

INDIANAPOLIS PUBLIC SCHOOLS
DISTRESS UNIT APPEAL BOARD (DUAB)
Report on Financial Condition

FOR YEAR ENDING DECEMBER 2024



Dr. Aleesia Johnson, Superintendent

Weston Young, Chief Financial Officer

Angelia Moore, Board President

Kenneth Allen, Board Vice President

Nicole Carey, Board Secretary

Diane Arnold, Board Member

Venita Moore, Board Member

Will Pritchard, Board Member

Hope Hampton, Board Member

Prepared by Weston R. Young, CPA, Chief Financial Officer
for the Marion County Board of Finance
January 28, 2026

Indianapolis Public Schools
Distress Unit Appeal Board (DUAB)
Report on Financial Condition

Indianapolis Public Schools (IPS) is committed to financial accountability. Over the past nine years, IPS has voluntarily pursued greater transparency and more robust external financial statement reporting.

- Every quarter, Quarterly Finance Updates are provided to the Board.
- Regularly, the IPS Audit/Finance Committee, consisting of community members, meets to develop, review and comment on policy related to cash management, debt management and financial sustainability. Additionally, the audited financial statements are reviewed and approved.
- As of January 2026, IPS continues to distribute school funding based on Student Based Allocation (SBA), first implemented for SY 2017–18.
- In 2024, IPS finalized the SY 2022–23 audited financial statements per GAAP GASB and audited by a CPA firm. The statements also included an Annual Comprehensive Financial Report (ACFR) which is a high standard for transparency and full disclosure to ensure users have information relevant to the district's financial health. The IPS Audit Committee exists to select an audit firm and oversee financial reporting and internal controls of the district.
- To learn more about IPS Financial Reporting, visit <https://myips.org/central-services/finance/>

The DUAB Fiscal Indicators through or as of December 2024 are within SY 2024–25 which presented an ongoing, unprecedented opportunity in addressing unfinished learning for both the students and families that IPS serves.

Student Enrollment and Staff Support

While enrollment at IPS has decreased — just like public school districts throughout Indiana and across the country — the district's 30,000-plus student body remains richly diverse in ethnicities, languages and abilities; key highlights include 80% of students identifying as multiracial, Hispanic, Asian or Black.

During the past five school years, SY 2021–22 through SY 2025-26, the global and local economic conditions have continued to support strong local real estate values and state revenues which strengthened IPS' short-term projections. The increase in state and local funding allowed strategic investments in teachers and support staff such as compensation to attract and retain staff. Also, IPS' commitment to advocating for equitable resources with external stakeholders to serve all students remained a high priority for district leadership.

Major Initiatives

The District leadership has spearheaded two major initiatives to position IPS students and staff for continued and enhanced success in the coming academic years by investing in comprehensive approaches to tangible and intangible assets within the district, its facilities, and its people. Those initiatives include:

Rebuilding Stronger: 2024–25 Successes

The Rebuilding Stronger initiative is a multi-year commitment to reinventing the district's family of schools to ensure excellent academic and extracurricular offerings exist for all students in all neighborhoods. Following the first year of full implementation in SY 2024–25, we have realized

significant progress in expanding access to high-demand programming and improving operational efficiency.

Expanded Program Access and Enrollment

Strategic efforts to replicate successful models have led to a substantial increase in students enrolled in high-performing programs:

- **Total Programmatic Enrollment:** Overall enrollment in specialized programs (including IB, STEM, Montessori, and Dual Language) increased by **33.5%** since the SY 2022–23 baseline.
- **IB and STEM Growth:** Enrollment in International Baccalaureate (IB) and STEM programs has **more than doubled** since 2022–23.
- **Specialized Middle School Access:** Enrollment in Middle School World Languages increased by **75%**, while Instrumental Music enrollment grew by over **50%**.
- **Elementary Computer Science:** Participation in Elementary School Computer Science has increased by **85%**.

Operational Efficiency and Stability

Rebuilding Stronger focuses on leveraging facilities effectively to ensure long-term financial sustainability:

- **Facilities "At Scale":** The number of district buildings operating "at scale" has increased by **10%**, reaching 42% of all facilities in SY 2024–25.
- **Improved Utilization:** The district-wide facility utilization rate rose to **69%**, a 3% increase since the baseline year.
- **Reduced Mobility:** Enrollment policies have successfully stabilized the student population; the district is currently on pace to reduce within-LEA student transfers by more than **60%**.

