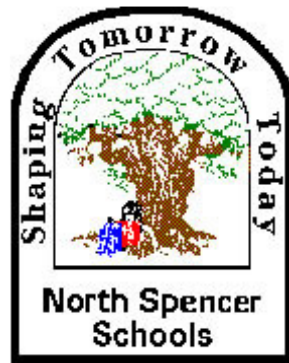


North Spencer County School Corporation



BLUE RIBBON TASK FORCE LONG RANGE STUDY

Dan Scherry, Superintendent

North Spencer County School Corporation Board of Trustees

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*The North Spencer County School Corporation provides
inviting and challenging learning opportunities for everyone.*

Facilitated by:
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North Spencer County School Corporation
Blue Ribbon Task Force Long Range Study
January 2012

Executive Summary

School funding in Indiana is changing significantly. State funds are now on a per pupil basis so that declining enrollment means immediate declining State support. State per-pupil support for the North Spencer County School Corporation (NSCSC) General Fund budget is expected to decline by \$1.65 million over the next ten years due to the revised State funding formula. Even if inflationary costs rise only one per cent per year by 2021, NSCSC will face a \$2.88 million General Fund shortfall. The school corporation has reduced thirteen teaching and two administrative positions along with other budget economies beginning in 2009. Even so, there will need to be additional planned, annual budget reductions.

The total number of K-12 students in NSCSC is expected to decrease over the next ten years from 1,936 students in 2011-12 to slightly more than 1,700 students in 2021-22. Declining enrollment also means there is excess capacity in the schools. The operating cost, excluding all instructional costs, to operate an elementary school or Heritage Hills Middle School is approximately \$290,000 per year.

These conditions create issues for NSCSC:

- Declining enrollment and the negative impact on revenue;
- Necessary major reductions in operating costs and the potential impact on programs;
- Lagging near-term prospects for increased economic development;
- Maintaining performance and quality standards along with fiscal integrity as reductions are made;
- Local sources of revenues (except increased taxes) to offset declining State funds are usually more acceptable but less sustainable; and
- Program and operating reductions are usually more sustainable but less likely to be accepted.

In August, Superintendent Dan Scherry convened a Blue Ribbon Task Force (BRTF), a group of active, informed stakeholders representing both community and school to study the issues and identify consensus options with related trigger points. The BRTF established that the following performance and quality standards are important as NSCSC seeks to reduce costs and maintain quality:

- Become the best in the area in instruction;
- Provide high value educational programming;
- Maintain the quality of facilities at the current level; and
- Evaluate co-curricular and extra-curricular programs to remain attractive to the community while eliminating unnecessary costs.

A review of most likely enrollment projections and building capacities shows that:

- There is and most likely will be excess capacity the next ten years in all schools.
- It is possible to reconfigure the schools into a K – 6, 7 – 12 pattern beginning in the school year 2013-14. Class sizes would remain below desirable optimum levels.
- It is also possible to reconfigure into a K – 5, 6 – 8, 9 – 12 pattern by 2015-16.

The scenario outlined by the BRTF is for NSCSC to continue and intensify a culture of strategic and careful budget management.

- Develop a \$6M - \$7M foundation and a policy for aggressive fund raising;
- Annually evaluate co-curricular and extra-curricular budgets to increase value;
- Manage funds effectively, aggressively and prudently to enable budget transfers to pay for necessary General Fund expenditures;
- Consolidate curriculum and programs always with quality standards in mind;
- Consolidate support and administrative services as needs allow;
- Implement comprehensive energy management procedures; and
- Market NSCSC aggressively with such programs as a fee-based pre-school program for typical students as a child care incentive for current and prospective parents.

Short term options

- Use Rainy Day Fund monies as much as possible to offset General Fund shortfalls.
- Issue General Obligation Bonds as soon as possible to pay for capital projects that have been deferred over the past few years, to relieve Capital Project Fund expenses, and to allow using the Rainy Day Fund to further offset budget shortfalls.
- Pair two elementary schools as one K – 3 and another 4 – 6 to save approximately \$400,000 by reducing staff necessary for current and projected student enrollment.
- Ask voters to approve a General Fund tax levy referendum. If approved the levy fiscal relief for seven years and then require re-approval or other budget actions.

Long term options

Even with pairing two elementary schools and using General Obligation Bonds to relieve the Capital Projects Fund, there will still be a \$1.95 million budget shortfall by 2021. Other severe and deeper cuts will be needed. The options for consideration will likely involve closing a school or a combination of schools such as:

- Close an elementary school in 2017;
- Close two elementary schools in 2018 and reconfigure HH MS to a 6 – 8 school; or
- Close all elementary schools and do one of the following:
 - Build a unified K – 5 elementary school on the present high school/middle school campus and reconfigure HH MS as a 6 – 8 school; or
 - Expand HH MS to be a K – 6 school and reconfigure HH HS as a 7 – 12 school.

The BRTF has taken a positive view of the opportunities in NSCSC. Although difficult in many respects, the current budget crisis coupled with declining enrollment has forced a clear and determined focus on what it will take to become an even stronger, more attractive school corporation as part of a desirable and highly marketable community.

Introduction

Educational funding in Indiana is going through significant changes. What was once a reliable, steady revenue stream is now dependent upon economic conditions and student enrollment. At North Spencer County School Corporation (NSCSC), due to a steadily falling enrollment over the past several years, the NSCSC Board of Trustees (Board) is faced with making some important decisions in prioritizing programs and the use of facilities to serve its students.

With this in mind in June 2011 Superintendent Dan Scherry called together a Blue Ribbon Task Force (BRTF), a group of active and informed stakeholders from both school and community. The purpose of the BRTF was to:

- Identify the primary issues NSCSC faces associated with declining enrollment and reductions in State General Fund support;
- Consider the impact of those issues related to potential revenue increases and cost reductions; and
- Identify consensus-based options with “trigger dates” and credible supporting rationale for the Superintendent and Board to consider.

Twenty-five BRTF members accepted the challenge to meet from September through December, 2011. The task force was made up of people representing the following community and school members: four elected or law enforcement, six business owner/manager, one church, three agriculture/agribusiness, six staff, and four retired from public education. Superintendent Dan Scherry was a resource person to the group. Board members occasionally sat in to hear discussions but did not actively participate. A complete list of BRTF members and the meeting dates with general agenda topics is included in Appendix A.

The BRTF ~~force~~ reviewed an extensive array of information related to the issues and considered both near term and long term strategies to maintain the quality of education for NSCSC students with fiscal integrity within the limits imposed by legislative and economic changes. The data considered is listed in Appendix B.

Discussion and analysis was facilitated by two consultants with extensive experience in educational leadership and consulting with school districts. The facilitators were Dr. Don Dyck, a former superintendent of schools, and Mr. Tom Mandon, a former school business manager, both from Educational Services Company (ESC) of Indianapolis, Indiana. Their role was to provide in-depth analysis of critical information and facilitate a consensus-building process that honored both community and school interests. ESC is a management consultant group serving Indiana schools and communities in a variety of areas including budget and fiscal management, strategic planning, demographic studies and facility planning.

The approach to the study was to facilitate authentic, inclusive community and school participation based on:

- Pertinent, credible data;

- Program-driven considerations within practical parameters related to financial capacity, prudent use of existing and potential facilities, workforce needs, and probable economic and community development; and
- Consensus-based progression of deliberations of potential options.

The end product of the study was a set of future-oriented but practical options for Board consideration with salient rationale including:

- Potential options to deliver optimal education for the school-age population within practical, local and legislative constraints;
- Facilities use based on student optimum and maximum capacities;
- Demographic analysis, enrollment projections, and appropriate grade level configurations; and
- Trigger points for implementing and/or modifying the options.

The BRTF recognized that the credibility of the options identified rested on:

- Integrity of a community and school task force with valid, broad-based representation;
- Open discussion of potential fiscal, program and facility configurations;
- Focus on programs and facilities that contribute to a high quality of life within the North Spencer community; and
- Options that were the result of both subgroup deliberations and committee-of-the-whole discussions.

NSCSC is located in the northernmost seven townships (six full and one partial) in Spencer County, Indiana. The county is in Southwest Indiana on the banks of the Ohio River near the median center of the US population. The *2011-12 Spencer County Community Guide* describes it as a warm, welcoming and caring community with its deepest beauty reflected in its people rather than its places.

Two major highways cross at right angles positioning the county for future economic development. Interstate 64 crosses the northern sector of the county east and west, with direct access to I-69 under construction, and US 231 crosses north and south linking to a new multi-commodity river port on the Ohio River and the William Natcher Bridge into Kentucky. Two large companies, AK Steel and American Electric Power, Holiday World and Splashin' Safari in Santa Claus, Lincoln State Park and other related attractions are notable businesses and tourism sites. A proposed coal gasification plant on the Ohio River would further add to the prospects of future economic growth in the area.

The general population in NSCSC is stable but aging and enrollment in grades K – 12 is declining. By Indiana law, the General Fund budget is the account for a major portion of school corporation expenditures, including staffing, instruction and related costs. Recent Indiana legislation changed public school funding from a combination of State funds and local levies for the General Fund budget to 100 per cent State funding. Although this sounds good, it means that *as the economy in the State of Indiana goes, so goes the local General Fund budget*. It also limits local control over General Fund revenues.

Furthermore, the Indiana Legislature changed the State funding formula for local schools so that funds are now directly tied to enrollment. A factor that allowed school corporations to adjust to an increase or a decrease in enrollment is no longer part of the funding formula. *Funding now follows the student directly on a per pupil basis so that declining enrollment means immediate declining State support.*

State per-pupil support for the NSCSC General Fund budget is expected to decline by \$1.65 million over the next ten years due to the revised State funding formula. Enrollment decline is expected to continue for the foreseeable future. Declining enrollment also means there is excess capacity in the schools.

These conditions create issues for NSCSC:

- Declining enrollment and the negative impact on revenue;
- Necessary major reductions in operating costs and the potential impact on programs;
- Lack of near-term prospects for increased economic development during the current “Great Recession” and the lag time for local economic growth;
- Maintaining performance and quality standards along with fiscal integrity as reductions are made;
- Local sources of revenues (except increased taxes) to offset declining State funds are usually more acceptable but less sustainable; and
- Program and operating reductions are usually more sustainable but less likely to be accepted.

The outcome of the BRTF deliberations is a set of strategic options for Board consideration that include aggressive and careful budget management coupled with potential revenue increases and substantial reductions. This “both/and” approach recognizes that stringent budget management and reductions will not alone balance the General Fund budget in the years to come. Unfortunately, the options facing the Board over the next ten years include such things as a General Fund referendum to increase revenues, and deep structural budget changes based on closing schools and consolidating the number of classrooms in order to reduce costs.

School Facilities

The four elementary schools in NSCSC are located strategically to serve the four quadrants of the corporation. The distances between the elementary schools range from seven to thirteen miles. Although these scattered locations are better for school transportation and local access, it makes consolidation and the resulting cost savings more difficult. Heritage Hills High School and Heritage Hills Middle School are accessibly located near the US 231 north-south corridor and more or less in the north central part of the school district. All buildings have had various important improvements over the years although recent major improvements have been deferred due to budget constraints. The following information describes the facilities based on information from the NSCSC Capital Projects Fund Report for 2010.

Heritage Hills High School and Middle School share a seventy-seven acre campus as well as some facilities for student use including the cafeteria, auditorium, and swimming pool at the high school, and a music room and auxiliary gym at the middle school. Heritage Hills High School (grades 9-12) opened in 1973 with a major renovation in 2000, including enclosing open concept classrooms. Other major improvements include:

- Renovate four science rooms in 1990;
- Replace the gym floor in 1993; and
- Replace HVAC systems and the roof of the main building in 1996.

Heritage Hills Middle School (grades 7-8) opened in 2003. This is a newer building with appropriate updating of maintenance, equipment and technology. Other major improvements include:

- Boiler replacement phased over 2006 and 2008 due to poor quality of the original mechanicals; and
- Correct drainage problems in back of the school in 2008.

Chrisney Elementary School (grades K-6) opened in 1973 with a renovation in 1993 to enclose classrooms from the original open concept construction as well as mechanical and electrical improvements. Other major improvements include:

- Replace roof and renovate HVAC systems in 2005; and
- Replace carpet in 2008 and 2009.

David Turnham Educational Center (grades K-6) opened in 1970 with a renovation in 1993 to enclose classrooms from the original open concept construction, as well as mechanical and electrical improvements. Other improvements include:

- Replace roof and renovate HVAC systems in 2005; and
- Correct drainage problems.

Lincoln Trail Elementary School (grades K-6) opened in 1993 and has been well maintained. Major improvements include:

- Replace roof in phases from 2007 to 2009; and
- Renovate HVAC systems in 2010.

Nancy Hanks Elementary School (grades K-6) opened in 1993 and has also been well maintained. Major improvements include:

- Replace roof in phases from 2007 to 2009; and
- Renovate HVAC systems in 2010.

The North Spencer County School Corporation Administration Center opened in 1995. It is a building connecting three portable classrooms formerly used at David Turnham Educational Center.

Low cost energy conservation measures began in 2008 such as removing all casual refrigerators, lamps, heaters and appliances in the schools, turning off computers and screens overnight, lowering set points for heating and raising them for cooling, and closing

elementary schools and turning off the air conditioning for three weeks during the summer.

Population and Enrollment

Enrollment projections for this study were developed by Educational Services Company. The projections show the enrollments most likely given historical patterns, anticipated trends and expected events. They have been developed by tracking enrollment changes over several years in relation to data about demographic changes in Spencer County, school enrollment history, legislative changes affecting open enrollments among school districts, births and expected home construction. The approach considers continual changes in growth or decline and any anticipated changes in the school district territory.

