



To: Board of Education
Fr: Matt Gibson
Re: **September 6, 2011 Work Session on Comparative Cost Savings and Logistics of School Closing and Redistricting Scenarios and Narrowing of Scenarios toward Preliminary Recommendation for September 13, 2011 Board Meeting and Community Information to Follow**

Comparative Cost Savings of School Closing and Redistricting Scenarios –

A redistricting financial summary is attached that provides comparative cost savings for the five scenarios remaining for consideration following August 23 board discussion. The information above the line in this document represents annual cost savings (staffing costs in the first table and other costs in the second table of the attachment) to include projected maintenance costs for ten years. A summary of this information follows:

| Scenarios | Comparative Cost Savings |
|---------------------------------|---------------------------------|
| 1. Close Hillside | \$1,245,037 |
| 2. Close Tonawanda | \$1,479,050 |
| 3. Close Hillside and Tonawanda | \$2,737,412 |
| 4. Close Burleigh | \$1,682,542 |
| 5. Close Swanson | \$1,558,261 |

Additional information below the line in the attachment represents comparative fair market value estimates if these properties were sold as well as long range capital cost projections not included in the information above the line. While this information is useful, it doesn't directly impact annual operational cost savings needed to help sustain educational programs and services and reasonable class sizes. A balancing comment regarding the Hillside and Tonawanda comparison is that, while there is more annual cost savings from closing Tonawanda, there are greater long term maintenance costs from maintaining Hillside.

Comparative Logistics of School Closing and Redistricting Scenarios – The attached Scenario and 2012-2013 Movement Chart, updated with current enrollments and capacities currently utilized, provides comparative logistics of school closing and redistricting for scenarios remaining for consideration following August 23 board discussion. Two exceptions are the combined Hillside and Tonawanda closure is not illustrated twice as it is the combination of each separate illustration (with the exception of further smoothing of nonresidents if two schools are closed); and the closure of Swanson is illustrated twice, first to illustrate (parallel to Burleigh closure) the change in the K-12 feeder system needed to close a larger school, and second to illustrate (test) what would occur if Swanson as a larger school were closed without changing the grades 6-12 feeder system. A summary of comparative data from this chart follows:

| Scenarios and Feeder Impacts | Percentage Student Displacement | Number Variation from Exact East/West Balance | Ranges in Use of School Capacities |
|---|--|---|---|
| Close Hillside (no change in 6-12 feeder system) | 6.2% resident 8.0% total | 58 residents 102 total | <u>Elementary</u> From 49% to 86% residents From 65% to 90% total |
| Close Tonawanda (no change in 6-12 feeder system) | 8.1% resident 8.9% total | 142 residents 120 total | <u>Elementary</u> From 59% to 74% residents From 68% to 84% total |
| Close Swanson (change in 6-12 feeder system) | 30.1% resident 27.6% total | 203 residents* 195 total* *Based on 6-12 rather than K-12 as exact elementary TBD based on Burleigh swing | <u>Elementary</u> From 65% to 80% residents From 83% to 89% total <u>Middle and High School</u> From 69% to 90% residents From 84% to 104% total |
| Close Burleigh (change in 6-12 feeder system) | 29.7% resident 26.5% total | 163 residents* 155 total* *Based on 6-12 rather than K-12 as exact elementary TBD based on Swanson swing | <u>Elementary</u> From 71% to 87% residents From 79% to 99% total <u>Middle and High School</u> From 68% to 87% residents From 80% to 99% total |
| Close Swanson Alternate (no change in 6-12 feeder system but larger change in elementary displacement) | 33.5% resident 29.7% total | 95 residents* 87 total* *Based on 6-12 rather than K-12 as exact elementary TBD based on swing elementary schools as needed to maintain 6-12 feeder system | <u>Elementary</u> From 71% to 87% residents From 79% to 96% total |

The left column of the attached chart lists movement of enrollment tracts for resident students. It also lists movement of nonresident students to balance enrollments. Both residents and nonresidents were kept within existing feeder systems to the extent possible within school capacities. While nonresidents were used at the end to balance enrollments, such enrollments needed to be first balanced with resident students in the event that nonresident enrollment trends downward based on fewer schools and sections available for opening seats.

Maps are attached to visually illustrate the scenarios.