Capital Improvements

The \$410M Capital Referendum approved by voters in 2023 is actively funding improvements at more than 20 elementary and middle schools — from STEM classrooms to athletic facilities, and more. These investments ensure that facilities are high-quality and inspiring for students while supporting the broader "Student Experience" goals of the initiative.

IPS Strategic Plan 2025

At Indianapolis Public Schools, we believe all students can achieve their full potential, learn at high levels, and graduate prepared to succeed in school, career, and life. We are committed to ensuring that every student in every neighborhood receives the education and opportunities they deserve.

Indianapolis Public Schools has established a powerful foundation with the Strategic Plan 2025, an approach designed to ensure every student achieves their full potential, learns at high levels, and graduates prepared for success in college, career, and life. As we look to the future, this work will be sustained and deepened, driven by the unwavering commitment that every student in every neighborhood receives the education and opportunities they deserve.

The following outlook is framed by the enduring priorities of the Strategic Plan 2025, underscoring the district's continuous improvement and forward momentum. Future drivers of change, including shifts in the IPS Board of School Commissioners and administration, as well as crucial community feedback, will continue to shape the execution of this vital work.

Expanding Access to Rigorous Curriculum and Instruction

IPS is dedicated to cultivating safe, engaging, and socially-emotionally supportive learning environments that provide every child with access to grade-appropriate assignments, strong instruction, deep engagement, and teachers who hold high expectations.

Sustaining Momentum: Key Highlights and Continued Focus Areas

- **Elevating Literacy:** The implementation of the new literacy framework and curriculum, backed by a significant \$10.5 million Lilly Endowment investment over five years, will continue to benefit over 18,000 elementary students. Future work will focus on integrating and perfecting Science of Reading techniques across all grade levels, supported by enhanced teacher training. The impressive 10-point gain in IREAD scores, which successfully outpaced the statewide increase, is a springboard for future success.
- **Strengthening the Educator Pipeline:** Ongoing and targeted professional development, especially for new and early career teachers, remains a high priority to ensure instructional excellence in every classroom.
- **Investing in Comprehensive Education:** Beyond physical building investments, the commitment to providing art, music, physical education, and computer science at every elementary school, and expanded offerings like foreign language and algebra in middle schools, will continue. Middle school athletics participation is up 111%, showing the impact of expanded opportunities.
- **Ensuring Post-Graduation Success:** High school programming will remain laser-focused on preparing students for the 3 E's: enrollment, employment, or enlistment. With more than half of the Class of 2025 earning college credit (accumulating 4,553 credits), the future involves expanding work-based learning opportunities through the EmployIndy partnership and ensuring all coursework connects to a clear pathway.

Forward-Facing Goals:

- Achieve or surpass the Indiana state average for ILEARN, ISTEP, and NWEA performance. **During the 24-25 school year, IPS saw a 10-plus percentage point increase in ILEARN proficiency.**
- Accelerate IPS' median growth percentile to reach the State average for ILEARN and ISTEP.
- Maintain and continue to increase the graduation rate, building on the continuous increase seen over the last five years. **The Class of 2025 achieved a 93% graduation rate, surprising the state's graduation rate.**
- Further reduce the out-of-school suspension rate by 10%.

Cultivating Authentic Engagement

IPS continues to equip and engage families, team members, and the community in authentic and inclusive partnerships, recognizing that supporting students is a collective community responsibility.

Sustaining Momentum: Key Future Focus Areas

- **Transparent Communication:** District systems will be continuously improved and expanded to ensure clear, consistent, and transparent two-way engagement to elevate family, community, and alumni voice. During the 24-25 school year, IPS Family and Community Engagement (FACE) Liaisons had direct contact more than 69,000 times with district families.
- **Neighborhood Partnerships:** Strengthening engagement in every neighborhood is critical to ensuring unified support for the district's mission and vision. During the 24-25 school year, the IPS FACE team formed 400-plus community partnerships.

Forward-Facing Goals:

- Maintain strong student attendance to ensure fewer than 15% of IPS students will be at risk for chronic absenteeism.
- Improve family responses and increase the rate of parent participation in community surveys (such as the Panorama survey) to deepen two-way communication.

