

OVERVIEW

The Pinconning Area School District student enrollment has been on the decline for the past several years, losing over five hundred students in eight years. Student enrollment is the most important component of a school district's revenue. With our continued enrollment decline, we have had to adjust expenditures to keep the budget balanced. We are projecting continued significant decline over the next four years of over one hundred fifty more students. Beginning in November 2009, the Board of Education began reviewing the District's budget and enrollment trends. This review resulted in a recommendation for a potential elementary school closing at the end of the 2009-10 school year.

The Budget Committee and the Site Committee have met, in public, to review information on the District's budget and the possible consolidation of elementary facilities on the following dates:

November 2
November 18
January 18 [Budget]
February 8 [Site]
February 22 [Budget]
March 3 [Site @ Linwood]
March 4 [Budget]
March 11 [Site @ Mt. Forest]
March 16 [Site]
March 18 [Budget]
April 7 [Budget]

The Board of Education held Board meetings, in public, on the following dates:

November 30 (Board Worksession)
December 8 (Board Worksession)
December 14
January 11, 25
February 8 (at Central Elementary), 22
March 8, 22 (at Mt. Forest Elementary)

Some of the guiding principles were as follows:

1. Maintain fiscal responsibility while remaining student-centered.
2. Potential movement of 6th grade up to middle school.
3. Enrollment equity between schools, therefore elementary boundary adjustments may be considered.
4. Consider building capacity, enrollment trends, and unique building features / conditions.
5. Student bus times will be considered.

EXPECTATIONS, COMMUNICATION, & INFORMATION

Expectations

The Board has been professional and focused on its purpose. It has considered all the facts, communicated and encouraged communication, to make a decision in the best interest of the District's future and the students.

Communication

The Board made communication a priority in the following ways:

1. Several meetings in public were held at different locations.
2. Provided a time for public comment at each of those meetings.
3. Provided an on-line and paper survey on our website for comments to be made.
4. Posted all presentations and survey results on the website.
5. Listened to staff and community.
6. Information included in local newspaper coverage.

Information

Information and presentations were provided at Board meetings as well as posted on the web, including:

1. General Information
2. Enrollment/Projections
3. Building Information
4. Budget Information
5. PowerPoint Presentations
6. Budget Survey
7. Expenditure Impact

The remainder of this report is a highlight of the information shared with the Board.

ENROLLMENT HISTORY

The Board and Budget Committee reviewed financial and enrollment data and its impact on the District. The K-12 student enrollment at Pinconning Area Schools (the District) has declined by over 507 students from Fall 2002 to Fall 2009. Enrollment declines in the District are comparable to declines in birth rates in Michigan and enrollment declines experienced by the two parochial schools within the District's boundaries. The District's decline has been most evident at our three elementary schools where we have experienced a decline of 228 students during this time period. The District's middle school and high school have declined by fewer students during this time period (111 and 51, respectively). The following is enrollment data for K-6 elementary students, by school, from Fall 2002 to Fall 2009:

School	Enrollment Fall 2002	Enrollment Fall 2009	Decline	% Decline
Central	438	362	76	17%
Linwood	239	179	60	25%
Mt. Forest	255	163	92	36%

The biggest issue facing the District is our declining enrollment. The majority of our school district's funding is the foundation allowance. This revenue is distributed by the state, based on the student enrollment of a school district. Therefore, the District's declining enrollment has had a significant impact on our revenue as seen in the table below:

Cumulative Cost of Declining Enrollment

Year	Foundation Allowance	Year/Year Enrollment Decline	Year/Year Lost Revenue	Cumulative Enrollment Decline	Cumulative Lost Revenue
02-03	\$6,700	83	\$556,100	83	\$56,100
03-04	\$6,700	54	\$361,800	137	\$917,900
04-05	\$6,700	27	\$180,900	164	\$1,098,800
05-06	\$6,875	65	\$446,875	229	\$1,545,675
06-07	\$7,085	86	\$609,310	315	\$2,154,985
07-08	\$7,204	70	\$504,280	385	\$2,659,265
08-09	\$7,316	34	\$248,744	419	\$2,908,009
09-10	\$7,151	88	\$629,288	507	\$3,537,297

The Committee also looked at each school's reasonable building capacity and the percentage of total building capacity projected for fall 2010 as follows:

<i>School</i>	<i>Highest Past</i>	<i>Projected 10-11 Less 6th Grade</i>	<i>Building Capacity (avg of 27)</i>	<i>% of Capacity Used</i>
<i>Central</i>	<i>444</i>	<i>368</i>	<i>486</i>	<i>76%</i>
<i>Linwood</i>	<i>245</i>	<i>141</i>	<i>378</i>	<i>37%</i>
<i>Mt. Forest</i>	<i>255</i>	<i>137</i>	<i>351</i>	<i>39%</i>

The Board Committees reviewed and analyzed the enrollment data. After touring the elementary schools and reviewing the facilities, the Site Committee made a recommendation to close Mt. Forest at the March 22 Board meeting. At the same meeting, there was discussion to also close Linwood Elementary.

