

School District of New Berlin

**Two Consolidation Options as
Budget Considerations** 

(1) Due Diligence Validation of
Elementary Consolidation Option of
Closing Orchard Lane Elementary School and
Redistricting
Grades K-6 into Elmwood, Poplar Creek, and
Ronald Reagan Elementary Schools

(2) Due Diligence Validation of
Districtwide Consolidation Option of
Closing Orchard Lane Elementary School and
Redistricting and Restructuring
Grades K-4 into Elmwood, Poplar Creek, and
Ronald Reagan Elementary Schools and
All District Grades 5-8 into New Berlin Eisenhower and
All District Grades 9-12 into New Berlin West

September 4, 2019

Section 1

Consultant Scope of Work in Validating Due Diligence on Two District Consolidation Options

Budget Driven: The impetus for developing these school consolidation options, and validating them, is their potential for efficiencies and resulting **short and long term budget savings**.

District Due Diligence Development: District administrative staff developed the due diligence for these two options, supported by topical district consultants as needed (budget projections, student transportation). For context, recent school district communications remind that school consolidation discussions have occurred in the district for decades and most recently at the beginning of the 2000-2010 decade related to referendum consideration options at that time.

Independent Consultant and Scope of Work: The District recruited an independent consultant to validate the work of the (above) administrative and topical consultant team. The consultant was recruited for school district experience (as former superintendent in another district) in closing an elementary school and redistricting students, and in developing due diligence for high school reconfiguration options prior to a district decision on long term (40-year) capital investments in the option that best met present and future needs of the district.

Based on this experience in another district, the School District of New Berlin (SDNB) values and goals (excerpted from current documents as relevant to this validation process and listed below for reference), and two-way communication with district administrators and topical consultants, the independent consultant's **scope of work is to validate district due diligence on each option, identify any gaps, and compile the due diligence and validation into a report to the SDNB Board of Education.**

For clarity and consistency, the due diligence, validation, and illustrations (as time permitted) are organized into the following three areas for each option:

1. **Quantitative Efficiency and Budget Savings** (are the budget savings projections realistic?)
2. **Implementation Feasibility** (would the options work, along with providing the savings?)
3. **Initial Qualitative Analysis** (could the options continue, albeit in different ways, to deliver *New Berlin Excellence*?)

School District of New Berlin Values and Goals

(excerpted for reference as relevant to this validation process)

- *The value of input and active engagement from our local/regional/state community improves the quality of our schools.*
- *The value of effective communication with internal and external stakeholders is essential to our collective success.*
- *The value of fostering a climate of entrepreneurial thinking, deliberate change and continuous improvement inspires innovative thinking. The strategic goal to maintain and promote fiscal responsibility that reflects a commitment to student learning.*
- *The strategic goal to maintain and promote fiscal responsibility that reflects a commitment to student learning.*
- *The strategic goal to develop relationships and partnerships in the community to recognize and utilize mutually beneficial resources.*

Due Diligence Validation Process: The consultant met six times with district administrative staff during July and August, 2019 to gain an understanding of district finances (past, present, projected), budget purposes that the April 2, 2019 operational referendum intended to address for five years (2019-20 through 2023-24) and, in particular, two district identified consolidation options and their due diligence to date and any identified gaps.

Based on these meetings, a brief description of the two consolidation options follows. The rest of the report compiles and validates the district due diligence organized by (1) efficiency and budget savings, (2) implementation feasibility and (3) initial qualitative analysis of each option.

The report is not intended to promote or demote either consolidation option. Rather, it is to provide validated due diligence should either option be further considered to help address the district's structural deficit. This deficit was defined as \$697,578 in the preliminary 2019-20 budget approved by the Board of Education on May 28, 2019 (does not include approximately \$3.5 million in unfunded long-range facility needs (including roofs and pavement), technology infrastructure needs and upgrades, curriculum and instruction needs and upgrades, equipment and furniture replacement needs, and additional safety needs beyond preventive measures already implemented).