The enrollment projections are tied to the following factors:

- The progression of students from grade to grade as a group;
- Resident births which impact the number of students entering kindergarten and first grade;
- Residential construction in the school corporation which impacts the extent to which enrollment grows or declines; and
- The prospects for significant economic development during the next five to fifteen years.

Information used for the projections was obtained from the U.S. Census Bureau, the Indiana Business Research Center (STATS Indiana), the Indiana State Department of Health, the Indiana Department of Education, the Spencer County Plan Commission, and the North Spencer County School Corporation.

Population – Seven Spencer County townships are in NSCSC except for part of Hammond Township. According to the 2010 U.S. Census the population of NSCSC is stable. It grew by 351 residents from 12,605 in July 2000 to 12,956 in July 2010. This is an increase of 2.8 per cent in ten years with an average annual growth rate of less than .5 per cent.

The following table summarizes the population growth by township.

Population Growth by Townships Served by NSCSC

Township	July 2010	July 2000	Change	Elementary School(s) Served
Carter	3,207	3,121	86	David Turnham, Nancy Hanks
Clay	2,568	2,494	74	Lincoln Trail, Chrisney
Grass	1,428	1,390	38	Chrisney
Hammond (p)	1,651	1,607	44	Chrisney
Harrison	2,092	2,036	56	Nancy Hanks
Huff	1,119	1,089	30	Lincoln Trail
Jackson (p)	891	868	23	Chrisney, David Turnham
Total	12,957	12,605	351	
% Change	2.8%			

2010 township population totals are estimated proportional to the total US Census change for Spencer County
 (p) Partial

Source: STATS Indiana

Age distribution of the population - A review of the next table shows that residents 45 to 64, and 65 years and older were the fastest growing age groups of the population from 2000 through 2010. Furthermore, the population of those typically in the child bearing category, age 25 to 44 years old, declined significantly and those approaching child bearing (18 to 24 years old) are slowing. This indicates a decline in the school aged population for several years to come. The number of households and the median income in the county increased substantially. The number of persons falling below the poverty level also increased significantly. There are certain to be differences between the data for the entire county and the townships served by NSCSC, but generally the changes in the county are likely to be reflected in the school corporation.

Population Distribution by Age Groups for Spencer County

Characteristic	2010 Census	2000 Census	Population Change	Percent Change
Persons under 5 years old	1,257	1,276	-19	-1.5%
Persons under 18 years old	4,945	5,397	-452	-8.4%
Persons 18 – 24 years old	1,575	1,496	79	5.3%
Persons 25 – 44 years old	4,735	5,938	-1,203	-20.3%
Persons 45 – 64 years old	5,993	4,918	1,075	21.9%
Persons 65 years and older	3,143	2,642	501	19.0%
Households	8,363	7,558	805	10.7%
Median Household Income	\$49,006	\$42,451	\$6,555	15.4%
Persons below poverty level	2,095	1,395	700	50.2%

Source: STATS Indiana

Live births - The annual number of live births in Spencer County has varied in the past several years, declining slightly some years and increasing in others. The average yearly decrease is -0.1 per cent, or approximately four fewer births per year. The trend is a moderate decrease consistent with other demographic data. The following table shows the number of births by year.

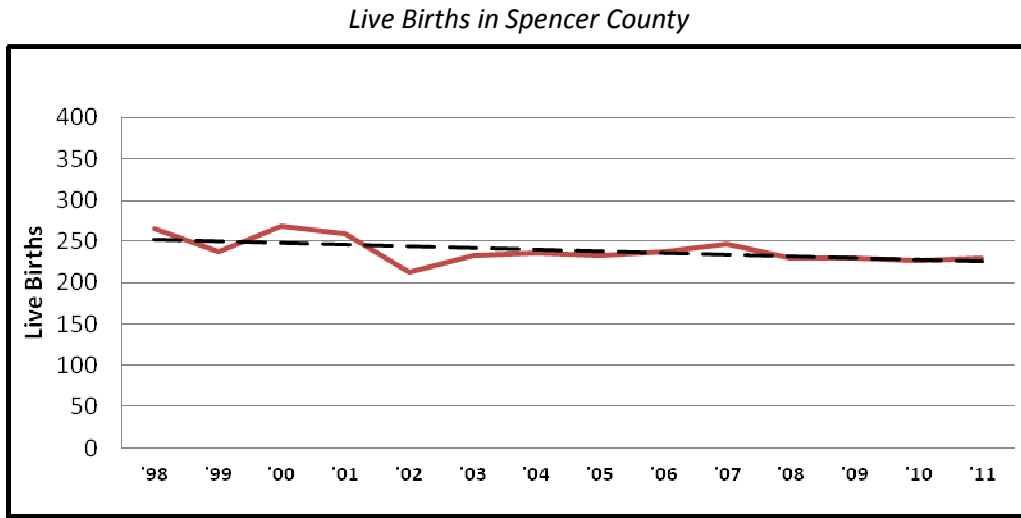
Live Births in Spencer County

Year	Births	Year	Births
1998	265	2005	233
1999	237	2006	237
2000	268	2007	247
2001	259	2008	230*
2002	212	2009	230*
2003	232	2010	226*
2004	235	2011	230*

*Estimated using a linear forecasting model

Source: STATS Indiana

The varied but moderately decreasing number of births is shown by the following graph. The trend line shows the gradual decline.



Residential construction - Population growth is fueled by births and in-migration. New home starts are closely linked to in-migration and are an indicator of potential population growth. Conversely, a flat or declining number of building permits indicates a stable population with limited in-migration. From 2001 through 2010 524 building permits have been issued in NSCSC as recorded at the Spencer County Plan Commission and at township trustee offices. During the past decade, building permits peaked at 84 in 2003 and declined by more than two-thirds of that number to 26 in 2009. Estimated permits in 2010 are 29. During the first half of the decade over 300 permits were issued, but that number declined to less than 200 during the last five years. The following table highlights the data.

NSCSC Residential Construction

Year	Chrisney	Dale	Gentryville	NSCSC*	Santa Claus	Total
2001				54		54
2002				51		51
2003	3	2	2	50	27	84
2004	1	2	2	37	27	69
2005	2	2	2	46	21	73
2006	0	1	1	36	16	54
2007	3	1	1	36	9	50
2008	2	1	1	21	9	34
2009	0	1	1	18	6	26
2010	1	0	0	21	7	29
Total						524

*Recorded at the Spencer County Plan Commission for NSCSC

The pace of homebuilding has slowed considerably since its peak in 2003 and probably will not rebound in the short term until both the general economy and the level of economic development in Spencer County improve.

Student enrollment - The previous sections provided information on demographic factors that influence enrollment changes. From 2001-02 through 2011-12 enrollment has decreased 435 students, or slightly more than eighteen per cent. A review of the enrollment history shows the following:

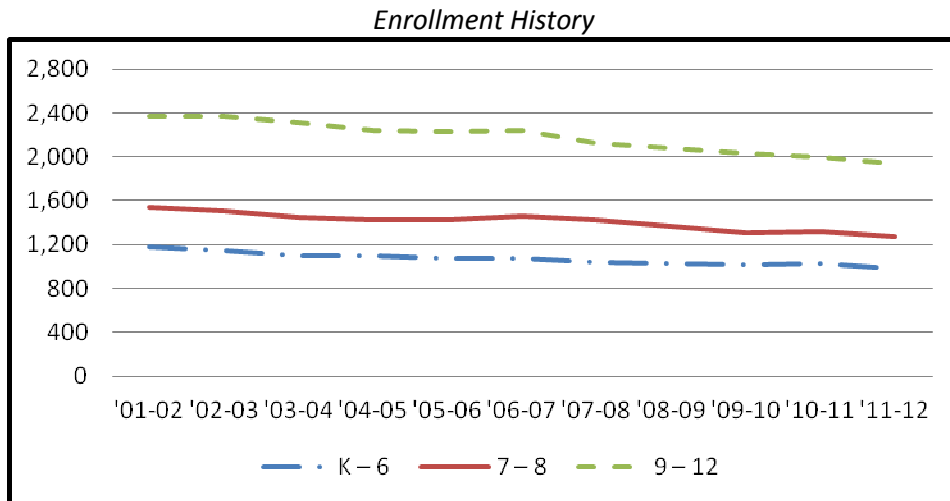
- Year to year changes have ranged from a one per cent increase to a five per cent decrease. The average change has been a two per cent decrease per year.
- Decreases in enrollment have been greater in recent years.
- The decreases in enrollment have been similar at all grade levels ranging from approximately seventeen per cent for K – 6 to about twenty-one per cent for 9 – 12. This reflects the general overall consistency of the enrollment decreases as smaller elementary classes enter the schools and progress through the grades.

Enrollment History

<i>Academic Year</i>											
	'01-02	'02-03	'03-04	'04-05	'05-06	'06-07	'07-08	'08-09	'09-10	'10-11	'11-12
K – 6	1,181	1,144	1,100	1,093	1,074	1,078	1,045	1,033	1,016	1,023	984
7 – 8	356	364	352	334	356	376	375	335	290	293	291
9 – 12	834	865	865	817	795	793	710	707	720	676	661
K – 12	2,371	2,373	2,317	2,244	2,225	2,247	2,130	2,075	2,026	1,992	1936
Change		2	-56	-73	-19	22	-117	-55	-49	-34	-56
% Change		0.1%	-2.4%	-3.2%	-0.8%	1.0%	-5.2%	-2.6%	-2.4%	-1.7%	-2.8%

Source: North Spencer County School Corporation

The following graph shows the continual, gradual enrollment decline.



Enrollments for the next ten years have been projected by examining the demographic information discussed earlier and the history of NSCSC enrollments. The projections are based on the following assumptions and factors:

- School corporation boundaries will remain unchanged.
- Projections are based on the official September enrollment report.
- Kindergarten students are counted as full-time students.
- The Indiana requirements for kindergarten enrollment and compulsory attendance for grade one will not change.
- The percentage of students attending the NSCSC schools in relation to those attending non-public and charter schools will remain at present low proportions.
- Current practice affecting student progression through the grade levels and retention rates will remain unchanged.
- Infrastructure affecting residential development (roads and utilities) in NSCSC will not change substantially.
- Household occupancy rates will remain approximately as they have over the past ten years and mobility within the district will not change significantly.

The projections provide a range to reflect different economic development and socioeconomic scenarios. The *most likely projection* represents a median point where fifty per cent of the time enrollment is expected to be above the base projection and fifty per cent of the time enrollment is expected to be below it. A *high projection* and a *low projection* have also been made to take into consideration different birth and housing patterns, and statistical errors.

Because of the potential for decreased growth and the stability of population growth during the current recessionary period, the *most likely projection* is characterized as a "slow growth" scenario in which residential building remains constant in the long-term and resident births decrease only moderately. In contrast, the *high projection* is characterized as a "controlled growth" scenario in which residential building increases to near record levels following an economic recovery. The *low projection* is characterized as a "no growth" scenario in which residential building and resident births fall below current levels even more.

The projection scenarios can be summarized as follows:

- Most likely enrollment projection: home building remains at current levels in the near term and home building improves only slightly in a post-recovery period; births are very nearly the same as current levels.
- Low enrollment projection: new home building and births decline even more than current levels.
- High enrollment projection: home building recovers and exceeds early 2000 levels and births are at historically high levels year after year.

In the most likely enrollment projection scenario:

- The total number of K-12 students is expected to decrease over the next ten years at the rate of approximately 20 students per year from 1,936 students in the 2011-12 school year to approximately 1,730 students in 2021-22.
- The number of students at the high school level is expected to decrease by approximately 120 students over the same ten-year period, from 661 students to approximately 540 students (18 per cent decrease).

Elementary and middle school enrollment will likely decrease at a lower rate over the ten-year period to reflect the more moderate grade groups advancing in those schools.

- Middle school enrollment is expected to decrease approximately 20 students from 291 in the 2011-12 school year to approximately 270 students in the 2021-22 school year (seven per cent decrease).
- Elementary enrollment growth is expected to decrease at a rate similar to middle school. K - 6 enrollment currently is 984 and is expected to be around 900 students by 2021-22, a decrease of 85 students (nine per cent decrease).

Factors that might lead to reversing the decline in K – 12 student enrollment include:

- Continual significant improvement in graduation rates (more students remaining in the high school grades);
- Increased participation in school-to-work transitions (greater motivation to remain in high school);
- Little or no future use of vouchers or charter schools enrollment;
- Increase in housing stock for potential move-ins
- Economic growth and expansion that promotes in-migration; and
- Increase in live births and ensuing enrollments in lower grades.

On the other hand, if those factors show reverse trends, the decline in student enrollment will likely continue or worsen.

The table on the following page shows enrollment projections by grade every third year for the next ten years for the most likely scenario described earlier.

Most Likely Enrollment Projections

Academic Year						
	2011-12	2013-14	2015-16	2017-18	2019-20	2021-22
K	128	127	125	125	120	116
1	133	146	138	138	132	128
2	136	134	133	131	131	125
3	124	129	142	132	132	126
4	143	137	135	134	132	132
5	158	127	130	145	135	135
6	162	148	142	140	139	137
7	146	161	129	132	147	137
8	145	158	144	138	136	135
9	147	145	160	127	131	146
10	156	145	158	144	138	136
11	181	147	145	160	127	131
12	177	145	135	147	134	129
Total	1,936	1,849	1,816	1,793	1,734	1,713
Change		-87	-33	-23	-59	-21
% Change		-4%	-2%	-1%	-3%	-1%

Source: Educational Services Company

The table below shows totals for current and other grade configurations that may represent a more efficient use of school buildings. A complete table for each year is included in Appendix C.