BUILDING CONDITION CRITERIA

The Board reviewed the information with the following criteria in mind:

1. Building Condition (Building Tour Assessment)
2. Future Building Needs (Required/Elective Capital Projects)
3. Operational Expenditure Impact (Utilities, Capital Projects, Staffing)
4. Geographic / Site Consideration (Walkers, County School of Choice, Neighborhood Impact, Student Drop Off, Ability to Expand/Reconfigure)
5. Space Utilization (Enrollment, Building / Room Capacity)
6. Transportation (Routing, Bus Loop Capacity)
7. Boundary Changes (School Assignments)
8. Other Factors (Staffing, Equity, Students Impacted)

Building Condition Criteria

The following are building condition criteria that were assessed by the Site Committee:

1. Site Area
2. External Building Conditions
3. Internal Building Conditions
4. Infrastructure
5. Classroom/Instructional Space
6. Cafeteria/Kitchen
7. Office/Administrative Space
8. Floor Plan
9. Flexibility of Building
10. Unique Features

The Committee members evaluated the buildings and specific observations were made on the building tours, noting the positive features and drawbacks of each building. Principals and Superintendent also conducted a complete walk through. The Site Committee concentrated on the most costly items to repair for each school

Linwood: Two main items of concern, the gym wall and the west parking lot.

Mt. Forest Elementary: Three items of concern, the sewer system, water quality and plumbing.

DATA REVIEW

The following information was also reviewed at Board Committee meetings:

1. Enrollment projections
2. Financial impact of enrollment decline
3. Building closure scenarios (reasonable enrollment capacity by building, room/space utilization, staffing changes, class size, district and countywide school of choice students with revenue loss impact, geographic consideration)
4. Recently completed and anticipated future capital projects with capital project cost avoidance
5. Expenditure reduction / savings.

Highlights of this information follow.

1. Enrollment Projections

It is projected that District enrollment will continue to decline as the area experiences additional population declines. Data projects that the State will have 14.3% fewer school-age children (Ages 5-17) in 2017 than there were in 2007.

The data forecasts the population in the Pinconning Area School District to continue to decline 11.0% over the next 5 years. The following data table lists the population declines for each of the 5 year periods between 2009 through 2013 for school age children living within the boundaries of our District: ***While the overall projected enrollment shows an 11% decline, the elementary remains somewhat stable with the main drop in student enrollment from previous years now funneling upward into the secondary areas.***

AGE GROUP	2009	2010	2011	2012	2013
K-6	741	747	740	734	733
7-8	249	220	212	223	215
9-12	613	583	569	510	484
K-12	1603	1549	1521	1467	1432

2. Financial Impact of Enrollment Decline

Past enrollment declines have had a significant negative impact on the District’s finances. Many budget cuts over the past several years have kept the District above water. However, based on the enrollment projections above, revenues will continue to be reduced due to declining enrollment. The projected enrollment declines through 2013 mean the District’s cumulative lost revenue through 2013 will be another additional \$3.2 million. A significant reduction in District expenditures will continue to be necessary in order for the District to remain fiscally sound. The following chart details the estimated revenue losses, based on the District’s current foundation allowance, due to projected enrollment declines:

Year	Foundation	Enrollment Decline	Lost Revenue	Cumulative Enrollment Decline	Cumulative Lost Revenue
'10-11	\$7,316	54	\$395,064	54	\$395,064
'11-12	\$7,316	28	\$204,848	82	\$599,912
'12-13	\$7,316	54	\$395,064	136	\$994,976
'13-14	\$7,316	35	\$256,060	171	\$1,251,036
					\$3,240,988

3. Building Closure Scenario Information

Maps with Boundary Logistics

Boundaries may need to be adjusted. Part of the proposed boundary changes includes moving most of the students from Mt. Forest Elementary to Central Elementary. To bring equity to class sizes, part of the proposed boundary changes may include moving some students to Linwood Elementary (overflow). The closing of Mt. Forest Elementary would also result in the reduction of bus shuttles to Mt. Forest Elementary.

