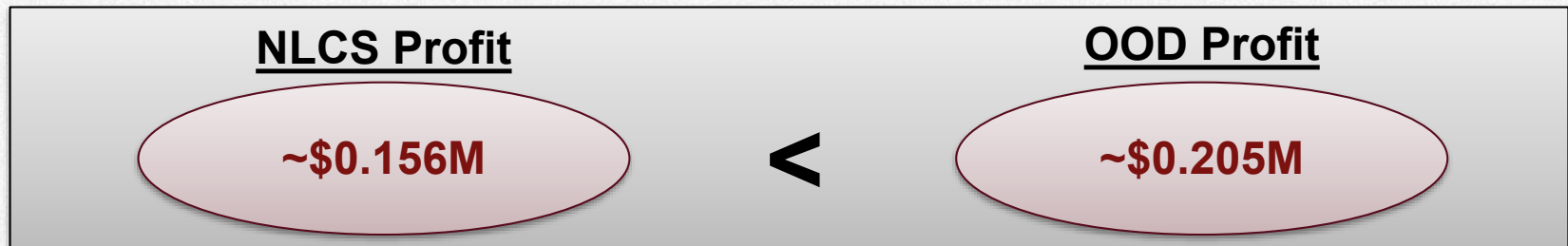
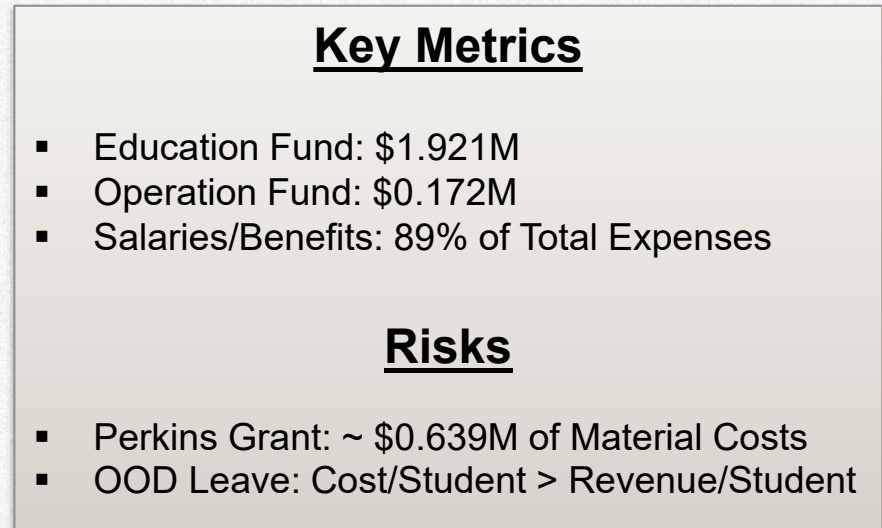
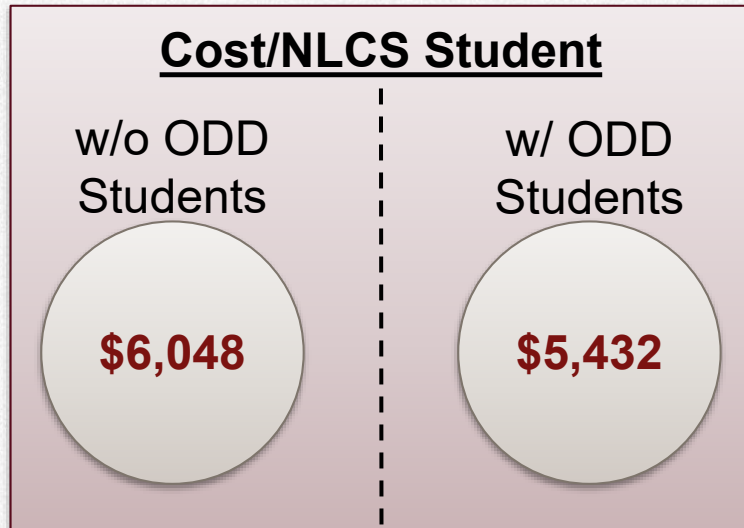
Understanding the Revenue Side of the Career Center

As expected, of the 20 classes offered, 12 make up 77% of total revenue. The bottom 3 make up only 4% of total revenue.



Expense & Profit Breakdown of Career Center Operations

Total Career Center expenses come out to \$2.093M. Without the support of OOD tuition, the Career Center will run at a deficit.



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The Factors We Believe Should Go Into the Price for Out of District Students

- Class cost -> How much does it cost NLCS to run the class?
- Revenue other school receives -> Are the other schools receiving a disproportional value from sending students to the career center?
- Long-term feasibility -> Is the career center able to adequately prepare for future needs?