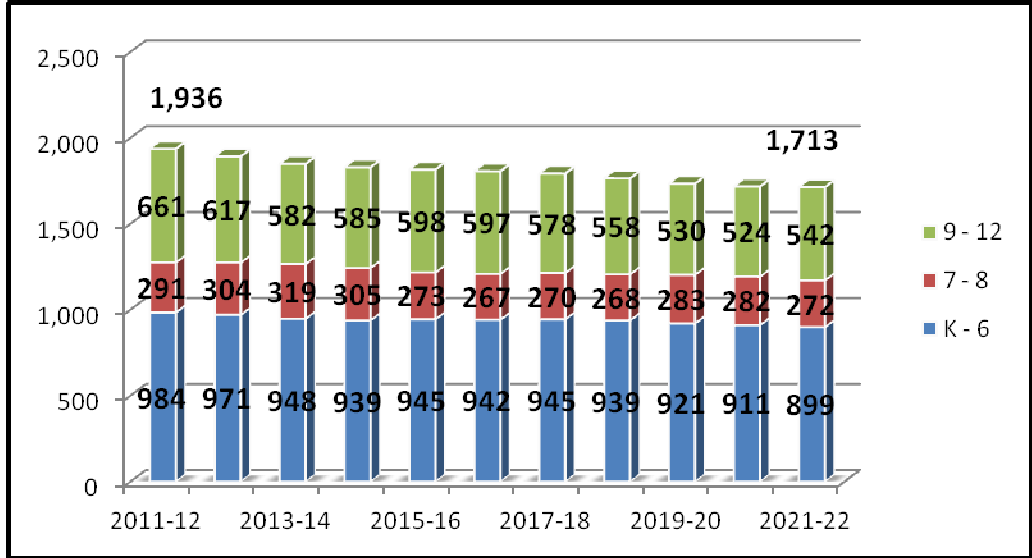
Most Likely Enrollment Projections

Academic Year						
	2011-12	2013-14	2015-16	2017-18	2019-20	2021-22
K - 6	984	948	945	945	921	899
7 - 8	291	319	273	270	283	272
9 - 12	661	582	598	578	530	542
K - 5	822	800	803	805	782	762
6 - 8	453	467	415	410	422	409
7 - 12	952	901	871	848	813	814

Source: Educational Services Company

The graph on the following page shows the most likely enrollment projection decline through 2020-21 for each grade group, K – 6, 7 – 8, and 9 - 12.

Most Likely Enrollment Projection for the Current Grade Configuration



Below is a graph showing the range of projections for the high, most likely and low enrollments, respectively.

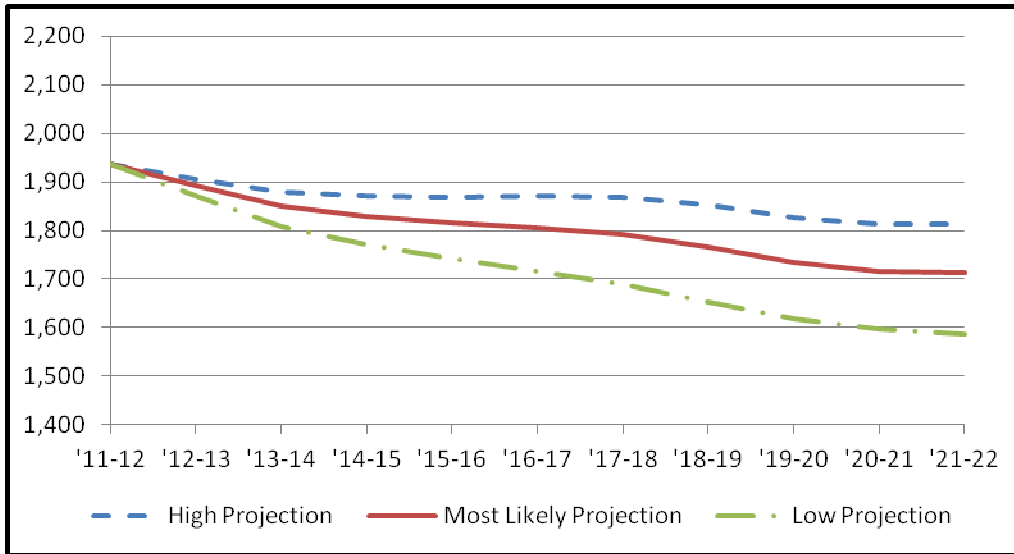
High, Most Likely and Low Enrollment Projections

	<i>Academic Year</i>					
	2011-12	2013-14	2015-16	2017-18	2019-20	2021-22
High	1,936	1,879	1,868	1,869	1,827	1,812
Most Likely	1,936	1,849	1,816	1,793	1,734	1,713
Low	1,936	1,809	1,741	1,690	1,618	1,588

Source: Educational Services Co.

The graph on the following page shows the range of projections for the high, most likely and low enrollment projections, respectively.

High, Most Likely and Low Enrollment Projections



School Building Capacities

To adequately assess the issues of declining enrollments and related declines in State General Fund support, the efficient use of school facilities (cost centers) also needs to be considered. The following assumptions have been used when analyzing the enrollment forecasts in relation to building capacities to accommodate the potential enrollment for those buildings.

- Most likely enrollment projection has been used.
- All kindergarten classes are scheduled full day.
- *Optimum* capacity is based on average class sizes of 18 for K – 2, 22 for grades 3 – 6, and 26 for grades 7 – 12.
- *Functional* capacity is based on average class sizes of 25 for K – 2, 30 for grades 3 – 6, and 32 for grades 7 – 12.
- Laboratory classes are based on an average of 24 for both optimum and functional capacities.
- Capacity for band is based on 40 students per class period.
- Classrooms for students with identified low incidence special needs are counted as having a capacity of 10.
- Capacities for pre-school and classrooms that are used as resource rooms for students with identified special needs are not included in the capacity calculations for elementary grades since they do not increase the building capacity for classrooms needed.

The capacities for NSCSC schools during the 2011-2012 school year based on the above assumptions are shown for every third year over the next ten years in the following table.

The projected most likely enrollments through 2021-22 are compared to the current grade level configurations (K – 6, 7 – 8, 9 – 12) and other potential grade configurations such as K – 5, 6 – 8, 9 – 12 and K – 6, 7 – 12. An entry is *shaded* when the projected enrollment is less than the *optimum* capacity. An entry is italicized and bold faced if the projected enrollment is between *optimum* and *functional* capacity. The on-site assessment tables for calculating student capacity for each school building is included in Appendix D.

School Capacities and Most Likely Projected Enrollments

		Academic Year					
		'11-12	'13-14	'15-16	'17-18	'19-20	'21-22
Chrisney ES	<i>Optimum</i>	240	240	240	240	240	240
	<i>Building Capacity</i>						
David Turnham EC	<i>Optimum</i>	324	324	324	324	324	324
	<i>Building Capacity</i>						
Lincoln Trail ES	<i>Optimum</i>	334	334	334	334	334	334
	<i>Building Capacity</i>						
Nancy Hanks ES	<i>Optimum</i>	356	356	356	356	356	356
	<i>Building Capacity</i>						
All Elem. Schools	<i>Optimum</i>	1,254	1,254	1,254	1,254	1,254	1,254
	<i>Functional</i>	1,715	1,715	1,715	1,715	1,715	1,715
Most Likely Enroll. Projections*	<i>K - 5</i>	822	800	803	805	782	762
	<i>K - 6</i>	984	948	945	945	921	899

		Academic Year					
		'11-12	'13-14	'15-16	'17-18	'19-20	'11-12
Heritage Hills MS	<i>Optimum</i>	372	372	372	372	372	372
	<i>Building Capacity</i>						
Most Likely Enroll. Projections*	<i>7 - 8</i>	291	319	273	270	283	272
	<i>6 - 8</i>	453	467	415	410	422	409

		Academic Year					
		'11-12	'13-14	'15-16	'17-18	'19-20	'21-22
Heritage Hills HS	<i>Optimum</i>	910	910	910	910	910	910
	<i>Building Capacity</i>						
Most Likely Enroll. Projections*	<i>9 - 12</i>	661	582	598	578	530	542
	<i>7 - 12</i>	952	901	871	848	813	814

*Shaded cells show enrollment below optimum capacity; bold face italic cells show enrollment between optimum and functional capacity.

Source: Educational Services Co.

The data in the table shows the following:

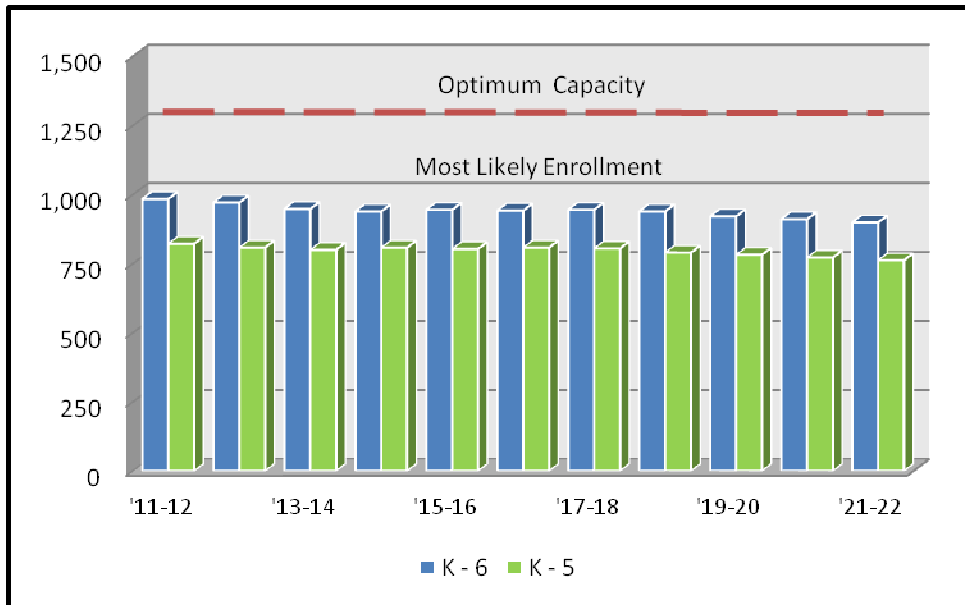
- Most likely projected enrollments will be *below the optimum capacity* for all schools (elementary and secondary) using the present K – 6, 7 – 8, 9 – 12 grade configurations. There is and most likely will be excess capacity the next ten years in all schools if the present grade instructional scheme continues.
- If the schools are reconfigured as K – 6, 7 – 12, most likely projected enrollments would be *below optimum capacity* for the both the current elementary schools and for grades 7 – 12 (Heritage Hills High School) beginning in school year 2013-14. It is

possible to presently reconfigure the schools into a K – 6, 7 – 12 pattern and by the school year 2013-14 the most likely projected enrollments in the schools would be below optimum capacity.

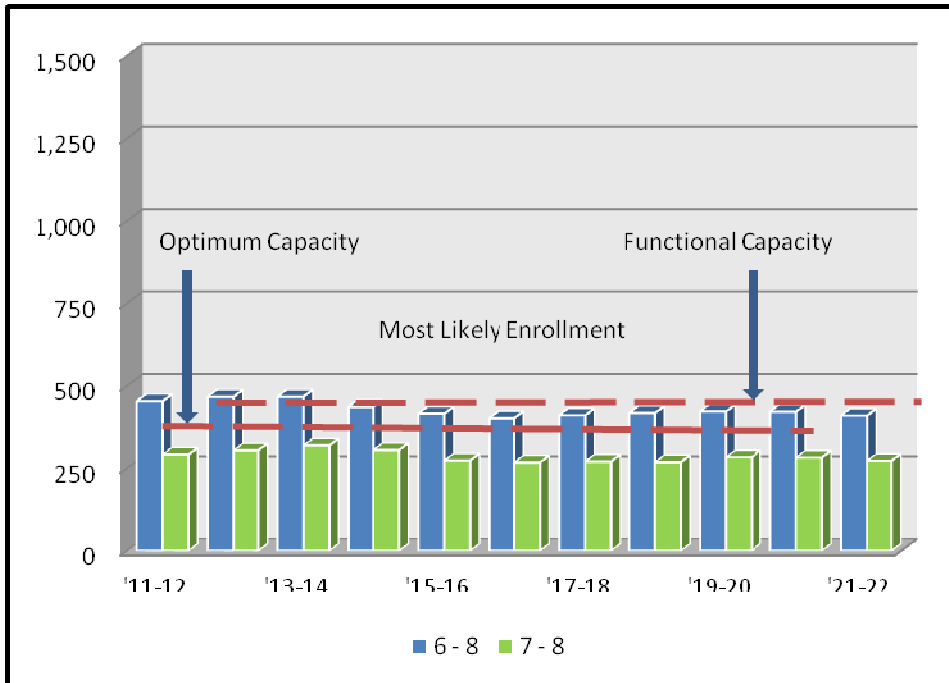
- For a K – 5, 6 – 8, 9 – 12 grade configuration, the most likely enrollment for elementary and high school would be well below optimum capacity, and middle school enrollment would most likely fall between optimum and functional capacity beginning in school year 2015-16. It is possible to reconfigure the schools into a K – 5, 6 – 8, 9 – 12 pattern by 2015-16.

The graphs that follow show the most likely enrollment projection for each of the potential grade level configurations with the optimum and functional capacities for each grade grouping indicated by a dashed line. Functional capacity for elementary schools is “off the chart.”