Initial High Level Understanding of Consolidation Option (1): Closing Orchard Lane Elementary School and redistricting grades K-6 into Elmwood, Poplar Creek, and Ronald Reagan elementary schools was understood in the validation process:

- As an available source of efficiency and resulting budget savings,
- As feasible for implementation given existing and projected enrollments and class size guidelines,
- As (qualitatively) not incurring change of existing grade level configurations (grades K-6 and grades 7-12), or attendance areas boundaries for grades 7-12;
- **BUT** it wasn't viewed as providing substantial enough efficiency and budget savings to avoid an operational referendum in the near future.

Initial High Level Understanding of Consolidation Option (2): Closing Orchard Lane Elementary School and redistricting and restructuring grades K-4 into Elmwood, Poplar Creek and Ronald Reagan elementary schools, combined with redistricting and restructuring all district grades 5-8 into New Berlin Eisenhower and all district grades 9-12 into New Berlin West (with shared athletics facilities) was viewed in the validation process:

- As a source of substantial enough efficiency and resulting budget savings to avoid an operational referendum for the next five years,
- As feasible at all three elementary schools and potentially feasible at Eisenhower and West pending further (internal) due diligence on numbers of classrooms and their percentage utilization and (external) due diligence on increased traffic particularly on Cleveland,
- As having qualitative educational plusses and minuses as illustrated later in this document,

- **BUT** it was viewed as representing major organizational change for the district in transitioning from two separate grades 7-12 school communities into one districtwide school community starting in grades 5-8 and continuing through grades 9-12.

The extent of change implied by Consolidation Option (2) was viewed as a short term change management and logistics challenge, yet also viewed as a potentially feasible (with adequate time for preparation), qualitatively equivalent educational option that could provide substantive long term efficiency and budget savings for the district. It was also viewed as preferable to a continuation of annual budget reductions in programs, services, and maintenance.

Section 2

Enrollment, Enrollment Projections, Class Size Guidelines, School Capacity, and Pupil Transportation Information for Reference

District Enrollment Baseline

2018-19 Actual District Enrollment: **4,280** Source: Infinite Campus

District Enrollment Projections

2023-24 Projected Five Year District Enrollment:

- 4,332** in 2019-20
- 4,325** in 2020-21
- 4,310** in 2021-22
- 4,322** in 2022-23
- 4,336** in 2023-24

Source: November 12, 2018 District Enrollment Projections

Historical Percentage Accuracy of Projections to Actuals: 98.4% Source: District Q/A

Class Size Guidelines

Grades K-3: 26 or less Source: District Q/A

Grades 4-6: 30 students or less Source: District Q/A

Grades 7-12: 30 students or less (with exceptions based on classroom limitations, e.g. science labs, or classroom flexibility, e.g. physical education. Source: Current district practice

School Enrollments, Regular Classrooms, Sections/Grade, and Special Classrooms

School	2018-19 Enrollment	Regular Classrooms	Special Classrooms
Elmwood K-6	581	28 (4 sections)	8
Orchard Lane K-6	479	21 (3 sections)	6
Poplar Creek K-6	459	21 (3 sections)	6
Ronald Reagan K-6	586	33/35 (5 sections)	6
Eisenhower 7-12	1,097		
West 7-12	1,078		

District Pupil Transportation Baseline

2018-19 Budget: \$2,881,290

Proposed 2019-20 Budget: \$2,959,322

Increase: \$78,032 or 2.64%

Section 3
Due Diligence Validation of
Elementary Consolidation Option (1) of
Closing Orchard Lane Elementary School and
Redistricting
Grades K-6 into Elmwood, Poplar Creek, and
Ronald Reagan Elementary Schools

Spring 2018 Survey Results/Narrative (for reference):

Spring 2018 Quantitative Survey Results and Narrative re: Consolidation Option (1):