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Current Student Comparison of Providing Career Services

North Lawrence Student	Out of District Students (NLCS)	Districts Sending Students
Revenue/Student: \$5,884	Revenue/Student: \$3,000	Revenue/Student: \$5,884
Cost/Student: \$5,018	Cost/Student: \$5,018	Cost/Student: \$3,000
Gain/Student: \$866	Loss/Student: \$2,018	Gain/Student: \$2,884

While NLCS benefits some from in-district career center students, it takes a significant loss on out-of-district students. Simultaneously, other districts receive a significant benefit from sending students to the career center.

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The Career Center Should Explore Raising OOD Tuitions to Create More Equitable Payoffs

Low APC

Base Grant: \$3,341

Minimum APC: \$600

Max APC: \$900

Benefit Range: \$3,941 - \$4,241

Moderate APC

Base Grant: \$3,341

Minimum APC: \$1,200

Max APC: \$1,800

Benefit Range: \$4,541 - \$5,141

High APC

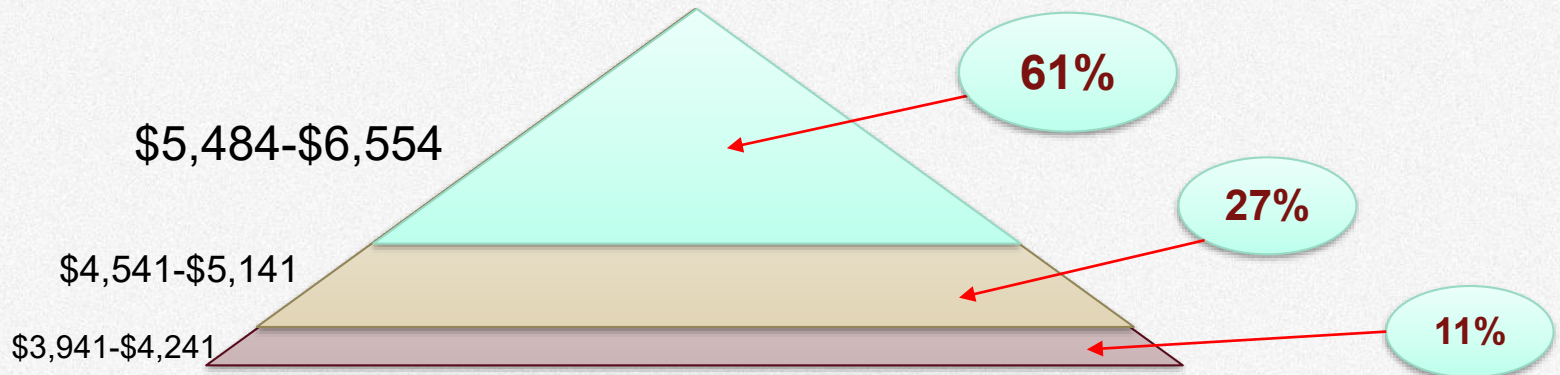
Base Grant: \$3,341

Minimum APC: \$2,142

Max APC: \$3,213

Benefit Range: \$5,483 - \$6,554

Benefit Scaling



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Changing the OOD Tuition will Help the Career Center Better Prepare for Financial Uncertainties

<u>Current</u>	<u>Minimum Benefit</u>	<u>Low Benefit</u>
<ul style="list-style-type: none"> Tuition: \$3,000 Tuition Increase: 0% Total Tuition: \$0.213M OOD Profit: \$0.205M NLCS Profit: \$0.156M Profit Share: 43% Probability: High 	<ul style="list-style-type: none"> Tuition: \$3,900 Tuition Increase: 30% Total Tuition: \$0.277M OOD Profit: \$0.141M NLCS Profit: \$0.220M Profit Share: 61% Probability: Moderate 	<ul style="list-style-type: none"> Tuition: \$4,200 Tuition Increase: 40% Total Tuition: \$0.277M OOD Profit: \$0.120M NLCS Profit: \$0.241M Profit Share: 67% Probability: Mid-Low

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The Benefits and Risks of the New Tuition Price of \$3,900

Benefits	Risks
Improved flexibility for capital expenditures	May receive pushback from other districts
Ability to better retain teachers	NLCS is required to serve other districts
Aligns tuition with true cost	Inability to cover transportation cost for students

Future Job Market

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How Does Increased Tuition Impact School Corporations in the Future