Operating and Funding Strategically

The School Corporation is focused on strengthening the efficacy and equity of central office supports, services, and resource allocations. The district has a moral imperative to spend every dollar—transparently, equitably, and efficiently—to maximize student achievement.

Sustaining Momentum: Key Future Focus Areas

- **Portfolio Planning:** The portfolio planning process will continue to be a cornerstone for enhancing the district’s mission and vision.
- **Fiscal Responsibility and Equity:** The redesigned central office budgeting process promotes transparency and equity in all district investments, building on the momentum of nearly \$6 million saved by streamlining operations.
- **Strategic Enrollment:** The doubling of enrollment in STEM and IB programs, the 120% increase in elementary computer science, 50% growth in music, and 75% growth in world languages reflects successful strategic alignment with student interest and future readiness.

Forward-Facing Goals:

- Ensure that 25% of student-based budgeting dollars will be allocated to schools on the basis of student need, moving beyond baseline funding.
- Stabilize enrollment, with the goal that 90% of students who enroll in a school at the beginning of the year will complete the year at the same school.

IPS Fiscal Indicators 2024

<https://www.in.gov/duab/school-corporation-fiscal-indicators/dashboard/>

Depending on the reporting process, the district's finances and its students are, at times, not aligned appropriately to generate concise metrics (without additional explanation, caveats or reconciliation). General issues include:

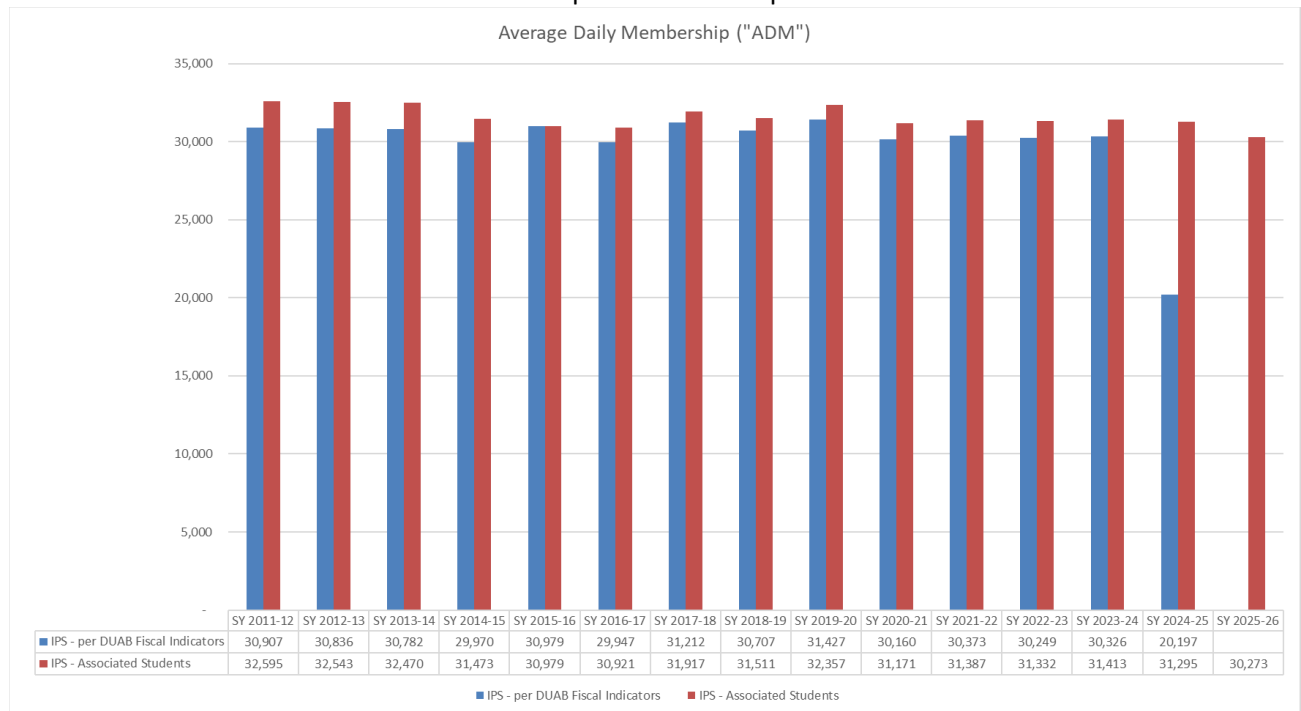
- How students are reported with their respective Local Education Agency (LEA).
- How the dollars associated with students are reported with their LEA.
- How the metrics arrived at by those inputs are misaligned when compared to other districts without the complexity of IPS' governance and reporting.