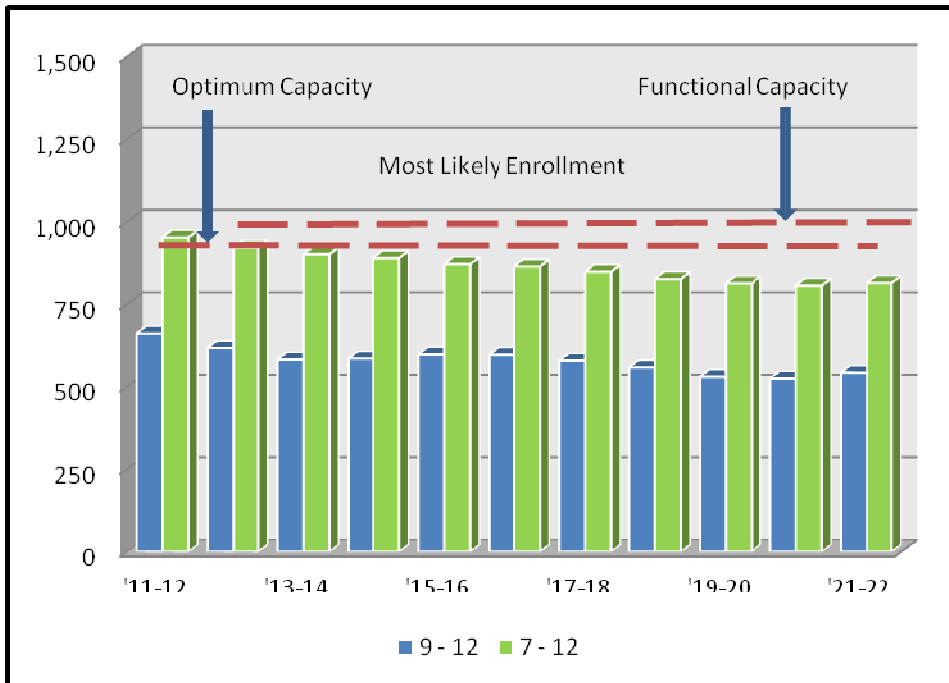
Elementary School Enrollment Compared to Optimum Capacity



Middle School Enrollment Compared to Optimum and Functional Capacity



High School Enrollment Compared to Optimum and Functional Capacity



One other perspective on grade configurations and capacities in the elementary schools comes from considering the number of classes required to serve enrollment by grades. Lower enrollment spread across more elementary schools each with enrollment substantially below optimum capacity requires more class sections. One way to reduce the number of classes and still maintain class size standards is to concentrate more students per grade per building. To accomplish this, buildings can be paired by assigning all students from one or more schools to grades K – 3 in one building and grades 4 – 6 in another.

Considerations for reducing the number of class sections required to serve the same student enrollment by re-assigning students by grade groups to a pair of schools include additional transportation offsets and the impact on programs designed to serve student groups within the schools as the demographic makeup of the schools change with the shift in assignment.

The *advantages* for paring two schools are better class size balance, reduced costs and concentration of programs for such things as enrichment or after-school activities. The *disadvantages* may include dispersion of demographic concentrations of students that then may fall below funding criteria for Federal or other school district programs, the additional cost of transporting students and the additional transition from building to building for students.

The following table compares net classrooms reduced, enrollment and distance from school to school for various NSCSC paired elementary school configuration options.

K – 3, 4 – 6 Paired School Configuration Options

Pairing	# of Grade Sections in Both Schools Currently	Paired K – 3 Configuration Sections	Paired 4 – 6 Configuration Sections	Net Classroom Section Savings*	Enrollment in Paired Schools Configuration	Optimum Capacity	Functional Capacity	School to School Miles
NH K - 3	16	12			273	356	485	
DT 4 - 6	12		8		209	324	445	
<i>Totals</i>	28		20	8				7 miles
Chr K - 3	9	7			176	240	330	
DT 4 - 6	14		11		230	324	445	
<i>Totals</i>	23		18	5				13 miles
LT PK - 3	15	13			268	334	455	
Chr 4 - 6	8		8		194	240	330	
<i>Totals</i>	23		21	2				12 miles
LT K - 3	17	13			311	334	455	
NH 4 - 6	11		9		227	356	485	
<i>Totals</i>	28		22	6				7 miles

*When considering net savings, additional transportation costs need to be included. These range from 3 to 5 additional express routes.
A transportation route costs considerably less than a classroom section

Fiscal Considerations

State General Fund Support—The financial issues facing NSCSC are grave, primarily due to declining enrollment and changes in state funding. In order to better understand these issues, a basic outline of school finance concepts follows.

School corporation budgets have three sources of funding: state support, local taxes and federal or private grants (minimal).

- Local taxes are based on rates and assessed valuation: a tax levy is equal to assessed valuation multiplied by the tax rate.
- Six separate funds make up school corporation budgets: General Fund, Debt Fund, Pension Debt Fund, Capital Projects Fund, Transportation Fund, and Bus Replacement Fund.
- Until **2008** the General Fund (operational fund) revenue was a mix of state, via the Basic Grant, and local property tax funding known as the maximum levy. Revenues for each of the other five funds were raised locally through property taxes.
- The state-wide revenue mix was approximately 60% state and 40% local funding for the General Fund. School corporations with higher assessed valuations provided a greater amount of local funds while receiving lesser state funds with the opposite true for corporations with lower assessed valuation.
- The Indiana Legislature often allowed local property taxes to be raised when state-wide revenues were minimal to allow for an increase in General Fund revenue.
- The legislature provided a minimum guarantee to school corporations that did not have an increase in student enrollment. The guaranteed revenue varied from 1% to 5% as determined by the Legislature. A prudent school corporation could survive declining enrollment while receiving the minimum guaranteed revenue.

In **2008** the legislature, following the direction of the governor, relieved taxpayers of local General Fund property taxes by providing all General Fund revenues from State sources.

In the **2009** legislative session the minimum guarantee provision was replaced by General Fund state support “following the child.” This resulted in reducing funding for all corporations with declining enrollments. NSCSC is one of many school corporations in this dilemma.

In **December, 2009** the Governor announced a state-wide reduction of the 2010 school tuition support appropriation.

Financial Comparisons to Other School Corporations - It is helpful see how NSCSC compares on various financial indicators to other similar school corporations. Selection criteria were: school corporations that are rural/small town, school corporations that are public and are able to levy taxes, and school corporations that are in southwestern Indiana. Six area school corporations were selected for such comparisons. They were: Greater Jasper Consolidated School Corporation, Southeast Dubois County School Corporation, Southwest Dubois County School Corporation, South Spencer County School Corporation, South Gibson

School Corporation, and Warrick County School Corporation. Warrick County is substantially larger than the other comparison school corporations but was included because of its proximity.

General Comparisons

In reviewing the general comparison of school corporations, note that much of this data is gathered from the State of Indiana and the most recent data provided by the State is often several years behind the current year. The following are the ranks for NSCSC in comparison to the others:

- Third largest (3) average daily membership (ADM), which is the measure of students used to determine corporation State support payments;
- Fifth (5) in assessed valuation per student, a measure of corporation wealth;
- Fifth (5) in property tax levy per student, another measure of corporation wealth;
- Seventh (7) in average teacher salary which is usually the result of either a youthful staff at the beginning steps of a salary schedule or a lower overall salary schedule in comparison to other corporations;
- Seventh (7) in remediation funds, all of which are relatively low amounts (\$6 up to \$11 per ADM);
- Fourth (4) in per capita income, well below Jasper and Warrick County but very similar to the others;
- Third highest (3) in student free lunch eligibility (17%) which is a measure of socioeconomic status;
- Fifth (5) in the number of special education students compared to all students;
- Sixth lowest (6) in student enrollment per building;
- First (1) in the greatest decline of students over the past five years (2005-06 to 2009-10 school years); and
- First (1) in ISTEP scores for eighth grade English, Language Arts and Math.

Expenditure by Budget Fund

The next table shows expenditures by fund for NSCSC and the comparison school corporations. While NSCSC ranks third (3) in expenditures (\$22,791,410), it ranks fifth (5) in per pupil spending.

Expenditure by Budget Fund for NSCSC and Comparison School Corporations

	NS Rank	North Spencer	Greater Jasper	South Gibson	South Spencer	Southeast Dubois	Southwest Dubois	Warrick County
GENERAL FUND	3	\$12,693,927	\$17,145,716	\$11,345,301	\$8,814,925	\$8,360,698	\$11,355,067	\$53,708,832
DEBT SERVICE FUND	4	\$1,861,454	\$6,392,882	\$3,693,082	\$1,416,500	\$1,383,091	\$1,342,513	\$7,253,633
CAPITAL PROJECTS	5	\$1,408,604	\$2,048,380	\$2,394,864	\$2,523,232	\$973,076	\$927,449	\$8,829,567
TRANSPORTATION FUND	4	\$1,220,771	\$1,439,047	\$1,480,726	\$874,750	\$542,611	\$700,885	\$6,519,694
RETIREMENT FUND	7	\$291,701	\$1,238,550	\$415,137	\$897,707	\$358,929	\$376,589	\$1,918,531
STATE FUNDS *	6	\$73,991	\$98,940	\$33,868	\$115,485	\$82,436	\$307,085	\$95,250
FEDERAL FUNDS **	4	\$547,440	\$3,600,051	\$155,193	\$223,717	\$94,918	\$1,260,659	\$1,242,682
OTHER FUNDS ***	3	\$4,693,522	\$10,166,973	\$1,561,636	\$1,301,508	\$1,344,923	\$3,036,602	\$13,146,951
TOTAL EXPENDITURES	3	\$22,791,410	\$42,130,539	\$21,079,807	\$16,167,824	\$13,140,682	\$19,306,849	\$92,715,140
TOTAL EXPEND/ADM	5	\$11,096	\$13,719	\$10,855	\$11,699	\$9,836	\$11,438	\$11,404

* Includes instructional support, teacher improvement programs, Medicaid reimbursement, etc.

** Includes various Federal Title programs, Drug Free Schools, vocational and tech ed grants, etc.

*** Includes special education, pre-school, school lunch, textbook rental, donations, gifts, etc.

Annual Average Single School Building Operating Cost - The cost to operate a school building in NSCSC by grade level is shown below. Operating costs are those required to provide the physical space for the school activities such as for service contracts, utilities, safety, property insurance and other operating costs for administration, counseling, non-classroom aides, media specialists and assistants, office staff, nurses, custodians and extra-curricular stipends that would not be necessary if the school were not in operation.

The cost does not include instruction (salaries and fringe benefits for classroom teachers and classroom aides) and other expenses for equipment and materials necessary for providing instruction. In the case of the elementary schools, an average is used for some costs such as property insurance or fire alarm safety contracts where the contract may be for all schools.

<i>Operating Costs by School Type</i>		
	Operating Cost	Per Cent of Total Operational Costs
K – 6 Elementary	\$292,701	12 %
Heritage Hills MS	\$288,649	12 %
Heritage Hills HS	\$942,859	40 %

Cost Saving Efforts - Substantial General Fund budget reductions have been made since 2009:

- Eliminating most professional development activities involving travel;
- Reducing and adjusting building temperatures;
- Eliminating summer maintenance assistance at HH HS;
- Eliminating most summer coaching stipends;
- Eliminating fringe benefits for newly hired non-certified staff whenever possible;
- Reducing nine teaching positions by attrition; and
- Reducing costs for a central office staff member by replacing a retiring certified administrator with a non-certified staff.

Since 2011 these additional reductions were made:

- Closing all elementary school buildings without air conditioning for three weeks during summer break;
- Reducing three additional teaching positions by attrition;
- Transferring fringe benefit for cafeteria staff from the General Fund to the self-supporting Cafeteria Fund;
- Reducing three instructional assistants; and
- Eliminating two bus routes.

Continued General Fund Budget Shortfalls - As noted in the State General Fund Support section above, in 2009 the minimum guarantee provision was replaced by General Fund state support “following the child.” This results in reducing funding for all school corporations that are losing students. NSCSC is one of many school corporations in this dilemma.

In December, 2009 the governor announced a state-wide reduction of the 2010 school tuition support appropriation. This action reduced the 2010 State funding for NSCSC an additional \$568,348. As enrollment continues to decline, the State support for the General Fund will continue to decline unless the State increases per pupil funding for all Indiana school corporations. Furthermore, costs for supplies, materials, minimal salary increases, and other costs associated with providing a good education for NSCSC students will likely increase.

The following table shows that by the year 2021 NSCSC will face a \$2.88 million General Fund shortfall for that year alone. The following assumptions are part of the estimate:

- General Fund costs will increase no more than one per cent annually.
- The State per pupil funding amount and school corporation funding formula will remain as it is in 2011.
- Student enrollment will follow the most likely enrollment projections.
- The current budget reductions since 2009 will remain in effect.

Projected Annual General Fund Budget Shortfall (Millions)

	2011	2013	2015	2017	2019	2021
Enrollment (Est.)	1,936	1,824	1,766	1,743	1,704	1,658
State GF Funding	\$11.72	\$11.01	\$10.70	\$10.53	\$10.32	\$10.07
GF Budget	\$11.72	\$11.96	\$12.20	\$12.44	\$12.69	\$12.95
Shortfall	\$0	-\$0.95	-\$1.50	-\$1.91	-\$2.37	-\$2.88

General Fund Fiscal Relief Options—Faced with General Fund state support declining for school corporations that are losing enrollment, these corporations must come up with ways to stretch current resources and find other options for relief to the General Fund. The NSCSC has successfully used Rainy Day Fund monies to offset General Fund shortfalls year to year up to this point. This strategy will need to continue and additional Rainy Day Funds used to offset budget expenses. By the year 2020, even if the estimated maximum Rainy Day Funds are used, the General Fund budget will be \$2.52 million short, and the following year the shortage will increase to \$5.4 million. Other short and long term options will need to be considered.

Short term

One option to partially relieve the shortfall is to issue General Obligation Bonds in 2012 to relieve Capital Project Fund expenses, allowing these funds to be transferred to the Rainy Day Fund to further offset continued General Fund shortfalls. These funds can also pay for capital projects that have been deferred over the past few years due to tight budgets. A General Obligation bond is a short term bond with a three to five year payback. These are currently at historically low interest rates. This option will probably need to be repeated again during the next ten years to continue relieving the Capital Projects Fund.