Narrowing of Scenarios toward Preliminary Recommendation for September 13, 2011 Board Meeting and Community Information to Follow - Based on prior board discussions of criteria and recent July 12, August 10, and August 23 discussions, three criteria areas follow to narrow the five scenarios to a tentative recommendation for community information with comparative information from the other four scenarios prior to board decision making:

- **Cost Savings** - Maximizing annual operational cost savings (projected at approximately \$1.3 million for a smaller school and \$1.6 million for a larger school) including potential for class size smoothing; considering long term capital maintenance cost savings (existing age, amenity level, and projected maintenance costs); and considering resale value of school identified for closing.
- **Logistic Feasibility and Extent of Disruption** - Maximizing logistics to include balancing feeder system horizontally with resident and nonresident students; aligning feeder system vertically to the extent possible; and minimizing resident student movement at elementary and secondary grades, nonresident student movement at elementary and secondary grades, and average distances and times from home to elementary schools.
- **Future Financial and Logistic Planning** - Responding to enrollment projections and fluctuations, e.g. responding to over capacity now and planning for possible under capacity if resident enrollment trends upward in the future; avoiding repeated redistricting of the same students and families in the foreseeable future and minimizing empty schools without predicted reuse or resale potential, district impact of loss of resident students (projected at \$5,230 per loss of elementary student), and municipal impact of loss of an elementary school.

Timeline –

Dates and Locations

Purposes

July 12 Board meeting
Board Room

Reconvened discussion from December 2010

August 10 Work session
Board Room

Reviewed decision making criteria and seven scenarios

August 11 Communications
Room #133

Suggested the Board narrow to one scenario and comparative rationale from other scenarios prior to conducting community information sessions

August 15 Finance & Operations
Room #133

Reviewed cost savings of nine scenarios

August 23 Board meeting
Board Room

Discussed nine scenarios, decision making criteria and process for decision making, and direction from Communications Committee to narrow to one scenario for community information; narrowed to five scenarios and confirmed work session on September 6

| | |
|--|--|
| September 6 Work Session Board Room | Analyze and further narrow scenarios based on decision making criteria and additional information |
| September 8 Communications Room #133 | Discuss community information plan |
| September 13 Board meeting Board Room | Reach consensus on criteria based recommendation and comparable analysis of other scenarios considered |
| Community Meetings TBD | Present criteria based recommendation and comparable analysis of other scenarios considered; solicit oral and written feedback |
| October 11 Board meeting Larger Location ____ | Discuss themes from community meetings and consider school closing and redistricting recommendation |
| October 25 Board meeting Larger Location ____ | Act on school closing and redistricting recommendation to become effective 2012-2013 |

Referenced Background – This item continues (discussion item on July 12, 2011 regular board agenda, work session on August 10, 2011, and discussion item on August 23, 2011 regular board agenda) the elementary school closing discussion from December 2010 when it was acknowledged by the Board that all six elementary schools would remain open for 2011-2012 and that school closing discussion would reconvene in summer 2011 to provide adequate time for further due diligence and decision making to become effective for 2012-2013.

The two schools studied for possible closing and redistricting last fall were Hillside and/or Tonawanda. While these schools were selected for study based on their size (smaller), age (older), and locations (far-east and west side of district), a recommendation of the Enrollment Management Study Team (not the leading recommendation) was that the district consider closing an elementary school. This recommendation was prompted by declining resident enrollment, excess elementary school capacity (from three to six sections per grade level pending views on use of capacity, enrollment projections, nonresident enrollment, and 4K), and need for operational cost savings to help close the then projected \$15 million revenue and expenditure gap (now reduced to \$11 million) over five years. Closing a school and redistricting its population, while unpopular with many, was viewed as a better cost saving measure (projected \$1.3 million savings from closing a small school to \$1.6 million savings from closing a large school) than saving a similar sum by reducing programs and services and/or further increasing class sizes.

Several redistricting scenarios were developed by the district if Hillside and/or Tonawanda needed to close and be redistricted. None of the Tonawanda closure and redistricting scenarios emerged as majority acceptable to Tonawanda parents or receiving school parents who may also be redistricted. While not majority acceptable either, only one of the Hillside closure scenarios, that of keeping the Hillside resident community together and redistricting it to Brookfield Elementary, emerged as more acceptable than previous scenarios if needed by Hillside parents yet was not acceptable to receiving school parents who may be redistricted.