For context, Spring 2018 Community Survey results (third party) reported 57.1 percent of non-parent, non-staff groups “definitely” or “probably” supported consolidation of elementary schools, but 37.8 percent of all respondents “definitely” or “probably” supported it. Survey narrative stated that consolidating elementary schools from four to three would save approximately \$500,000 to \$800,000 in reduced administration, staff, and maintenance, not enough to erase future budget deficits entirely. Most likely school to close would be Orchard Lane. In a preliminary scenario, all Orchard Lane students would be absorbed into Ronald Reagan (approximately 275 students) and Poplar Creek (approximately 160 students), resulting in increased average class sizes at all grade levels at those schools (yet within district class size guidelines). Barring unforeseen student needs or unanticipated issues, elementary programming and instruction would be (relatively) unchanged. The vacant Orchard Lane School could be used for potential rental revenues and reopened if future elementary enrollment increased.

Instructional Updates (since survey) **with Projected 2019-20** (example school year)

Enrollments, Sections, Class Size Averages, and Instructional FTE/Budget Savings:

Grades K-6 **Elmwood** with projected redistricting from Orchard Lane

- Projected enrollment: **730**
- Projected sections: **4** per grade level (bubble of 5 sections in grades one and two)
- Projected grades K-3 average class sizes: **21.9**
- Projected grades 4-6 average class sizes: **27.9**

Grades K-6 **Poplar Creek** with projected redistricting from Orchard Lane

- Projected enrollment: **507**
- Projected sections: **3** per grade level (bubble of 4 sections in grade 2)
- Projected grades K-3 average class sizes: **21.8**
- Projected grades 4-6 average class sizes: **24.8**

Grades K-6 **Ronald Reagan** with projected redistricting from Orchard Lane

- Projected enrollment: **853**
- Projected sections: **5** per grade level
- Projected grades K-3 average class sizes: **24.4**
- Projected grades 4-6 average class sizes: **24.3**

FTE Change from Consolidation (example 2018-19 to 2019-20): **-10.25 FTE Savings**

FTE (salary package) costing of \$75,000 X 10.25 FTE = **-\$768,750 Instructional Savings**

1. Quantitative Efficiency and Budget Savings (are the budget savings projections realistic):

- Projected **K-6 instructional staffing** savings from closing Orchard Lane and redistricting (breakdown above): **-\$768,750**
- Projected **other personnel** savings from closing Orchard Lane and redistricting: **-\$617,389** (school management, clerical, buildings and grounds, lunch/recess, and instructional coach)
- Projected **utilities** savings (three-year average) from closing Orchard Lane and redistricting: **-\$52,713**
- Projected **pupil transportation savings or added cost** from closing Orchard Lane and redistricting: **No change in number of buses or routes = negligible change in costs**
- Projected **TOTAL** budget savings from Consolidation Option (1): Closing Orchard Lane and redistricting grades K-6 students to Elmwood, Poplar Creek, and Ronald Reagan: - **\$1,438,852**
- To avoid capital and operational costs of reopening Orchard Lane, validation discussion suggested **adding space** (classrooms and/or specialty space to support additional classrooms) to another elementary school(s) if future enrollments grow beyond the existing capacity of Elmwood, Popular Creek, and Ronald Reagan.
- Further savings or added cost questions pending further consideration of Consolidation Option (1):
 - Projected **moving costs** (one time) of closing Orchard Lane and redistricting: _____
 - Projected **enrollment loss** (cost) of closing Orchard Lane and redistricting: _____
 - Projected **deferred maintenance savings** from closing Orchard Lane: **\$575,000 (for playground and parking lot)**
 - Projected **annual revenue** from leasing Orchard Lane: _____
 - Projected **market value** of selling Orchard Lane: **\$3,995,000 - \$4,295,000** (source: Broker Opinion of Value, Anderson Commercial Group, June 2019)

2. **Implementation Feasibility** (would the options work, along with providing the savings)

- **Implementation feasibility validated** per above projected enrollments, sections, and grades K-3 and 4-6 class size averages within district guidelines.