Enrollment Capacity

The Board reviewed the current and projected enrollment capacity by building as seen previously. Additionally, the Board reviewed the impact on enrollment with each closure scenario. Moving the 6th grade to middle school is being pursued. Another possibility that has been discussed will be utilizing classrooms at the Pinconning Advancement Academy facility.

Staffing Changes

An analysis of staffing requirements and transfers under each closure scenario was reviewed by the Committee. The elementary staffing would remain mostly flat as the numbers of classroom teachers remain flat. The 6th grade moving to middle school may mean teaching staff may move to middle school. For teaching staff, the projected number of staff reductions will be determined based on the number of sections required at each grade level, contractual language related to the number of students allowable per teacher and historical classroom sizes.

Class Size

The projected class sizes across the District were reviewed. Moving the students from Mt. Forest to Central Elementary and Linwood Elementary will maintain class size equity across the District.

School of Choice

The number of in-district and county-wide school of choice students was reviewed. Note was taken regarding the proximity at Linwood Elementary Schools with St. Anne, Bay City and Bangor, and the proximity of Mt. Forest Elementary School to Midland, Beaverton, Standish and Gladwin. Consideration was given to the potential revenue loss in the event those students left the District. It was noted that other surrounding school districts are also considering building closures in the Midland area.

Geographic Consideration

The Board discussed information on the elementary facilities in reference to how the building can be used under District ownership and how they could be used in the event they are sold. Board members inquired about the possibility of asking other business if they may be interested in renting the facilities or classroom space, commenting concern on the impact closing a building would have in the neighborhood.

4. Capital Projects

The Site Committee reviewed recently completed capital projects as well as anticipated future capital projects. Initially the Committee looked at the immediate capital project needs (2009-2011). It was noted that major, immediate and costly repairs needed at Mt. Forest in sewer, water/well and plumbing.

5. Budget Survey

The Board reviewed and received the complete results of the budget survey. It was noted that there was overwhelming understanding that a quality education is what we need to focus on, followed closely by maintaining our facilities and providing quality electives. *Building configuration* was very consistent across all areas. A vast majority supported **combining 6th grade to the middle school**, as well as **closing one elementary**.

COMMITTEE RECOMMENDATION

The Board reviewed a very large amount of information and worked diligently to seek out all necessary data to make an informed decision. The Board members read and considered all of the comments received from the website, listened to public comment, and made on-site observations of each building. We have three great elementary schools and all members struggled with having to make this difficult decision when considering the resulting impact it would have on our school communities.

It is recommended that Mt. Forest Elementary School be closed at the end of the 2009-10 school years.

The following criteria are those noted as pivotal in the decision-making:

1. District Enrollment – Considering the past, current and projected enrollment and potential loss of school of choice students
2. Building Condition – noting in particular overall building condition and cost of immediate, necessary needs to upgrades and repairs
3. Space Utilization – noting in particular number of classrooms used, flexibility of building, and park site

Transition Planning

With the school closure, a smooth transition plan is essential. Transition planning activities include, but are not limited to the following:

1. Prompt communication to all students and families impacted by this decision
2. Activities and open houses at our schools welcoming new students and families
3. Assisting staff members with their transition to new buildings and assignments

Utilization Plan for Closed Building

The priority of our utilization plan for this closed building is to be a good neighbor. This includes properly maintaining the facility and monitoring it regularly. Maintenance plans include maintaining the grounds and attending to any immediate building needs. These plans also include winterizing the building at the proper time. Actively seeking out appropriate renters for the facility and/or partnering with local agencies to use the building for community activities is encouraged. Possibly putting the facility and grounds up for sale is an option for consideration.

Monitoring

The Board used the current data and projections to make the best recommendation for the District at this time. As enrollment can fluctuate over time, the District's enrollment and building capacity will continue to be monitored.

Closing Comments

All the Board members displayed commitment, seriousness of purpose, and consideration of all factors. Each member was an independent, analytical thinker and contributed to the betterment of the Board. Our school community of staff, parents, and community members displayed great pride in our schools and advocated passionately for our schools throughout this process. Despite the great emotion that comes with this task, respect and good candor were ever present at our meetings. It was the intention and desire of each Board member to vote in what he believed was in the best interest of the long-term future of our District. We are confident that our strong school communities will join together to enhance the quality of the Pinconning Area School District, and continue to focus on and maintain an excellent education for the benefit of our students.