Another option to further help relieve the shortfall is to pair two elementary schools as

described earlier. This would enable significant cost savings by reducing staff necessary for the current and projected student enrollment. The estimated savings in 2013 for pairing two elementary schools is \$400,000 per year.

Another temporary option is for the school corporation to ask voters to approve an additional tax levy referendum for the General Fund. If approved, the levy would provide for a seven year period of fiscal relief. These funds are deposited into a Referendum Tax Levy Fund and may be used for any budget expense.

Throughout the short term, it will be critical to monitor enrollment trends, area economic development and especially General Fund income in relation to expenditures. A useful barometer for necessary future fiscal action may be the ratio of Rainy Day Fund to General Fund expenditures. A three-year rolling ratio that approaches .10 is an indicator of the necessity for a major revenue increase or additional cost reductions.

Long term

An examination of the ten year General Fund budget projection for NSCSC shows that even with pairing two elementary schools and using General Obligation Bonds to relieve the Capital Projects Fund so monies are freed to transfer to the Rainy Day Fund for General Fund expenditures, there will still be a \$1.95 million budget shortfall by 2021.

Perhaps Indiana school finance will take a turn for the better and the legislature will increase per pupil funding for school corporations or provide other financial relief. However, even with a moderate (at best) economic recovery, it seems unlikely. Furthermore, per unit costs for supplies, program materials, staff development, fuel, insurance (including health care costs) will likely increase more than the conservative one per cent increase built into the ten year General Fund budget. Enrollment may increase, but it may also decrease more than projected.

A ten year fiscal relief scenario has been developed that includes pairing two elementary schools and using General Obligation Bonds twice during that period to relieve Capital Projects Fund expenditures. If costs rise more than one per cent, or if enrollment declines more than projected, the shortfall will be greater than the \$1.95 million cited above.

In the ten year scenario the ratio of Rainy Day Fund to General Fund expenditures is .10 in 2017. At that point the Board will likely need to consider other deeper budget reductions to significantly alter the budget structure for NSCSC. Reducing and adjusting expenses for the current school building configuration (cost centers) is useful, but it is significantly more effective to make changes to the configuration.

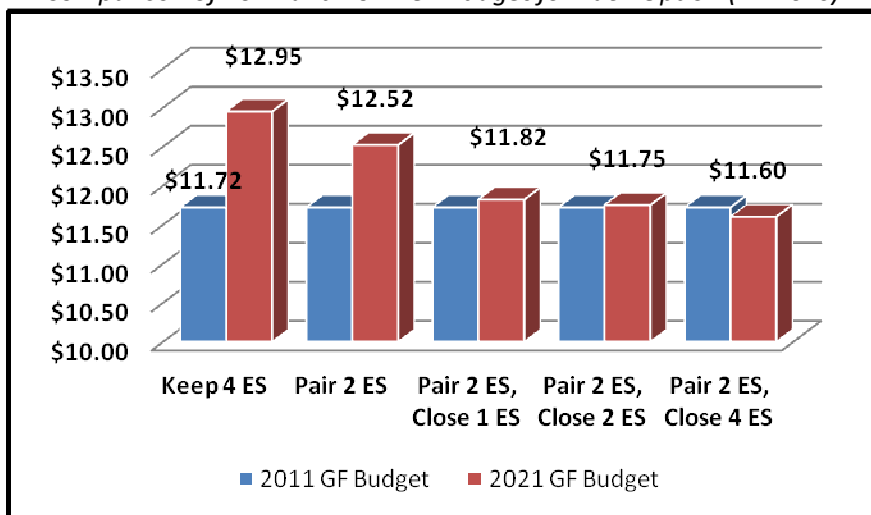
The options for modifying the cost center configuration involve closing a school or a combination of schools. These options include:

- Close an elementary school in 2017;
- Close two elementary schools in 2018 and reconfigure HH MS to a 6 – 8 school; or

- Close all elementary schools and do one of the following:
 - Build a unified K – 5 elementary school on the present high school/middle school campus and reconfigure HH MS as a 6 – 8 school; or
 - Expand HH MS to be a K – 6 school and reconfigure HH HS as a 7 – 12 school.

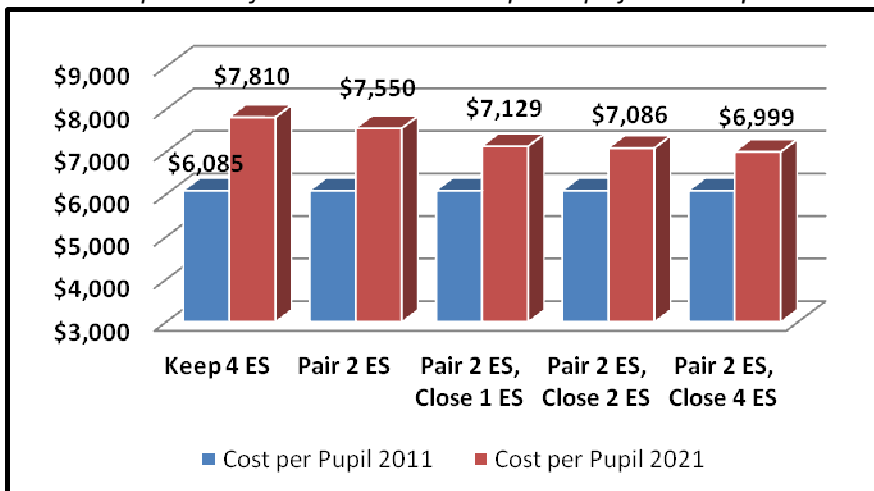
The following graph compares the fiscal impact on the estimated General Fund budget over the ten years from 2011 to 2021 for each of the options. If the Board were to choose the option to close four elementary schools, the estimated General Fund budget in 2021 would be \$120,000 less than the budget was ten years earlier in 2011. The 2021 budget for that option would also be \$1.35 million less when compared to the option of keeping four elementary schools open. Spreadsheets for the five scenarios are included in Appendix E.

Comparison of 2011 and 2021 GF Budget for Each Option (Millions)



The next graph compares the impact on cost per pupil over the ten years from 2011 to 2021 for each of the options.

Comparison of 2011 and 2021 Cost per Pupil for Each Option



Scenario for Board Consideration

The purpose of the Blue Ribbon Task Force was to identify the primary issues facing the North Spencer County School Corporation due to declining enrollment and changes in State funding, and to identify consensus-based options with “trigger dates” and credible supporting rationale for the Board of Trustees to consider.

Population in the North Spencer County School Corporation is stable but aging, and enrollment in grades K – 12 has declined 435 students (18 per cent) over the past ten years. State per-pupil support for the General Fund budget of the school corporation is expected to decline over the next ten years due to the decline in students and the changes to the State funding formula by approximately \$2.88 million. Declining enrollment means there is also excess capacity in the schools. These conditions create issues for the school corporation:

- Declining enrollment and the serious impact on revenue;
- Necessary major reductions in operating costs and the potential impact on programs;
- Lack of near-term prospects for increased economic development during the current “Great Recession;”
- Maintaining performance and quality standards along with fiscal integrity as reductions occur; and
- Local sources of revenues (except increased taxes) to offset declining state funds are usually more acceptable but less sustainable while program and operating reductions are usually more sustainable but less likely to be accepted.

The greatest value of the educational program is to provide for all students the learning opportunities the wisest and best parents in the school corporation want for their children. For that reason the following performance and quality standards are proposed:

- Become the best in the area in instruction;
- Provide high value educational programming;
- Maintain the quality of facilities at the current level; and
- Evaluate co-curricular and extra-curricular programs to remain attractive to the community while eliminating unnecessary costs.

The following scenario and options respond to the issues considered by the Blue Ribbon Task Force and the resolve to maintain a high-performing school corporation providing exceptional educational value with the resources available.

Scenario

The school corporation has reduced 13 teaching and two administrative positions along with other budget economies since 2008. Even so, there will need to be additional planned, annual budget reductions that cannot be currently anticipated. With this in mind, *create and maintain a culture of strategic, aggressive and prudent management* of budget resources to meet the school corporation’s performance and quality standards.

- Develop a \$6M - \$7M foundation and a policy for aggressive fund raising to supplement co-curricular and extra-curricular funds;
- Annually evaluate co-curricular and extra-curricular budgets to increase value and reduce costs, if possible;
- Manage funds effectively, aggressively and prudently to enable budget transfers to pay for necessary General Fund expenditures;
- Consolidate curriculum and programs to adjust for the vocational and post-secondary needs of students;
- Consolidate support and administrative services based on the needs of staff and community;
- Implement comprehensive energy management procedures; and
- Establish a fee-based pre-school program for typical students as a child care incentive for current and prospective parents.

Short Term Options

Trigger Date

2012 – 2013 Time Frame

Issue General Obligation Bonds to augment the Capital Projects Fund and free budget funds for needed General Fund expenditures. 2012

Reconfigure Lincoln Trail and Nancy Hanks schools as PK – 3, 4 – 6. 2013

Considerations:

- Provides an estimated \$400,000 cost savings annually by reducing the number of class sections needed to serve the current and most likely future student population;
- Improves opportunity for better class size balance;
- Protects Title I and programs in the other schools essential to quality of program and Federal funds;
- Distances between the proposed schools are such that the offset of additional transportation costs is reasonable; and
- Enrollment in the schools when paired is still below optimum capacity.

Mid Term Options

Trigger Date

2014 – 2017 Time Frame

Continually monitor enrollment trends, area economic development, and State General Fund support.

Re-examine the General Fund Budget annually for potential revenues and reductions. Consider additional major revenue increases such as a General Fund referendum, or cost reductions such as closing a school and reconfiguring as K – 5, 6 – 8 (elementary) or K – 6, 7 – 12 (HH MS).

Consider increasing revenues with a General Fund referendum as an alternative to closing elementary schools or HH MS.

2015

- Considerations:
- Current tax rates for school corporation debt service end by 2018. Possibly a General Fund referendum can be approved to dovetail with the expiring debt service tax rates to minimize tax impact;
- Delays closing schools;
- Provides a steady stream of revenue for seven years;
- Reduces the money needed from the Rainy Day Fund to pay for General Fund expenses;
- Voter approval is an opportunity for community members to come together to support the school corporation; and
- The levy expires in seven years and will require approval of a subsequent referendum.

Issue a second set of General Obligation Bonds to augment the Capital Projects Fund and free budget funds to pay for needed General Fund expenditures.

2017

Consider reducing General Fund expenditures by closing an elementary school or reconfigure HH HS as a 7 – 12 school and close HH MS.

2017

Considerations:

- Reduces General Fund expenses annually by an estimated \$676,000 annually;
- Amplifies the advantages for class size optimization originally gained by pairing elementary schools;
- Requires reconfiguring to a K – 6 grade organization;
- Consolidation of programs may become easier in a 7 – 12 configuration;
- Fits with continued enrollment decline;
- Enrollment will be near or below *optimum capacity* in the three remaining elementary schools or in HH HS as a 7 – 12 school;
- Residents may prefer closing an elementary school or the middle school over losing programs necessarily cut due to budget reductions;

- Residents may prefer closing an elementary school before closing the middle school;
- Community objections may override considerations for closing a school;
- If an elementary school is closed, it may make serving disadvantaged students (through Federal Title I programs) more difficult;
- Closing a school without first considering a referendum removes an option for the community;
- Disposition of an elementary building for educational uses (Ivy Tech, corporate training center, etc.) might provide fees for maintenance and upkeep of the building; and
- Disposition of the middle school might be well-suited to a vocational training center and its proximity to the high school might be an advantage for school-to-work transition for students.

Long Term Options

Trigger Date

2018 – 2021 Time Frame

The annual General Fund budget shortfall increases from \$2.10 million in 2018 to \$2.88 million in 2021 unless two elementary schools are paired; in that case the projected annual shortfall is \$2.45 million in 2021. Unless the school corporation receives significant additional revenues, major reductions in K – 12 expenditures during the 2018 – 2021 time frame will be necessary.

Consider reducing General Fund expenditures by closing two elementary schools and reconfiguring into K – 5 and 6 – 8 (HH MS as a K – 6 school). 2018

Considerations

- Reduces General Fund expenditures annually by an estimated \$753,000;
- Fits with continued enrollment decline;
- Amplifies the advantages for class size optimization originally gained by pairing schools;
- Projected enrollment will be between *optimum* and *functional* capacity for the elementary and middle school buildings;
- Requires reconfiguring to two K – 5 elementary schools;
- Community objections may override considerations for closing two schools;
- Residents may prefer closing elementary schools over losing programs necessarily cut due to budget reductions;
- Serving disadvantaged students (through Federal Title I programs) may be more difficult, depending on which buildings are closed; and
- Disposition of elementary buildings for educational uses (Ivy Tech, corporate training centers, etc.) might provide fees for maintenance and upkeep of the buildings.

Consider either expanding HH MS as a K – 6 school and reconfigure HH HS as a 7 – 12 school, or building a unified 750 student K – 5 school at the site of the high school and middle school, and close the four current elementary schools.