3. **Initial Qualitative Analysis** (could the options continue to deliver *New Berlin Excellence*)

- While budget savings and implementation feasibility are pluses, and instructional program and delivery wouldn't change, closing a school and redistricting students and families is a transition that involves adjustment to change, which takes care and time. For example, closure of Orchard Lane (or any school) would provide opportunity to celebrate past successes while grieving the present loss; and redistricting would provide opportunity for staff and families of the other three elementary schools to be intentionally, inclusively welcoming, toward the end of forming a new school community as soon as possible.
- Anticipated questions from redistricted students and families from Orchard Lane is whether elementary redistricting for their children will occur again (very unlikely given above capacities and class sizes of remaining three elementary schools), and if and when Consolidation Option (2) would occur for their students? For example, if Consolidation

Option (1) was implemented at one juncture and Consolidation Option (2) followed soon thereafter, students from Orchard Lane could experience four school transitions, e.g. beginning elementary grades at Orchard Lane, continuing elementary grades at another elementary school; and then the potential of Consolidation Option (2) prompting a third move to a grades 5-8 school, and a fourth move to a grades 9-12 school.

Section 4

Due Diligence Validation of Districtwide Consolidation Option (2) of Closing Orchard Lane Elementary School and Redistricting and Restructuring Grades K-4 into Elmwood, Poplar Creek, and Ronald Reagan Elementary Schools and All District Grades 5-8 into New Berlin Eisenhower and All District Grades 9-12 into New Berlin West

Spring 2018 Survey Results/Narrative (for reference):

Spring 2018 Quantitative Survey Results and Narrative re: Consolidation Option (2):

For context, Spring 2018 Community Survey results (third party) reported 57.1 percent of non-parent, non-staff groups “definitely” or “probably” supported consolidation of elementary schools, but 37.8 percent of all respondents “definitely” or “probably” supported it. Survey narrative stated that by combining high schools (making West a high school and Eisenhower a middle school), closing an elementary school, and shifting all sixth graders to the “new” middle school, the district could save approximately \$900,000 to \$1,100,000. Savings would come mostly by cutting all extra and co-curricular areas in half, e.g. one football program, one academic decathlon team, reducing staff, and reducing maintenance at the vacant elementary building. This option would result in a major disruption to our current academic structure and, while the Board is not actively considering this option now, it may need to revisit it in the future depending on the district’s financial outlook. Therefore, it would like the community’s feedback.

Instructional Updates (since survey) **with Projected 2019-20** (example school year)

Enrollments, Sections, Class Size Averages, and Instructional FTE/Budget Savings:

Grades K-4 **Elmwood** with projected redistricting from Orchard Lane

- Projected enrollment: 503
- Projected sections: **4** per grade level (bubble of five sections in grades one and two)
- Projected grades K-3 average class sizes: **21.9**
- Projected grade 4 average class size: **24.75**

Grades K-4 **Poplar Creek** with projected redistricting from Orchard Lane

- Projected enrollment: **363**
- Projected sections: **3** per grade level (bubble of four sections in grade 2)
- Projected grades K-3 average class sizes: **21.8**
- Projected grade 4 average class size: **26.3**

Grades K-4 **Ronald Reagan** with projected redistricting from Orchard Lane

- Projected enrollment: **612**
- Projected sections: **5** per grade level

- Projected grades K-3 average class sizes: **24.4**
- Projected grade 4 average class size: **24.8**

District Wide Grades 5-8 at Eisenhower

- Projected enrollment: **1,259**
- Projected instructional staffing: **62.3 FTE**

Districtwide Grades 9-12 at West

- Projected enrollment: **1,533**
- Projected instructional staffing: **69.75 FTE**

K-4 FTE Change from Consolidation (example 2018-19 to 2019-20): **-9.77 FTE Savings**

K-4 FTE (salary package costing of \$75,000 X 9.77 FTE = **-\$732,750 Instructional Savings** (already included in Consolidation Option (1) savings