While these studies were largely unpopular with parents impacted, they did demonstrate the feasibility of closing Hillside or Tonawanda if needed and that Hillside could be closed and redistricted with potentially less disruption than Tonawanda.

Since December 2010, the Applied Population Lab from UW-Madison informed the district that enrollment projections did not change as a result of 2010 census data, which means that there is still projected excess capacity in elementary schools (from three to six sections per grade level pending views on use of capacity, enrollment projections, nonresident enrollment, and 4K); the charter school study was deferred indefinitely due to other higher priorities for due diligence and inability to project substantial new resident enrollment growth attributable to the charter school; and the 2011-2013 state budget passed to include components of the prior budget repair bill which decreased the revenue and expenditure gap over five years from \$15 to \$11 million.

Before making a decision on closing a small elementary school for 2012-2013 only to have to consider closing another small elementary school in a few years, residents encouraged the district to study closing and redistricting a larger school such as Burleigh or Swanson before making a school closing and redistricting decision. Residents (largely elementary parents) also encouraged the district to raise the priority of distance from home to elementary school and lower the priority of preservation of the existing feeder system as factors in decision making.

Referenced Base Line Information for School Closing and Redistricting Scenario

Development –

- Existing Capacity – 25 sections per grade level delivered in six schools
- Projected Need – 19 sections per grade level based on last school year base case analysis from 17 to 17.8 sections/grade level of resident 5K-12 students

Central and WI Hills Feeders

Hillside 3
Brookfield El 4
Swanson 5
Total sections/grade level 12

East and Pilgrim Park Feeders

Tonawanda 3
Dixon 4 (exception of one tract)
Burleigh 6
Total sections/grade level 13

Referenced Nine Scenarios Considered at August 23 Board Meeting – These nine scenarios were narrowed to five school closing and redistricting scenarios for consideration at the September 6 board work session.

1. Close Hillside (Option #6 from fall 2010)
2. Close Tonawanda (Option #2 from fall 2010)
3. Close Hillside and Tonawanda (combination of #1 and #2 above)
4. Close Burleigh
5. Close Swanson
6. Repurpose Burleigh to a 3-section school on the first floor and CAO on the second floor
7. Repurpose Burleigh to a 3-section school on the first floor and CAO on the second floor and close Hillside (combination of #1 and #6 above)
8. Repurpose Swanson to a 3-section school and remaining portion for CAO
9. Repurpose Swanson to a 3-section school and remaining portion for CAO and close Tonawanda (combination of #2 and #8 above)

Logistics for scenarios #1, #2, #3, #6, #7, #8, and #9 keep the BCHS/BEHS and WHMS/PPMS borders as existing unless changes are possible to better align the feeder system for Tract 146.

Logistics for scenarios #4 and #5 move the BCHS/BEHS and WHMS/PPMS borders to Calhoun Road as the east/west boundary with the exception of Tracts 144 and 146 (located east of Calhoun) remaining on the west side based upon Tract 146 hosting BCHS and both tracts being needed to balance east and west side resident enrollments. Scenarios #4 and #5 also use larger schools as swing schools that feed both east and west sides of the district.

Referenced Decision Making Process – While a QFD process (Quality Function Deployment, wherein criteria are selected and weighted and then scenarios are scored based on the extent of their correlation to the criteria) was introduced on August 10, two other suggestions were also introduced. One was to make the process as fact based or quantitative as possible and the other (related) was to acknowledge that cost savings on operations is preferable to cost savings by reducing or eliminating valued educational programs and services or raising class sizes, so cost savings should be a major criteria in qualifying the scenarios for narrowing and then applying non-cost related criteria before making a recommendation. Given this input, the criteria are drafted to be as measurable as possible and the scenario analysis attachment is similarly drafted toward comparable analysis. The QFD is nevertheless available as a methodology to inform decision making if it is needed to narrow the scenarios.

September 6 Work Session Attachments –

- Redistricting Financial Summary
- Expense Reduction Graph for School Closing Scenarios
- Scenario and 2012-2013 Movement Chart
- Elementary Transportation Ride Time Analysis Chart
- Maps by Scenario
- Analysis Pages by Scenario
- Incremental Revenue Loss for Reference if Loss of Elementary Resident Students
- WIAA Information for Reference if High School Students are Redistricted

MG/schoolclosingreconvening20112012/updated8711/updated9111