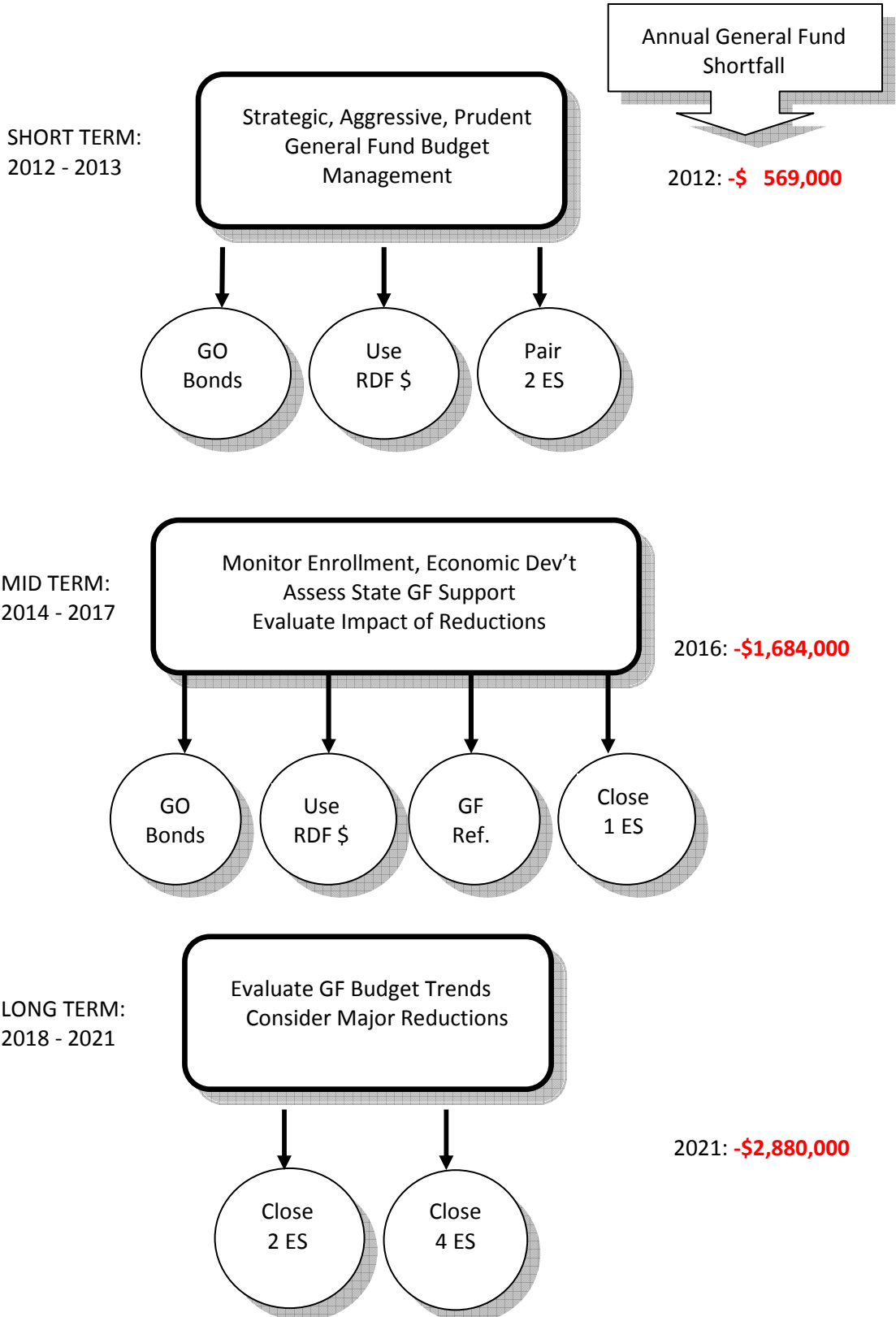
2019

Considerations:

- Reduces General Fund expenses annually by an estimated \$903,000;
- It may be possible to approve a bond issue referendum to coincide with expiring debt service tax rates to minimize the tax impact;
- It may unify the community around one elementary school with common programs and activities;
- Consolidating all classes in one site would provide the greatest efficiencies for class sizes, staff reductions and reduced future operating costs;
- Programs for disadvantaged students could be maintained and possibly improved;
- K – 5 and 6 – 8 enrollments would be below *optimum capacity*;
- Greater efficiencies in transportation would be possible although costs would likely increase;
- The distance from homes to one unified school would be longer; and
- Disposition of the existing buildings for educational uses (Ivy Tech, corporate training center, etc.) might provide fees for maintenance and upkeep.

The following graphic summarizes the BRTF scenario and some of the strategic budget management decisions facing the Board according to the critical time frames for those decisions.

General Fund Budget Scenario



Perspective and Other Considerations

Perspective—The BRTF has taken a positive view of the opportunities in NSCSC. It believes that although difficult in some respects, the current budget crisis coupled with declining enrollment has forced a clear and committed focus on what it will take to become an even stronger, more attractive school corporation as part of a desirable and highly marketable community.

Although the work of the BRTF is now completed, the important, serious, thoughtful discussions among the Board and community members are just beginning. The BRTF has outlined standards to guide the budget and program decisions facing the Board in the approaching ten-year horizon. It believes NSCSC can provide the gold standard for instruction in the area, can deliver high value learning experiences for its students, can maintain or re-design facilities that are attractive, well-designed and highly functional, and that staff are capable of evaluating areas where expenses can be reduced while NSCSC remains a good place to learn, work and participate in extra- or co-curricular activities.

The BRTF recognizes the emotional nature of some of the decisions that face the Board and community. For that reason it believes it will serve the North Spencer community well if the Board discusses these proposals with the community at large, listens to community members' concerns and deliberates the pros and cons of the various options proposed for consideration.

One thing is clear. There must be economies in the culture of setting budgets and in the operational mind-set of both staff and community. The BRTF members believe that the current clear indication of necessary, significant budget reductions can also be a stepping stone to increasing the viability of an already great community.

Other Considerations —The BRTF began its work in late August this year and has met eight times since then. It began with some trepidation regarding its purpose, but soon found itself engaged in intensive and thoughtful discussions of the issues facing the Board. Its work is now completed with this presentation of options for the Board's consideration and it will no longer function as a committee called into action by Superintendent Dan Scherry.

However, members stand ready as individual community members to continue to assist the Board in the important tasks that it now faces. The Board has the members' support and urgent hope for strategies that strengthen the North Spencer County School Corporation's collective resolve to become one of the best places to learn in the area. The BRTF greatly appreciates Superintendent Dan Scherry's patient and professional assistance as it did its work. His wisdom in convening a cross section of community and school members to study these issues and propose the options presented here will prove to be fruitful over the years to come.

Appendix Materials

- A. Blue Ribbon Task Force Materials
 - Invitation Letter to Blue Ribbon Task Force members
 - List of Members
 - Meeting Dates and General Agenda Topics
 - Blue Ribbon Task Force Process Summary
 - Educational Services Company

- B. List of Data Considered by the Blue Ribbon Task Force

- C. Detailed Enrollment Projection Tables
 - High Projected Ten Year Enrollments
 - Most Likely Projected Ten Year Enrollments
 - Low Projected Ten Year Enrollments

- D. School Building Capacities
 - Chrisney Elementary School
 - David Turnham Educational Center
 - Lincoln Trail Elementary School
 - Nancy Hanks Elementary School
 - Heritage Hills Middle School
 - Heritage Hills High School

- E. Fiscal Option Scenarios
 - Keep All Schools Open
 - Pair Two Elementary Schools
 - Pair Two Elementary Schools, Then Close One
 - Pair Two Elementary Schools, Then Close Two
 - Pair Two Elementary Schools, Then Close four

Appendix A

Blue Ribbon Task Force Materials

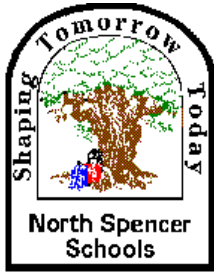
Invitation Letter to Blue Ribbon Task Force Members

List of Members

Meeting Dates and General Agenda Topics

Blue Ribbon Task Force Process Summary

Educational Services Company



NORTH SPENCER COUNTY SCHOOL CORPORATION

Box 316, 3720 E SR 162
Lincoln City, Indiana 47552
812-937-2400 Fax: 812-937-7187
Internet Home Page: www.nspencer.k12.in.us

June 13, 2011

As most of you have heard over the past two years, educational funding in Indiana is going through quite a change. What used to be a reliable, steady revenue stream is now dependent upon economic conditions and student enrollment. This can be seen as positive or negative, depending upon the perspective one has. At North Spencer, due to a steadily falling enrollment over the past 6-7 years, we are making some difficult decisions in prioritizing our offerings for the future.

It is with this in mind, that North Spencer County School Corporation is calling together a group of active and informed stakeholders to comprise a Blue Ribbon Task Force. The purpose of this Task Force will be to meet six to eight times, for two to three hours at a time, August through November. Providing suggestions, guidance, and options to the North Spencer County School Corporation Board of Trustees will be the role of the group.

You have been identified by a NSCSC administrator as being an individual who possesses the concern, knowledge, and view point that would offer significant contribution to this effort. Please consider accepting this invitation from the North Spencer County School Corporation to participate in this process that will guide us in "Shaping Tomorrow Today".

With Regard,

Dan Scherry, Superintendent

Blue Ribbon Task Force Members

Amy Tempel	Social Worker, State of Indiana
Andi Vance	Elementary School Teacher
Andrew Schroeder	Elementary School Maintenance
Cindy Morrison	Clerk-Treasurer, Town of Dale
Dean Merder	Corporate Sales Manager
Ed Rinehart	Retired, Banking
Fr. Jeremy King	Cleric, Church
Greg Turner	Business Owner
Niki Turner	Business Owner
John Hochgesang	Farm, Agribusiness
Becky Hochgesang	Farm, Agribusiness
Jeff Gasaway	Business, Aggregate Industry
Kelli Reinke	Law Enforcement
Kim Litkenhus	Clerk-Treasurer, Town of Chrisney
Mark Lubbehusen	Farm, Agribusiness
Kurt Willard	Financial Advisor
Marc Schum	Transportation Director, NSCSC
Mike Kemp	Technology, NSCSC
Mike Schriefer	Retired Educator
Mike Tower	Retired Educator
Pat Koch	Business Owner
Sharon Schaefer	Retired Educator
Susan Grundhoefer	Heritage Hills Middle School Principal
Todd Wilkerson	Guidance, Heritage Hills High School
Vicki Winkler	Retired Educator
Other:	
Dan Scherry	Superintendent, NSCSC, Task Force Resource

BRTF Meeting Dates and General Agenda Topics

- 8/31 Charge to the Committee, purpose, process and preliminary issues (HH HS)
- 9/14 Consider data, issues and potential dilemmas (HH HS)
- 9/28 Establish consensus for highest priority needs to be resolved (Chrisney Elementary)
- 10/12 Identify promising options for resolving issues and dilemmas (Lincoln Trail Elementary)
- 10/26 Identify the high leverage options for future success (David Turnham Education Center)
- 11/9 Consider short term and long term impact of the high leverage options (Nancy Hanks Elem)
- 11/30 Come to consensus on the preferred high leverage options (HH HS)
- 12/14 Prepare report and presentation to the Board of School Trustees (HH HS)

Blue Ribbon Task Force Process, Approach and Purpose

Approach to the study is based on authentic, inclusive community and school participation:

- Pertinent, credible data
- Program-driven within practical parameters: financial capacity, prudent use of existing/potential facilities, workforce needs, and probable economic and community development
- Consensus-based progression

End product of the study is a set of innovative yet practical proposals and a credible rationale:

- Potential innovative programs to deliver optimal education for the school-age population within practical, local and legislative constraints
- Student optimum and maximum capacities and facility utilization
- Future needs based on demographic analysis, enrollment projections, appropriate grade level configurations and community development
- Trigger points for implementing and/or modifying the proposal(s)
- Best alternative proposal(s) developed by community members and school staff

Credibility of the proposal(s) rests on:

- Integrity of a school and community task force with valid, broad-based representation
- Open discussion of potential program and facility configurations
- Focus on optimal education that contributes to a high quality of life within the community
- Facilitated task force subgroups and committee-of-the-whole

Consensus is a dynamic process relying on:

- Thoughtful discussion
- Listening to others
- Sharing rationale
- Coming to congenial agreement
- Proposals/configurations most members can support

Tentative timeline of activities:

- Identifying needs and issues—August/September
- Reviewing needs and issues identified and researching pertinent information—September
- Considering both the short term and long term impact of potential options—October
Coming to consensus on the proposal(s) that resolve the needs of the school district—November/December
- Discussions with the Board of School Trustees regarding the proposals and rationale—TBD

- Ongoing throughout the process—communicating to the community-at-large the responsibility of the task force to present its best thinking to the Board and to recognize that the ultimate responsibility for making decisions and acting rests with the Board
Educational Services Company

Educational Services Company is a consulting firm established in 1989 with an expert staff of thirty-five (35) people. Most of its consultants are retired school administrators who represent over 500 years of experience in the public schools of Indiana and Ohio. The company brings a team of highly skilled professionals to the tasks it undertakes.

Its mission is to provide management consulting services to public and private school districts, and government agencies in Indiana.

The following is a list of the various services it provides:

- Budget preparation or support
- Financial advisor for bond issues
- Treasurer training and assistance
- Project management (construction supervision)
- Feasibility/Long Range Planning studies
- Furniture and equipment acquisition
- Demographic studies
- Actuarial studies
- Technology staff review
- Personnel studies
- Special education studies
- Collective bargaining
- Strategic planning
- Interim superintendent services
- Interim business manager services
- Department of Local Government Finance assistance
- State Board of Accounts assistance
- Retirement plan design assistance
- Group insurance assistance
- Property and casualty insurance assistance

The professionals at Educational Services Company are skilled practitioners; they bring successful experience to each project.

