



# Due Diligence Validation of SDNB Consolidation Options

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# Section 1

Consultant Scope of Work

# Consultant Scope of Work

- District recruited independent consultant to validate SDNB work
- Former superintendent in neighboring district with experience in both:
  - Closing an elementary school and redistricting
  - Developing due diligence for high school reconfiguration options
- Scope of work is to validate district due diligence on each consolidation option, identify gaps and compile due diligence and validation into a report to SDNB Board of Education

# Consultant Scope of Work

- Due diligence validation process
  - Met six times with district administrative staff during July-August
- Report is not intended to promote or demote either consolidation option
  - Meant to provide validated due diligence should either option be further considered to help address SDNB's financial challenges

# Consultant Scope of Work

- Consolidation options
  - Option 1 – Closing Orchard Lane and redistricting K-6 into Elmwood, Poplar Creek and Ronald Reagan
  - Option 2 – Closing Orchard Lane and redistricting and restructuring grades K-4 into Elmwood, Poplar Creek and Ronald Reagan, combined with restructuring all district grades 5-8 into Eisenhower (middle school) and all district grades 9-12 into West (high school)



# Section 2

Information for Reference

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- SDNB Class Size Guidelines
  - Grades K-3: 26 or less
  - Grades 4-6: 30 students or less
  - Grades 7-12: 30 students or less (with exceptions based on classroom limitations, e.g. science labs, or classroom flexibility, e.g. physical education)



# Section 3

Due Diligence Validation of Option 1



# Due Diligence Validation – Option 1

- **Quantitative Efficiency and Budget Savings** (are the budget savings projections realistic?)
  - Projected K-6 instructional staffing savings – \$768,750 (reduction of 10.25 full-time equivalent instructional staff)
  - Projected other personnel savings - \$617,389
  - Projected utilities savings (three-year average) - \$52,713
  - Projected pupil transportation savings – negligible change in costs
  - Projected total budget savings - \$1,438,852

# Due Diligence Validation – Option 1

- **Further savings or costs pending consideration**
  - Projected moving costs (one-time) of closing Orchard Lane and redistricting
  - Projected enrollment loss
  - Projected deferred maintenance savings - \$575,000 (parking lot and playground structure / equipment at Orchard Lane)
  - Projected annual revenue from leasing Orchard Lane
  - Projected market value of selling Orchard Lane - \$3,995,000-\$4,295,000 (Broker Opinion of Value – Anderson Commercial Group)

# Due Diligence Validation – Option 1

- **Implementation Feasibility** (would the option work, along with providing the savings?)
  - Validated per projected enrolments, sections and grades K-3 / 4-6 class size averages within district guidelines

# Due Diligence Validation – Option 1

- **Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)
  - Budget savings and implementation feasibility are pluses
  - Instructional program and delivery would not change
  - Closing a school is a transition that involves adjustment to change
  - Would transition happen more than once for Orchard Lane students?



# Section 4

Due Diligence Validation of Option 2

# Due Diligence Validation – Option 2

- **Quantitative Efficiency and Budget Savings** (are the budget savings projections realistic?)
  - Projected total budget savings from Option 1
    - \$1,438,852
  - Projected staffing savings from Option 2 implementation
    - 3.0 7<sup>th</sup>-8<sup>th</sup> grade staff – approximately \$225,000
    - 7.0 9<sup>th</sup>-11<sup>th</sup> grade staff – approximately \$525,000
    - Athletics - \$550,000

# Due Diligence Validation – Option 2

- **Quantitative Efficiency and Budget Savings** (are the budget savings projections realistic?)
  - Pupil transportation additional costs
    - Initial estimate of \$225,000 increased by \$120,000 to \$345,000 (lower if bus routing efficiencies can be found)
    - Increase in athletics transportation - \$24,100
    - Loss in student parking revenue at Eisenhower - \$50,000
- Projected total budget savings - \$2,319,752

# Due Diligence Validation – Option 2

- **Implementation Feasibility** (would the option work, along with providing the savings?)
  - Validated at all three elementary schools and potentially validated at Eisenhower and West pending further (internal) due diligence on numbers of classrooms and their percentage utilization and (external) due diligence on increased traffic, particularly on Cleveland



# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

- Potential pluses and minuses for:
  - Teaching and Learning differences with districtwide grades 5-8
  - Teaching and Learning differences with districtwide grades 9-12
  - Athletic and other co-curricular differences with districtwide grades 9-12

# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

- **Teaching and Learning Differences with Districtwide 5-8**
  - **Potential pluses**
    - Maintained program options for grades 7-8
    - Sufficient enrollments to (efficiently) run advanced classes on site
    - Increased focus on developmental middle school student needs
    - Increased content depth for grades 5-6
    - Increased focus in professional development for staff

# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

- **Teaching and Learning Differences with Districtwide 5-8**
  - **Potential minuses**
    - Need to break down large school size into smaller teaching and learning areas, e.g. self contained classrooms, potential for multiage classrooms, and opportunities for both middle school house structures and content area departments for advanced classes
    - Student adjustments

# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

## **Teaching and Learning Differences with Districtwide Grades 9-12**

- **Potential Pluses**

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

# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

## **Teaching and Learning Differences with Districtwide Grades 9-12**

- **Potential Minuses**

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

# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

## **Athletic and Other Co-Curricular Differences with Districtwide Grades 9-12**

- **Potential Pluses**

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

# Due Diligence Validation – Option 2

**Initial Qualitative Analysis** (could options continue to deliver New Berlin “excellence”?)

## **Athletic and Other Co-Curricular Differences with Districtwide Grades 9-12**

- **Potential Minuses**

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



# Section 5

Validation Process / Product Examples



# Validation Process / Product Examples

- Focused consolidation options and discussions on validation criteria
- Seeking clarity without granularity
- Pupil transportation consultant
- Financial accountability