1. Quantitative Efficiency and Budget Savings (are the budget savings projections realistic)

- From Section 3, projected **TOTAL** budget savings from Consolidation Option (1): Closing Orchard Lane and redistricting grades K-6 students to Elmwood, Poplar Creek, and Ronald Reagan: **-\$1,438,852**
- Projected Consolidation Option (2) instructional staffing savings from consolidating to districtwide grades 5-8 at Eisenhower (3.0 grades 7-8 teachers at salary package costing of \$75,000: **-\$225,000**
- Projected Consolidation Option (2) instructional staffing savings from consolidating to districtwide grades 9-12 at West: Grades 9-12 FTE (salary package costing of \$75,000) X 7.0 FTE: **-\$525,000**
- Projected **middle and high school athletic team, club, and other co-curricular program** savings related to one high school athletic department resulting in fewer staff, coaches, and athletic facilities to maintain and less equipment and uniform costs: **-\$550,000 earlier estimate** — *not val; dated*
- Projected **pupil transportation added cost: +\$345,000 estimate** by an external transportation consultant who reviewed the initially projected bussing cost add of \$225,000 for Consolidation Option (2) and increased it by \$120,000 for a total projected cost add of \$345,000 based on three morning and afternoon routes vs. the current two morning and afternoon routes. However, through utilization of the district's new routing software, he predicted reduction in number of buses from the current 48 with two morning and afternoon routes to a projected 46 with three morning and afternoon routes. Efficiency savings would be over \$29,000 per bus saved based on: 179 school days at \$162.16/day.
- Projected increase in **athletics transportation** between Eisenhower and West: **+\$24,100** — *from earlier study*
- Projected loss in student parking revenue at Eisenhower: **+\$50,000**
- Projected **TOTAL** budget savings from Consolidation Option (2): Closing Orchard Lane and Redistricting and Restructuring Grades K-4 into

Elmwood, Poplar Creek, and Ronald Reagan Elementary Schools and All District Grades 5-8 into New Berlin Eisenhower and All District Grades 9-12 into New Berlin West: **-\$2,319,752** including -\$1,438,852 from Consolidation Option (1) portion and \$880,900 from additional Consolidation Option (2) portion.

2. Implementation Feasibility (would the options work, along with providing the savings)

- Implementation feasibility validated at all three elementary schools and potentially validated at Eisenhower and West pending further (internal) due diligence on numbers of classrooms and their percentage utilization and (external) due diligence on increased traffic particularly on Cleveland,

Later Feasibility Questions pending further consideration of Consolidation Option (2)

- Floor plan modeling of districtwide grades 5-8 regular classrooms at Eisenhower including percentage utilization of each space
- Floor plan modeling of districtwide grades 9-12 regular classrooms at West including percentage utilization of each space
- Bus route modeling of districtwide grades 5-8 regular bussing to/from Eisenhower
- Bus route modeling of districtwide grades 9-12 regular bussing to/from West
- Traffic study related to increased use of Cleveland at beginning and ending of school days
- How to prioritize limited student parking at West

3. Initial Qualitative Analysis (could the options continue to deliver *New Berlin Excellence*)
Source: July meetings with district and school administrators.

Teaching and Learning Differences with Districtwide Grades 5-8

Potential Pluses

- Maintained program options for grades 7-8
- Sufficient enrollments to (efficiently) run advanced classes on site
- Increased focus on developmental middle school student needs
- Increased content depth for grades 5-6
- Increased focus in professional development for staff

Potential Minuses

- Need to break down large school size into smaller teaching and learning areas, e.g. self contained classrooms, potential for multiage classrooms, and opportunities for both middle school house structures and content area departments for advanced classes
- Adjustments from grades 5-6 as the oldest in elementary schools and grades 7-8 as the youngest in high schools to grades 5-6 and grades 7-8 being together

Teaching and Learning Differences with Districtwide Grades 9-12

Potential Pluses

- Increased programming (courses) in all curriculum areas, including capstone courses
- Sufficient enrollments to run elective classes annually (vs alternate years), with efficient class sizes, e.g. computer science sequencing
- Specialized classroom facilities (vs shared use classrooms)
- Decreased staff travel (efficiency) between two high schools
- Increased academic competition for high performing students
- Equalized resources for underperforming students
- Increased efficiency in delivery of student services
- Increased focus in professional development for staff