- Schools are still able to see some benefit from the students sent to NLCS Career Center, even after paying for additional costs (Transportation, etc.)
- Gives NLCS opportunity to improve class offerings, better serving students and creating possibility of increased average APC

Future Job Market

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Next Steps

- The job industry outlook in southern Indiana is mixed.
 - Review the job market regularly and update course offerings accordingly.
- Currently the career center is running a small profit and is susceptible to small economic changes.
 - Develop a yearly report and share with other districts to support price changes and trends over time.
- Pricing for out-of-district students should be quantified, reviewed and updated regularly.
 - Find the best mix of classes to help ensure that all classes are full.
 - A class-by-class analysis should be completed before final decisions are made.
 - Consider charging ODD on an actual cost basis.
 - Potential multi-year tuition step up.

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Appendix



Appendix A - Comparison of ID vs ODD per 3 hour class

Currently, the Career Center has fixed costs, so each additional out-of-district student helps offset those costs. However, for classes with excess demand, it would be beneficial to prioritize in-district students because they generate more profit to NLCS per student.

	In district Students	Out of District Students
Price Paid by Student	\$0	\$3,000
Amount Received by NCLS	\$5,884	\$3,000
Average Cost/Class(1)	\$5,018	\$5,018
Profit per class	\$866	\$2,018

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(1) Assuming current in and out of district student levels

(2) These costs do not include, incremental costs for supplies e.g., welding materials.

Appendix B – Basic Grant Revenue

Flat Rate	\$	3,341
# NLCS Students		346
NLCS Basic Grant Revenue	\$	1,155,813



Appendix C – APC Revenue

High Hours - 1st Year		716
High APC - 1st Year	\$	714
High Revenue - 1st Year	\$	511,224
High Hours - 2nd Year		156
High APC - 2nd Year	\$	1,071
High Revenue - 2nd Year	\$	167,076
Medium Hours - 1st Year		361
Medium APC - 1st Year	\$	400
Medium Revenue - 1st Year	\$	144,400
Medium Hours - 2nd Year		36
Medium APC - 2nd Year	\$	600
Medium Revenue - 2nd Year	\$	21,600
Low Hours - 1st Year		155
Low APC - 1st Year	\$	200
Low Revenue - 1st Year	\$	31,000
Low Value Hours - 2nd Year		15
Low APC - 2nd Year	\$	300
Low Revenue - 2nd Year	\$	4,500
Total APC for NLCS	\$	879,800



Appendix D – Hours/Revenue Distribution

Hours Distribution	
High	61%
Medium	28%
Low	12%

Revenue Distribution	
High	77%
Medium	19%
Low	4%



Appendix E – OOD APC Hours

OOD Hours	
High OOD	62%
Medium OOD	27%
Low OOD	11%



Appendix F – Total Revenue

NLCS Basic Grant Revenue	\$	1,155,813
NLCS APC	\$	879,800
OOD Tuition	\$	213,000
Total Revenue	\$	2,248,613



Appendix G – NLCS Profit vs OOD Profit per Student

NLCS			OOD		
Revenue/Student					
Revenue/Student	\$	5,883	Revenue/Student	\$	5,883
Costs	\$	5,433	Tuition	\$	3,000
NLCS Benefit	\$	451	OOD Benefit	\$	2,883



Appendix H – Cost Per Student

Cost per Student	
Total Cost / All Students	\$5,018.36
Total Cost / NLCS Students	\$6,048.14
(Costs-Tuition) / NLCS	\$5,432.53



Appendix I – Expenses by Fund/Type

Expenses Pulled Through Pivot Table									
Expenses	Salaries	Benefits	Other Profess	Utilities	Travel	Supplies	Fee/Dues	Transfers	Total
Education	\$ 1,434,641.28	\$ 397,884.72	\$ 22,500.00	\$ 101.65	\$ 942.30	\$ 36,985.04	\$ 342.00	\$ 27,650.00	\$ 1,921,046.99
Operations	\$ 13,108.65	\$ 15,287.92		\$ 79,577.28		\$ 63,634.85			\$ 171,608.70
Total	\$ 1,447,749.93	\$ 413,172.64	\$ 22,500.00	\$ 79,678.93	\$ 942.30	\$ 100,619.89	\$ 342.00	\$ 27,650.00	\$ 2,092,655.69



Appendix J – P/L

NLCS P/L			
NLCS Revenue	Tuition Revenue	Total Expenses	NLCS Profit
\$ 2,035,613	\$ 213,000	\$ 2,092,656	\$ 155,957

OOD P/L		
OOD Revenue	Tuition Cost	OOD Profit
\$ 417,712	\$ 213,000	\$ 204,712