Appendix B

Data Considered by the Blue Ribbon Task Force

Data Documents Considered by the BRTF

- 8/31 BRTF Process Summary
 - NSCSC Enrollment History
 - Population Changes and Distribution by Age Groups
 - Live Births and Single Family Building Permits
 - General Fund Financial Impacts
 - Cost Saving Efforts Since 2009
 - School Facilities Summary

- 9/14 School Finance Concepts
 - Comparison: General Information for Six Area School Corporations
 - Comparison: Expenditures by Budget Fund for Six Area School Corporations
 - Comparison: Expenditures per Average Daily Membership for Six Area School Corporations
 - Annual Average Operating Cost for a Single School Building in NSCSC
 - Comparison: Program Summary and Full Time Equivalent Teachers –HS and MS

- 9/28 Summary Graph: High, Most Likely and Low 10-Year Enrollment Projections
 - Most Likely Projected Enrollments—Grade by Year Detail
 - Summary: Economic Development
 - Child Care—Excerpts from the Spencer County Foundation Priority Needs Assessment

- 10/12 State General Fund Revenue Support: 2011 - 2016—Estimated Using Most Likely Projected Enrollment
 - Rated Acceptability and Sustainability of Revenue Increases and Cost Reductions: Results of BRTF Ratings

- 10/26 State General Fund Revenue Support: 2011 – 2016—Fiscal Relief Options

- 11/9 State General Fund Revenue Support and Estimated GF Budget: 2011 – 2016
 - School Building Capacities, Most Likely Enrollment Projections and Optional Grade Configurations
 - K – 3, 4 – 6 Paired School Configurations (Revised)

- 11/30 Potential Scenarios
 - Fiscal Relief Options: 2011 – 2021

- 12/14 Revised Scenarios
 - Potential Presentation to the Board of School Trustees

Appendix C

Detailed Enrollment Projection Tables

High Projected Ten Year Enrollments

Most Likely Projected Ten Year Enrollments

Low Projected Ten Year Enrollments

High Projected Ten Year Enrollments

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
PreK	20	20	20	20	20	20	20	20	20	20	20
K	128	133	129	129	127	129	127	125	123	120	118
1	133	140	150	141	141	138	141	138	136	134	131
2	136	132	135	146	136	136	133	136	133	131	130
3	124	136	131	135	147	136	136	133	136	133	131
4	143	126	138	132	137	150	138	138	135	138	135
5	158	146	128	141	134	140	153	141	141	138	141
6	162	168	155	136	149	142	148	162	149	149	146
7	146	161	167	154	135	148	141	147	161	148	148
8	145	144	159	165	152	134	146	139	145	159	146
9	147	146	145	160	166	153	135	147	140	146	160
10	156	147	146	145	160	166	153	135	147	140	146
11	181	157	148	147	146	161	167	154	136	148	141
12	177	170	148	139	138	137	151	157	145	128	139
PK - 12	1,956	1,926	1,899	1,890	1,888	1,890	1,889	1,872	1,847	1,832	1,832
K - 12	1,936	1,906	1,879	1,870	1,868	1,870	1,869	1,852	1,827	1,812	1,812
K - 6	984	981	966	960	971	971	976	973	953	943	932
7 - 8	291	305	326	319	287	282	287	286	306	307	294
9 - 12	661	620	587	591	610	617	606	593	568	562	586
7 - 12	952	925	913	910	897	899	893	879	874	869	880
K - 5	822	813	811	824	822	829	828	811	804	794	786
6 - 8	453	473	481	455	436	424	435	448	455	456	440
6 - 12	1,114	1,093	1,068	1,046	1,046	1,041	1,041	1,041	1,023	1,018	1,026

Most Likely Projected Ten Year Enrollments

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
PK	20	20	20	20	20	20	20	20	20	20	20
K	128	133	127	127	125	127	125	122	120	118	116
1	133	139	146	138	138	136	138	136	132	130	128
2	136	131	134	142	133	133	131	133	131	127	125
3	124	135	129	133	142	132	132	130	132	130	126
4	143	126	137	130	135	144	134	134	132	134	132
5	158	144	127	138	130	136	145	135	135	133	135
6	162	163	148	131	142	134	140	149	139	139	137
7	146	160	161	146	129	140	132	138	147	137	137
8	145	144	158	159	144	127	138	130	136	145	135
9	147	146	145	159	160	145	127	139	131	137	146
10	156	146	145	144	158	159	144	126	138	130	136
11	181	157	147	146	145	159	160	145	127	139	131
12	177	168	145	136	135	134	147	148	134	118	129
PK - 12	1,956	1,912	1,869	1,849	1,836	1,826	1,813	1,785	1,754	1,737	1,733
K - 12	1,936	1,892	1,849	1,829	1,816	1,806	1,793	1,765	1,734	1,717	1,713
K - 6	984	971	948	939	945	942	945	939	921	911	899
7 - 8	291	304	319	305	273	267	270	268	283	282	272
9 - 12	661	617	582	585	598	597	578	558	530	524	542
7 - 12	952	921	901	890	871	864	848	826	813	806	814
K - 5	822	808	800	808	803	808	805	790	782	772	762
6 - 8	453	467	467	436	415	401	410	417	422	421	409
6 - 12	1,114	1,084	1,049	1,021	1,013	998	988	975	952	945	951

Low Projected Ten Year Enrollments

	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
PK	20	20	20	20	20	20	20	20	20	20	20
K	128	133	124	124	122	124	122	120	118	116	114
1	133	138	143	133	133	131	133	131	129	127	125
2	136	128	133	137	128	128	126	128	126	124	122
3	124	134	126	131	135	126	126	124	126	124	122
4	143	126	136	128	133	137	128	128	126	128	126
5	158	141	124	134	126	131	135	126	126	124	126
6	162	158	141	124	134	126	131	135	126	126	124
7	146	159	155	138	121	131	123	128	132	123	123
8	145	143	156	152	135	119	128	121	126	129	121
9	147	145	143	156	152	135	119	128	121	126	129
10	156	145	143	141	153	149	133	117	126	119	124
11	181	156	145	143	141	153	149	133	117	126	119
12	177	165	140	130	128	126	137	133	119	105	113
PK - 12	1,956	1,891	1,829	1,791	1,761	1,736	1,710	1,672	1,638	1,617	1,608
K - 12	1,936	1,871	1,809	1,771	1,741	1,716	1,690	1,652	1,618	1,597	1,588
K - 6	984	958	927	911	911	903	901	892	877	869	859
7 - 8	291	302	311	290	256	250	251	249	258	252	244
9 - 12	661	611	571	570	574	563	538	511	483	476	485
7 - 12	952	913	882	860	830	813	789	760	741	728	729
K - 5	822	800	786	787	777	777	770	757	751	743	735
6 - 8	453	460	452	414	390	376	382	384	384	378	368
6 - 12	1,114	1,071	1,023	984	964	939	920	895	867	854	853

Appendix D

School Building Capacities

Chrisney Elementary School

David Turnham Educational Center

Lincoln Trail Elementary School

Nancy Hanks Elementary school

Heritage Hills Middle School

Heritage Hills High School

Chrisney Elementary Schools

Grade	Rms	Class Sizes				Notes
		K - 2	3 - 6	K - 2	3 - 6	
		Optimum		Functional		
		18	22	25	30	
FDK	1	18		25		
HDK		0		0		
Grade 1	2	36		50		
Grade 2	2	36		50		
Grade 2/3		0		0		
Grade 3	1		22		30	
Grade 4	1		22		30	
Grade 4/5			0		0	
Grade 5	1		22		30	
Grade 6	1		22		30	
Available	3	18	44	25	60	Classrooms (1), Tech Rm, Community Room if media center used for gathering
# Rooms	12					
TOTAL			240		330	
OTHER (not counted in capacity)						
Art	1					
Comp Lab	1					
Media Ctr	1					
Multipurpose	1					
Music	1					Located on stage, as designed
Resource	1					

David Turnham Educational Center

Grade	Rms	Class Sizes				Notes
		K - 2	3 - 6	K - 2	3 - 6	
		Optimum		Functional		
		18	22	25	30	
FDK	2	36		50		
HDK		0		0		
Grade 1	2	36		50		
Grade 2	2	36		50		
Grade 2/3		0		0		
Grade 3	2		44		60	
Grade 4	2		44		60	
Grade 4/5			0		0	
Grade 5	2		44		60	
Grade 6	2		44		60	
Available	2	18	22	25	30	148; 118 if Library used as MP Gathering room
# Rooms	16					
TOTAL			324		445	
OTHER (not counted in capacity)						
Art	1					140
Cafeteria	1					Cafeteria/gym share space
Comp Lab	1					119
Gym						161
Media Ctr	1					167
Music	1					160; located on the stage, as designed
Resource	1					145

Lincoln Trail Elementary School

Grade	Rms	Class Sizes				Notes
		K - 2	3 - 6	K - 2	3 - 6	
		Optimum		Functional		
		18	22	25	30	
FDK	2	36		50		
HDK		0		0		
Grade 1	2	36		50		
Grade 2	2	36		50		
Grade 2/3		0		0		
Grade 3	2		44		60	
Grade 4	1		22		30	
Grade 4/5			0		0	
Grade 5	2		44		60	
Grade 6	2		44		60	
Available	3	18	44	25	60	134 storage: 141 empty; 142 science
Sp. Needs-LI	1	10		10		132
# Rooms	17					
TOTAL			334		455	
OTHER (not counted in capacity)						
Art						
Cafeteria						
Comp Lab						139
Gym						
Media Ctr						
Music						
Pre-School						101

Nancy Hanks Elementary School

Grade	Rms	Class Sizes				Notes
		K - 2	3 - 6	K - 2	3 - 6	
		Optimum		Functional		
		18	22	25	30	
FDK	2	36		50		
HDK		0		0		
Grade 1	2	36		50		
Grade 2	2	36		50		
Grade 2/3		0		0		
Grade 3	2		44		60	
Grade 4	2		44		60	
Grade 4/5			0		0	
Grade 5	2		44		60	
Grade 6	2		44		60	
Available	3	18	44	25	60	121 empty; 134 extra special ed.; 140 science
Sp. Needs-LI	1	10		10		133
# Rooms	18					
TOTAL			356		485	
OTHER (not counted in capacity)						
Art						
Cafeteria						
Comp Lab						139
Gym						
Media Ctr						
Music						

Heritage Hills Middle School

Subjects	# Rms	Class Sizes				Notes
		Optimum		Functional		
		Lab	Clstrm	Lab	Clstrm	
		24	26	24	32	
Eng. Lang. Arts	3		78		96	320, 316, 312
FACS		0		0		HH HS
Fine Arts-Band			0		0	HH HS Bandroom
Fine Arts-Choir	1		26		32	300
Fine Arts-Visual		0		0		Vocational/Technical classrooms at HH HS
Gateways		0		0		Vocational/Technical classrooms at HH HS
Math	3		78		96	321, 327, 335
PE	1		26		32	Station available, but scheduled at HH HS
PE-Health			0		0	Scheduled in various available classrooms
Science	4	96		96		319, 331, 329, 341: 1,250 SF
Social Studies	4		104		128	318, 314, 322, 337
Special Needs-LI	3	30		30		310, 324, 326
# Classrooms	19					
TOTAL			438		510	
Calculated Capacity (85%)			372		434	
OTHER (not counted in capacity)						
Cafeteria						HH HS
Computer Labs	2					325, 333; 500 SF
Conference	2					323, 339; 500 SF
Gym (Auxiliary)	1					White; commons area, practice, wrestling
Media Center						HH HS

Heritage Hills High School

Subjects	# STA*	Class Sizes				Notes
		Optimum		Functional		
		Lab 24	Clstrm 26	Lab 24	Clstrm 32	
Business	2		52		64	126, 128
Business-Comp Lab	1	24		24		130
Driver Education	1		26		32	201
English	6		156		192	103, 108, 112, 114, 116, 122
FACS	1	24		24		44, 46, 46A
Fine Arts-Band	1		40		40	22
Fine Arts-Choir	0					Scheduled at HH MS
Fine Arts-Visual	3	72		72		401, 403, 405
Math	4		104		128	217, 225, 227, 229
PE-Gym	2		52		64	Red Gym, White Gym, weight room
PE-Health	1		26		32	208
PE-Pool	1		26		32	
Science	6	144		144		107, 109, 113, 204, 206, 210
Social St	3		78		96	205, 207, 215
Special Needs-LI	2	20		20		119, 214
Special Needs-HI	1		16		16	211
VT-Agriculture Mech.	1	24		24		408; 425 is related classroom
VT-Auto Mechanics	1	24		24		404; 402 is related classroom
VT-Production, Gateway	1	24		24		406; 423 is related classroom
VT-PLTW	1	24		24		421; 419 is related classroom
World Languages	3		78		96	100, 102, 104
Available	4		104		32	118, 124, 203, 219
# Stations	46					
TOTAL			1,138		1,204	
Calculated Capacity (80%)			910		963	
OTHER (not counted in capacity)						
Cafeteria	1					
Comp Lab	1					
Media Center/Library	1					
Study Halls	2					202, 213
Student Publication	1					106
Department Offices	3					221, 413, 415
Auditorium	1					
* Teaching Stations						