Potential Minuses

- Potential for larger class sizes in electives that have sufficient enrollments to offer annually
- Adjustments from a two high school community and culture to a one high school community and culture
- Transitioning from perceptions of Eisenhower vs. West to perceptions of New Berlin vs. other metro area school districts, e.g. addressing differences in standardized test scores
- Transitioning school specific scholarships to district high school scholarships

Athletic and Other Co-curricular Differences with Districtwide Grades 9-12

Potential Pluses

- Sustained budget support for athletic and other co-curricular areas
- Increased levels of external competition due to larger school size
- Reduced travel for academic co-curricular areas, e.g. robotics
- Adjusting to a probable different WIAA conference due to larger school size

Potential Minuses

- Increased competition/decreased opportunities for starting positions on varsity teams
- Increased competition/decreased opportunities for starring roles in top performing groups
- Travel to athletic facilities located at Eisenhower, e.g. swimming pool
- Replacing logos, uniforms
- Adding athletic lockers
- Adjusting to a probable different WIAA conference due to larger school size

Appendix: Public High School Size in CESA #1 by 2018-19 Enrollments

Section 5 Validation Process/Product Examples

- **Focused Consolidation Options (1) and (2) Discussions on Validation Criteria:** Based on prior experience, the independent consultant established three validation criteria (budget savings, feasibility, and potential qualitative pluses and minuses) and populated them for each option through six interactive meetings with administrators and topical consultants that developed the due diligence.
- **Seeking Clarity without Granularity:** The series of validation discussions aimed to clarify, compile, and report relevant cost savings, feasibility, and qualitative information to gauge further district interest in either Consolidation Option (1) or (2) yet remain at a middle level of implementation detail (more than conceptual ideas, less that operational plans).

- **Pupil Transportation Consultant:** An external transportation consultant reviewed the initially projected bussing cost add of \$225,000 for Consolidation Option (2) and increased it by \$120,000 for a total projected cost add of \$345,000 based on three morning and afternoon routes vs. the current two morning and afternoon routes. However, through utilization of the district's new routing software, he predicted reduction in number of buses from the current 48 with two morning and afternoon routes to a projected 46 with three morning and afternoon routes. Efficiency savings would be over \$29,000 per bus saved based on 179 school days at \$162.16/day.
- **Financial Accountability:** The preliminary 2019-20 budget was prepared by the outgoing chief finance and operations officer (CFOO), discussed item by item (including sources) during overlap with the incoming CFOO, reviewed by topical and independent consultant meetings with both of them during overlap, and presented by the incoming CFOO at the August 12, 2019 Budget Hearing.

Section 6 Appendix

CESA #1 Public High Schools by 2018-19 Enrollments Source: publicschooolsreview.com

Grades 9-12 Enrollment	High School
2,293	Kenosha Indian Trail
2,190	Arrowhead
2,077	Oak Creek
1,950	Racine Case
1,758	Racine Horlick
1,675	Kenosha Tremper
1,654	Oconomowoc
1,637	Mukwonago
1,591	Muskego
1,546	Kenosha Bradford
1,533	<u>New Berlin Consolidation Option (2)</u>
1,513	Franklin
1,497	West Allis Hale
1,475	Hamilton
1,418	Racine Park
1,402	Germantown
1,338	Homestead
1,303	Menomonee Falls
1,299	West Allis Central
1,268	Brookfield Central
1,216	Waukesha North
1,213	Brookfield East
1,193	Greenfield
1,186	New Berlin Eisenhower (grades 7-12)
1,176	Waukesha West
1,160	South Milwaukee
1,131	New Berlin West (grades 7-12)
1,126	Cedarburg
1,076	Nicolet
1,021	Kettle Moraine
1,006	Waukesha South
927	Greendale
924	Whitefish Bay
865	Pewaukee
825	Whitnall
809	Port Washington
791	Brown Deer (grades 7-12)
749	Grafton
713	Cudahy
650	Shorewood
544	St. Francis

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