Average Daily Membership (ADM)

The DUAB ADM indicator does not capture all IPS, associated students. Since 2013, IPS student enrollment reporting has been impacted by turnaround and Innovation schools. Turnaround and Innovation school students within their respective LEAs receive the benefit of state and local funds IPS manages and reports.

In the most recent school years, enrollment across all schools associated with IPS has stabilized amidst COVID-19 pandemic and economic shifts impacting housing, employment and community health. The continued collaboration between IPS and various charter partners continues to support a stable student population associated with IPS operational supports, such as facilities and transportation, and state and local revenues.

In the most recent data for SY 2024-25 provided by DUAB, only the students within the IPS Local Education Agency are included. The historical reporting of DUAB has reported a number associated with the IPS Innovation Network which includes charter partner LEAs. Additionally, the DUAB ADM reports students reported on the IPS DOE54 report, which does not include around 1,000 students associated with IPS Innovation Network which maintain separate DOE54 reports.



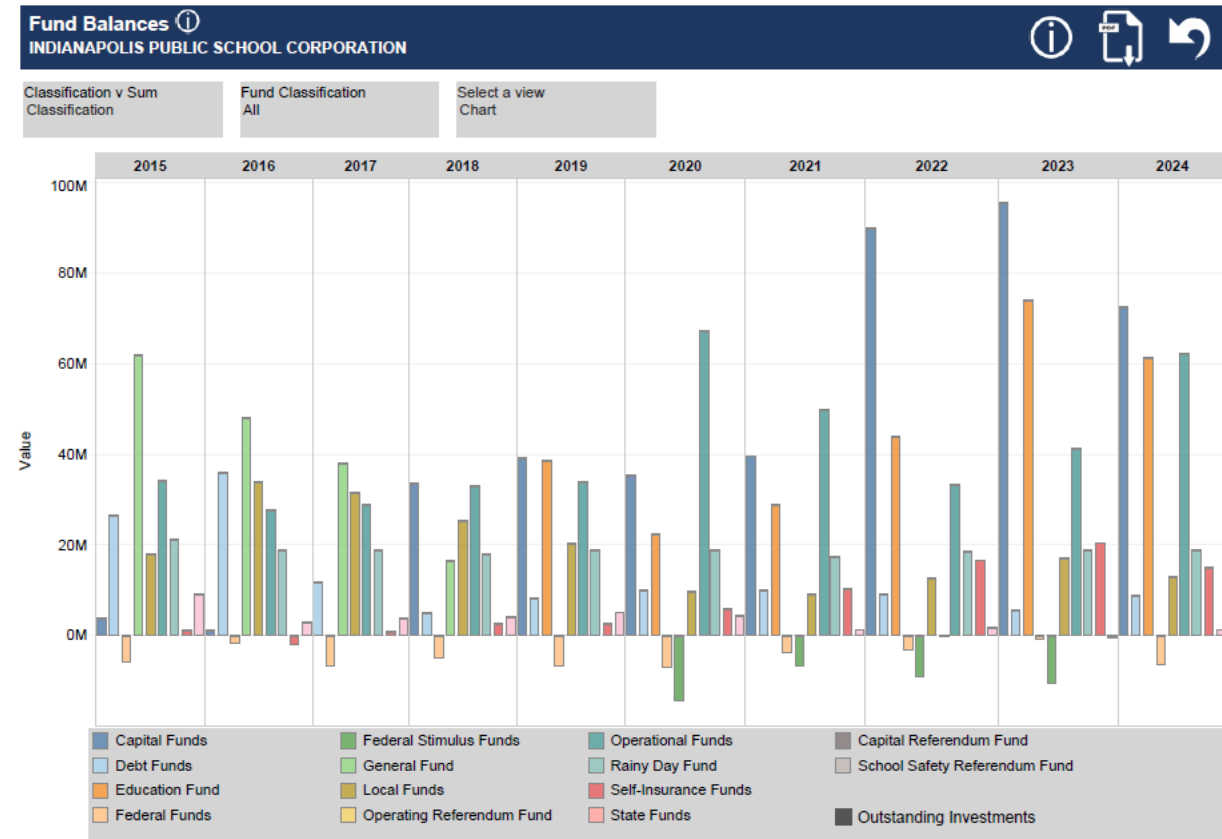
Fund Balances

IPS real estate values have been steadily increasing over the period represented in the DUAB graph. Increased real estate values have supported an increase in property tax revenue, which supports operational funding. Concurrently, the district focuses on improving operations and implementing cost-saving measures, which have realized savings. Specifically, projects related to facilities, transportation, and the sale of the district's underutilized properties have been key drivers in controlling/reducing costs. The 2018 Operating Referendum proceeds received since 2019 have provided support to the fund balances in a manner that did not exist in 2018.

