

# School City of Hammond

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Scott E. Miller, Superintendent

Monday, March 4, 2024

## FOR IMMEDIATE RELEASE

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### SCHOOL CITY OF HAMMOND RESPONDS TO FINANCIAL SITUATION

Members of the SCH administration and board of school trustees met with the Distressed Unit Appeals Board (DUAB) Monday, February 26, 2024, to present a corrective action plan to address the district's financial challenges. DUAB ordered the SCH to create the corrective action plan on November 17, 2023, after a comprehensive review of the district's finances.

DUAB confirmed for the Board several factors that contributed to the financial shortfall. Chief among them were:

- Skyrocketing health insurance costs covered by the district over the last two years. For 2023 medical/Rx costs were 132.3% of expected. Because the collective bargaining agreement capped the teachers' contribution, the Board is absorbing the remaining, unsustainable cost of the total premium, resulting in an additional expenditure of \$5 million for teacher health insurance for the 2023-2024 school year.
- Teachers and staff received an 11.4% base salary increase in December 2021 for a total cost of \$7.6 million, and an additional 3.2% base salary increase in November 2022 totaling another \$2.4 million.
- The loss of 1,581 students from Fall 19-20 to Spring 23-24, representing a \$12.5 million annual loss.
- The \$15 million loss in operating funds due to the referendum non-renewal in November 2023.

The November 17, 2023, order from DUAB required cuts across the board, including significant changes to the collective bargaining agreement, to help bring the budget back into alignment. The continued impasse in collective bargaining complicates and delays the difficult decisions that must be made impacting all other cost cutting measures across the district.

DUAB requires the Board to maintain the confidentiality of the corrective action plan, as any number of factors can come into play to affect the timing and necessity of various actions. SCH recognizes that this mandate serves to prolong the anticipation and frustration that stakeholders are experiencing.

These are issues that are complex and serious. The entire community will be impacted by decisions that must be made regarding the future of schools and the financial health of the district.

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#### *Board of School Trustees*

Carlotta Blake-King  
Manuel Candelaria Jr.  
Lisa Miller  
Cindy Murphy  
Kelly Spencer

There is an abundance of information circulating from various sources, but much is incorrect or incomplete lacking context or background. SCH believes that this community must have FACTS to make informed decisions about the School City of Hammond, the cornerstone of this community.

It is for these reasons SCH has created an FAQ, easily accessible on the website. This dynamic document will provide background and details to promote better understanding of the current critical situation. In addition, stakeholders are encouraged to submit questions regarding any aspect of SCH.

Personnel and students have a legal right to privacy, so those kinds of questions may be redirected, but not responded to in the FAQ. In addition, there may be information that cannot be disclosed at the time, but SCH is committed to transparency and will provide information as it becomes publicly available.

The FAQ will be easily accessible on the SCH website. Check it frequently for the latest information. Send your questions to [info@hammond.k12.in.us](mailto:info@hammond.k12.in.us).

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