Appendix E

Fiscal Options Scenario Worksheets

Keep All Schools Open

Pair Two Elementary Schools

Pair Two Elementary Schools, then Close One

Pair Two Elementary Schools, then Close Two

Pair Two Elementary Schools, then Close Four

Keep All Schools Open

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative Total
Average Daily Membership	1,926.5	1,872	1,824	1,786	1,766	1,754	1,743	1,731	1,704	1,674	1,658	
Annual EST. State GF Revs	\$11,722,137	\$11,270,473	\$11,012,350	\$10,808,005	\$10,700,462	\$10,635,926	\$10,529,000	\$10,465,000	\$10,320,000	\$10,158,000	\$10,072,000	
Funding Increase/Decrease		-\$451,664	-\$258,123	-\$204,345	-\$107,543	-\$64,536	-\$106,926	-\$64,000	-\$145,000	-\$162,000	-\$86,000	-\$1,650,137
Percent Change		-3.9%	-2.3%	-1.9%	-1.0%	-0.6%	-1.0%	-0.6%	-1.4%	-1.6%	-0.8%	
NSCSC Annual GF Budget*	\$11,722,137	\$11,839,358	\$11,957,752	\$12,077,329	\$12,198,103	\$12,320,084	\$12,443,285	\$12,567,717	\$12,693,395	\$12,820,329	\$12,948,532	
Keep All Schools Revised GF Budget			\$11,957,752	\$12,077,329	\$12,198,103	\$12,320,084	\$12,443,285	\$12,567,717	\$12,693,395	\$12,820,329	\$12,948,532	\$135,588,021
Projected Shortfall		-\$568,885	-\$945,402	-\$1,269,324	-\$1,497,641	-\$1,684,158	-\$1,914,285	-\$2,102,717	-\$2,373,395	-\$2,662,329	-\$2,876,532	-17,894,668
Percent Change		-4.9%	-8.0%	-10.6%	-12.4%	-13.8%	-15.5%	-16.9%	-18.9%	-21.0%	-22.4%	
Difference: 2021 - 2011											\$1,226,395	
Fiscal Relief Options												
Rainy Day Fund**		\$0	\$124,000	\$1,009,611	\$1,497,641	\$1,684,158	\$500,285	\$1,866,717	\$2,373,395	\$144,193	\$0	\$9,200,000
General Obligation Bond***		\$568,885	\$821,402	\$259,713	\$0	\$0	\$1,414,000	\$236,000	\$0	\$0	\$0	\$3,300,000
Total GF Revenues		\$11,839,358	\$11,957,752	\$12,077,329	\$12,198,103	\$12,320,084	\$12,443,285	\$12,567,717	\$12,693,395	\$10,302,193	\$10,072,000	
GF Per ADM Exp	\$6,085	\$6,324	\$6,556	\$6,762	\$6,907	\$7,024	\$7,139	\$7,260	\$7,449	\$7,658	\$7,810	
GF Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,518,136	-\$2,876,532	-\$5,394,668
3-year Rolling Ratio: RDF/GF				0.11	0.10	0.11	0.13	0.12				

* Estimated to increase 1% annually

** NSCSC has successfully transferred necessary funds from CPF to Rainy Day Fund to offset GF shortfalls (maximum Rainy Day Fund is \$9,200,000)

*** General Obligation Bonds would allow for additional CPF transfers to Rainy Day Fund totaling \$1,700,000

Pair Two Elementary Schools

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative Total
Avg. Daily Membership	1,926.5	1,872	1,824	1,786	1,766	1,754	1,743	1,731	1,704	1,674	1,658	
Annual Est. State GF Revs	\$11,722,137	\$11,270,473	\$11,012,350	\$10,808,005	\$10,700,462	\$10,635,926	\$10,529,000	\$10,465,000	\$10,320,000	\$10,158,000	\$10,072,000	
Funding Increase/Decrease		-\$451,664	-\$258,123	-\$204,345	-\$107,543	-\$64,536	-\$106,926	-\$64,000	-\$145,000	-\$162,000	-\$86,000	-\$1,650,137
Percent Change		-3.9%	-2.3%	-1.9%	-1.0%	-0.6%	-1.0%	-0.6%	-1.4%	-1.6%	-0.8%	
NSCSC Annual GF Budget*	\$11,722,137	\$11,839,358	\$11,957,752	\$11,956,129	\$11,792,891	\$11,910,820	\$12,029,928	\$12,150,227	\$12,271,729	\$12,394,447	\$12,518,391	
Pair Two ES			\$120,000	\$280,000								
Revised GF Budget			\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$12,029,928	\$12,150,227	\$12,271,729	\$12,394,447	\$12,518,391	\$132,143,810
Projected Shortfall		-\$568,885	-\$825,402	-\$868,124	-\$1,092,429	-\$1,274,894	-\$1,500,928	-\$1,685,227	-\$1,951,729	-\$2,236,447	-\$2,446,391	-\$14,450,457
Percent Change		-4.9%	-7.0%	-7.3%	-9.4%	-10.8%	-12.6%	-14.0%	-16.1%	-18.2%	-19.7%	
Difference: 2021 - 2011											\$796,254	
Fiscal Relief Options												
Rainy Day Fund**		\$0		\$612,411	\$1,092,429	\$1,274,894	\$86,928	\$1,449,227	\$1,951,729	\$2,236,447	\$495,935	\$9,200,000
General Obligation Bond***		\$568,885	\$825,402	\$255,713	\$0	\$0	\$1,414,000	\$236,000	\$0	\$0	\$0	\$3,300,000
Total GF Revenues		\$11,839,358	\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$12,029,928	\$12,150,227	\$12,271,729	\$12,394,447	\$10,567,935	
GF Per ADM Exp	\$6,085	\$6,324	\$6,490	\$6,538	\$6,678	\$6,791	\$6,902	\$7,019	\$7,202	\$7,404	\$7,550	
GF Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1,950,456	-\$1,950,457
3-year Rolling Ratio: RDF/GF				0.08	0.07	0.08	0.10	0.15				

* Estimated to increase 1% annually

** NSCSC has successfully transferred necessary funds from CPF to Rainy Day Fund to offset GF shortfalls (maximum Rainy Day Fund is \$9,200,000)

*** General Obligation Bonds would allow for additional CPF transfers to Rainy Day Fund totaling \$1,700,000

Pair Two Elementary Schools, Then Close One School

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative Total
Average Daily Membership	1,926.5	1,872	1,824	1,786	1,766	1,754	1,743	1,731	1,704	1,674	1,658	
Annual Est. State GF Revenues	\$11,722,137	\$11,270,473	\$11,012,350	\$10,808,005	\$10,700,462	\$10,635,926	\$10,529,000	\$10,465,000	\$10,320,000	\$10,158,000	\$10,072,000	
Funding Increase/Decrease		-\$451,664	-\$258,123	-\$204,345	-\$107,543	-\$64,536	-\$106,926	-\$64,000	-\$145,000	-\$162,000	-\$86,000	-\$1,650,137
Percent Change		-3.9%	-2.3%	-1.9%	-1.0%	-0.6%	-1.0%	-0.6%	-1.4%	-1.6%	-0.8%	
NSCSC Annual GF Budget*	\$11,722,137	\$11,839,358	\$11,957,752	\$11,956,129	\$11,792,891	\$11,910,820	\$12,029,928	\$11,945,197	\$11,586,920	\$11,702,789	\$11,819,817	
Pair 2 ES, Close School			\$120,000	\$280,000			\$203,000	\$473,000				
Revised Budget			\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$11,826,928	\$11,472,198	\$11,586,920	\$11,702,789	\$11,819,817	\$129,187,738
Projected Shortfall		-\$568,885	-\$825,402	-\$868,124	-\$1,092,429	-\$1,274,894	-\$1,297,928	-\$1,007,198	-\$1,266,920	-\$1,544,789	-\$1,747,817	-\$11,494,385
Percent Change		-4.9%	-7.0%	-7.3%	-9.4%	-10.8%	-10.9%	-8.5%	-11.0%	-13.3%	-14.9%	
Difference: 2021 - 2011											\$97,680	
Fiscal Relief Options												
Rainy Day Fund**		\$0		\$612,411	\$1,092,429	\$1,274,894	\$267,946	\$387,180	\$1,266,920	\$1,544,789	\$1,747,817	\$8,194,386
General Obligation Bond***		\$568,885	\$825,402	\$255,713	\$0	\$0	\$1,029,982	\$620,018	\$0	\$0	\$0	\$3,300,000
Total GF Revenues		\$11,839,358	\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$11,826,928	\$11,472,198	\$11,586,920	\$11,702,789	\$11,819,817	
GF Per Pupil Exp	\$6,085	\$6,324	\$6,490	\$6,538	\$6,678	\$6,791	\$6,785	\$6,627	\$6,800	\$6,991	\$7,129	
GF Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-year Rolling Ratio: RDF/GF				0.08	0.07	0.05	0.06	0.09	0.13			

* Estimated to increase 1% annually

** NSCSC has successfully transferred necessary funds from CPF to Rainy Day Fund to offset GF shortfalls (maximum Rainy Day Fund is \$9,200,000)

*** General Obligation Bonds would allow for additional CPF transfers to Rainy Day Fund totaling \$1,700,000

Pair Two Elementary Schools, Then Close Two Schools

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Cumulative
Average Daily Membership	1,926.5	1,872	1,824	1,786	1,766	1,754	1,743	1,731	1,704	1,674	1,658	Total
Annual Est. State GF Revenues	\$11,722,137	\$11,270,473	\$11,012,350	\$10,808,005	\$10,700,462	\$10,635,926	\$10,529,000	\$10,465,000	\$10,320,000	\$10,158,000	\$10,072,000	
Funding Increase/Decrease		-\$451,664	-\$258,123	-\$204,345	-\$107,543	-\$64,536	-\$106,926	-\$64,000	-\$145,000	-\$162,000	-\$86,000	-\$1,650,137
Percent Change		-3.9%	-2.3%	-1.9%	-1.0%	-0.6%	-1.0%	-0.6%	-1.4%	-1.6%	-0.8%	
NSCSC Annual GF Budget*	\$11,722,137	\$11,839,358	\$11,957,752	\$11,956,129	\$11,792,891	\$11,910,820	\$12,029,928	\$12,150,227	\$12,043,469	\$11,631,634	\$11,747,951	
Pair 2 ES, Close School			\$120,000	\$280,000				\$226,000	\$527,000			
Revised Budget			\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$12,029,928	\$11,924,227	\$11,516,470	\$11,631,634	\$11,747,951	\$129,629,296
Projected Shortfall		-\$568,885	-\$825,402	-\$868,124	-\$1,092,429	-\$1,274,894	-\$1,500,928	-\$1,459,227	-\$1,196,470	-\$1,473,634	-\$1,675,951	-\$11,935,943
Percent Change		-4.9%	-7.0%	-7.3%	-9.4%	-10.8%	-12.6%	-12.1%	-10.0%	-12.8%	-14.4%	
Difference: 2021 - 2011											\$25,814	
Fiscal Relief Options												
Rainy Day Fund**		\$0	\$0	\$612,411	\$1,092,429	\$1,274,894	\$470,946	\$839,209	\$1,196,469	\$1,473,634	\$1,675,950	\$8,635,942
General Obligation Bond***		\$568,885	\$825,402	\$255,713	\$0	\$0	\$1,029,982	\$620,018	\$0	\$0	\$0	\$3,300,000
Total GF Revenues		\$11,839,358	\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$12,029,928	\$11,924,227	\$11,516,469	\$11,631,634	\$11,747,950	
GF Per Pupil Exp	\$6,085	\$6,324	\$6,490	\$6,538	\$6,678	\$6,791	\$6,902	\$6,889	\$6,758	\$6,948	\$7,086	
GF Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$1	\$0	\$0	\$0
3-year Rolling Ratio: RDF/GF				0.08	0.08	0.07	0.07	0.10	0.12			

* Estimated to increase 1% annually

** NSCSC has successfully transferred necessary funds from CPF to Rainy Day Fund to offset GF shortfalls (maximum Rainy Day Fund is \$9,200,000)

*** General Obligation Bonds would allow for additional CPF transfers to Rainy Day Fund totaling \$1,700,000

Pair Two Elementary Schools, Replace All with One Unified K - 5 ES

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Average Daily Membership	1,926.5	1,872	1,824	1,786	1,766	1,754	1,743	1,731	1,704	1,674	1,658	Cumulative Total
Annual Est. State GF Revenues	\$11,722,137	\$11,270,473	\$11,012,350	\$10,808,005	\$10,700,462	\$10,635,926	\$10,529,000	\$10,465,000	\$10,320,000	\$10,158,000	\$10,072,000	
Funding Increase/Decrease		-\$451,664	-\$258,123	-\$204,345	-\$107,543	-\$64,536	-\$106,926	-\$64,000	-\$145,000	-\$162,000	-\$86,000	-\$1,650,137
Percent Change		-3.9%	-2.3%	-1.9%	-1.0%	-0.6%	-1.0%	-0.6%	-1.4%	-1.6%	-0.8%	
NSCSC Annual GF Budget*	\$11,722,137	\$11,839,358	\$11,957,752	\$11,956,129	\$11,792,891	\$11,910,820	\$12,029,928	\$12,150,227	\$12,271,729	\$12,120,737	\$11,603,624	
Pair Two Schools, Unified K - 5 Revised GF Budget			\$120,000	\$280,000					\$271,000	\$632,000		
Projected Shortfall		-\$568,885	-\$825,402	-\$868,124	-\$1,092,429	-\$1,274,894	-\$1,500,928	-\$1,685,227	-\$1,680,730	-\$1,330,737	-\$1,531,624	-\$12,358,980
Percent Change Difference: 2021 - 2011		-4.8%	-7.0%	-7.3%	-9.4%	-10.8%	-12.6%	-14.0%	-13.8%	-11.1%	-13.3%	-\$118,513
Fiscal Relief Options												
Rainy Day Fund**		\$0	\$0	\$612,411	\$1,092,429	\$1,274,894	\$86,928	\$1,449,227	\$1,680,730	\$1,330,737	\$1,531,624	\$9,058,980
General Obligation Bond***		\$568,885	\$825,402	\$255,713	\$0	\$0	\$1,414,000	\$236,000	\$0	\$0	\$0	\$3,300,000
Total GF Revenues		\$11,839,358	\$11,837,752	\$11,676,129	\$11,792,891	\$11,910,820	\$12,029,928	\$12,150,227	\$12,000,730	\$11,488,737	\$11,603,624	
GF Per ADM Exp	\$6,085	\$6,324	\$6,490	\$6,538	\$6,678	\$6,791	\$6,902	\$7,019	\$7,043	\$6,863	\$6,999	
GF Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-year Rolling Ratio: RDF/GF				0.08	0.07	0.08	0.09	0.13	0.13			

* Estimated to increase 1% annually

** NSCSC has successfully transferred necessary funds from CPF to Rainy Day Fund to offset GF shortfalls (maximum Rainy Day Fund is \$9,200,000)

*** General Obligation Bonds would allow for additional CPF transfers to Rainy Day Fund totaling \$1,700,000