Debt funds include bond proceeds from two Capital Referenda.

- 2018 Capital Referendum to support Safety & Security Improvements included the issuance of \$52M of bonds.
- 2023 Capital Referendum to support Capital Improvements related to the Rebuilding Stronger Student Experience Initiative included the issuance of some or all \$410M of bonds. As of December 31, 2025, all bonds have been issued and proceeds received.

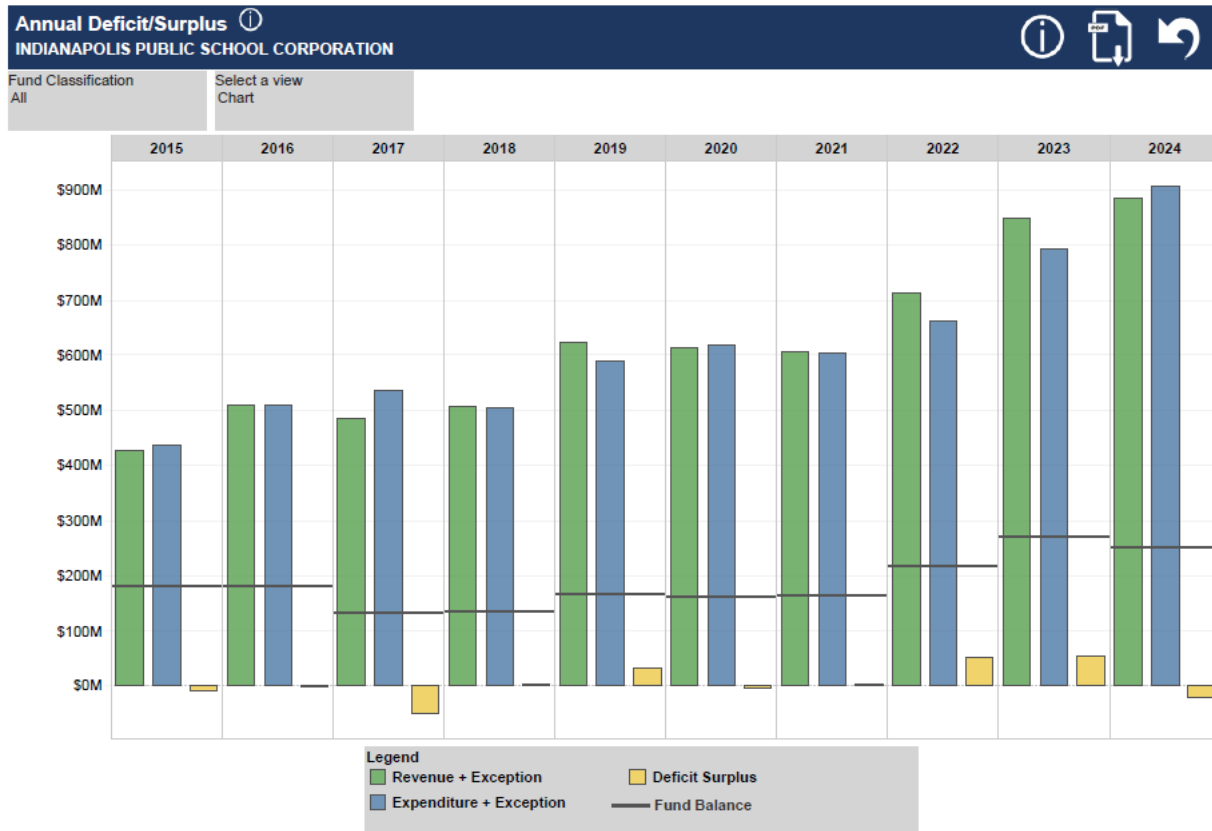
On July 1, 2019, IPS transitioned to the new State-Directed Fund structure of the Education Fund (previously General Fund) and Operations Fund (previously three separate funds — Capital Projects, Transportation Operating, and Bus Replacement).



Annual Deficit/Surplus

The operating referendum allows the district to continue to invest in staff, while also requiring significant operational cost savings in areas that support schools such as facilities, transportation, and other educational supports. Without successful execution of the operational cost-saving initiatives, there will be a need to raise additional revenue from other resources. IPS continues to monitor, manage and advocate for funds so there are no disruptions in students being served.

Since early 2020, the COVID-19 response required investments in technology, social distancing considerations in facilities and transportation, and health/safety supplies. Much of the investments were made upfront out of cash reserves and were reimbursed, in part, by federal stimulus funding (ESSER) passed March 2020 to April 2021. IPS-LEA was allocated \$217 million to support unfinished learning, investments in information technology infrastructure and facility improvements through September 2024. You can learn more about IPS federal stimulus investments by visiting IPS ESSER Tracker on www.myips.org.



Fund Balances as Percentage of Expenditures

The IPS cash balance policy guides retaining reserves equal to at least one to three months (8% to 25%) of annual expenditures. The [cash balance policy](#) supports the district’s strategy to educate students and protects the district’s cash balance in instances where:

- There are timing differences between incurred expenditures and receipt of associated revenues.
- Additional funds are needed for emergencies.
- Significant shifts in revenue occur with short notice.

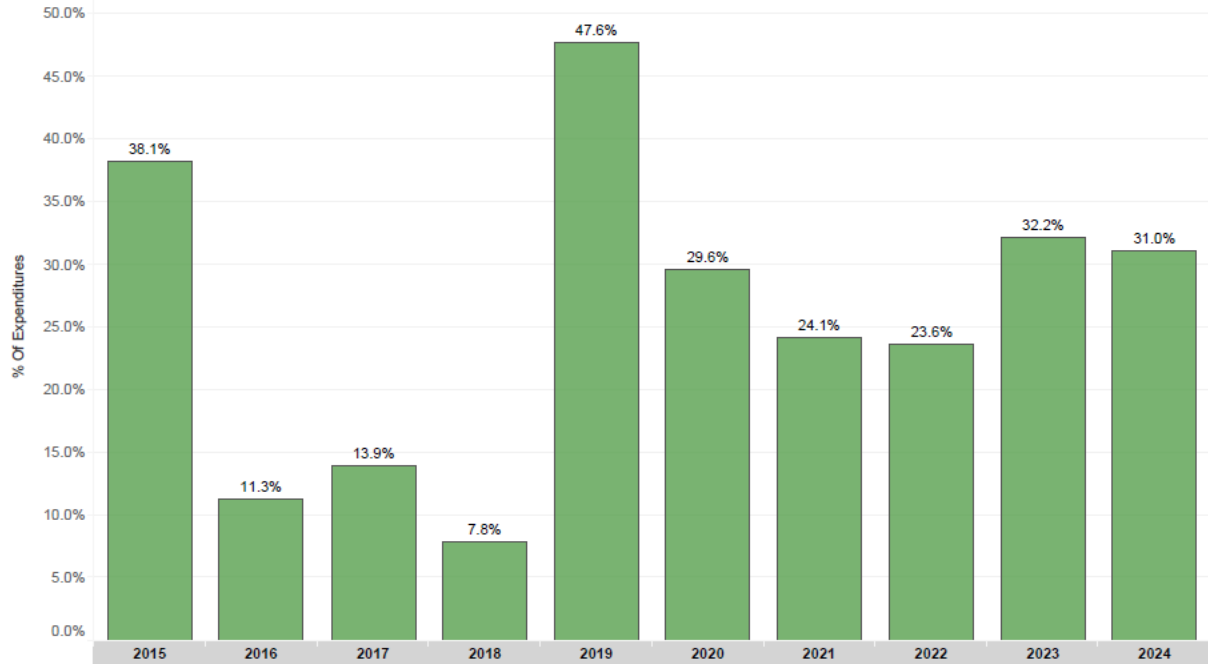
The COVID-19 response since 2020 is a perfect example of why reserves are maintained at agreed-upon targeted levels. Without the adequate cash in the Education and Operations Fund the last few years, the necessary investments in instructional supports, technology, facilities and health/safety supplies would have caused a greater cash flow burden on the district until reimbursements from federal stimulus and philanthropy would be available to be received.

Fund Balance as a Percent of Expenditures
INDIANAPOLIS PUBLIC SCHOOL CORPORATION



Fund Classification
All

Select a view
Chart



Revenues by Type

The appearance of a significant revenue increase in 2016 is partially the result of IPS implementing internal accounting and reporting changes to comply with the Indiana State Board of Accounts' guidance. Additionally, IPS began the process of self-funding its medical benefits. Both changes resulted in the appearance of an influx of funds, which were technically fund transfers. The resulting fluctuations were not actual revenue for IPS.

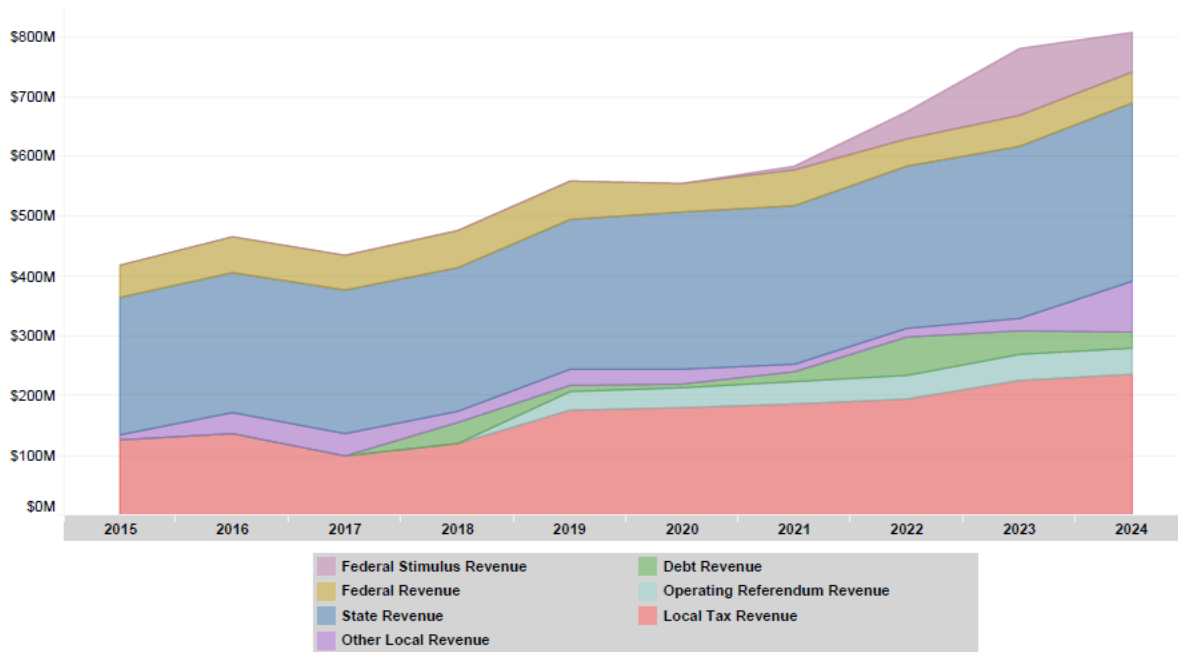
A new revenue type in 2019 reports the proceeds received from the Operating Referendum passed by IPS voters in November 2018.

Revenue By Type
INDIANAPOLIS PUBLIC SCHOOL CORPORATION



Fund Classification
All

Select a view
Chart



Operating Referendum Revenue as Percentage of Total Revenue

IPS passed its operating referendum in November of 2018 and did not receive operating revenue until the 2019 calendar year. Therefore, no operating referendum revenues were included until the 2019 fiscal indicators.

The 2018 operating referendum has allowed the district to provide competitive compensation to attract and retain teachers and staff to meet the educational needs of students.

Within the next 12 months, the 2018 operating referendum expires (12/31/26). Strategic conversations are underway to align the community instructional and operational demands with available resources. Decisions will be required to align sustainable levels of revenue with the desired level of instructional supports, operational services, and competitive compensation. An operating referendum is likely to be on the ballot in November 2026 to sustain the current operations of schools and improve student outcomes.

Operating Referendum Revenue
INDIANAPOLIS PUBLIC SCHOOL CORPORATION



Fund Classification
All

Select a view
Chart

