

# IASD Configuration Plan

## Ferguson Option 2.5.2

### Executive Summary

This plan seeks to improve upon the best elements of the IFE and the Shroth plans by keeping all four elementary buildings open in a K-5 arrangement. To varying degrees, the High School, Ben Franklin, Eisenhower, and Horace Mann would all see renovations, with Ben Franklin and the High School receiving the greatest amount. At the same time, this plan advocates offsetting savings through reasonable projections in attrition, reasonable construction projects (requiring a lower level of financing), salary containment, and the possibility of minimal program modifications. Additional possibilities remain for a new revenue stream through an agreement between IUP and Indiana Borough, but the plan does not hinge solely upon its creation. This proposal has undergone numerous revisions, but can still be improved and modified with additional input from the public and members of the board.

All cost estimates for renovations are based on the Kimball feasibility study except where Kimball did not provide dollar amounts. These are noted as “blind estimates” and it is requested that Kimball provide estimates for these items so that a more clear and accurate proposal can be created.

### The Problems:

1. PSERS and its impact related to additional cost while Act 1 constrains taxation.
2. Building updates needed.
3. Staff needed for interventions and continuation of present programs.

### The proposal:

- Grades configured as 9-12, 6-8, and K-5 with 4 elementary buildings.
- All elementary teaching positions will be filled in the event of retirements.
- Any school closure vote should be triggered only if target levels of absorbed positions are not met due to attrition, and/or if salary and benefit levels exceed target levels, and/or if new revenue streams do not come to fruition.
- Re-draw school enrollment areas **and** allow for choice in elementary attendance areas in order to bring greater equity in building capacity.
- The High School would receive a new roof, HVAC, plumbing, and gym locker replacements in addition to a re-allocation of instructional space with minor indoor renovations.
- Major overhaul to Ben Franklin touching nearly all areas.
- Eisenhower- Fix roof, improve HVAC, re-allocate space for reading, ESL, Speech, nurse, etc.
- Horace Mann- Install new boiler system, update electrical (including fire alarm system) and add an elevator or lift system for ADA compliance.

### Assumptions:

1. The problem facing the district is largely financial in nature.
2. Financial problems are compounded by needs for updating buildings.
3. Growth in elementary enrollments will likely continue to some degree. At the very least, there is not a decrease in elementary enrollments anticipated in coming years, and Pre-K may be mandated in the next 5-10 years.
4. The surplus of teachers lies at the secondary level.
5. The district values low class sizes at the elementary level.
6. The district favors the use of attrition as the primary tool for cuts to staff costs.
7. Items rated “fair” or “poor” in the feasibility study deserve priority attention.

### Unknowns:

1. Future salary schedules
2. Future retirements that might be advantageous.
3. Possible disposition of properties.
4. Possible sources of additional revenue.
5. Future growth or contraction of student enrollments.
6. Real costs of new construction on buildings

### Confounding factors:

1. PSERS will most likely negatively impact the budget significantly if not addressed at the state level
2. Act 1 limits our ability to raise taxes
3. Program costs and building costs do not match personnel costs. Any real savings has to come from a reduction in staffing (faculty, administration, and professional staff).

### Costs of proposal:

1. **High School Items:**
  - a. Replacement of roof membrane- \$1,080,000-1,475,000
  - b. Replace HVAC- \$3,000,000-4,000,000
  - c. ADA compliance upgrades to signage and bathrooms- \$569,000-718,000.
  - d. Plumbing upgrades- \$1,200,000-1,500,000.
  - e. Re-configure existing classroom spaces areas to accommodate 9<sup>th</sup> grade needs and/or emerging alternative education usage- (Blind estimate, not from feasibility study) \$800,000- 1,200,000
  - f. Replacement of locker room lockers- \$110,000-170,000
    - a. Sub total= \$6,759,000- 9,063,000
2. **Ben Franklin Items:**
  - a. Replace access drives- \$50,000-75,000
  - b. Weatherize exterior doors- \$3,000-4,800

- c. Repair roof membrane and roof edge materials- \$16,000-32,000
- d. Replace interior doors- \$80,000-95,000
- e. Renovate toilets and signage per ADA- \$245,500-297,000
- f. Replace display boards- \$21,000-25,000
- g. Replace cabinetry in stage/Multi-purpose room- \$18,000-26,000
- h. Modify/replace stairs for safety- \$38,500-56,300
- i. Accessibility improvements (lifts for wings and stage)- \$185,000-320,000
- j. Replace flooring- \$96,000-153,000
- k. Ceiling work- \$150,000-216,000
- l. Plumbing- \$320,000-380,000
- m. HVAC- \$750,000-850,000
- n. Additional construction needed for increasing classroom size (General classroom spaces should be raised to the PlanCon maximum level of 850 sq. ft.), adding additional art/music-specific spaces. (blind estimate, not from feasibility study) \$4,000,000-6,000,000.
  - a. Sub total= \$5,972,500- 7,530,100.

**3. Eisenhower Items:**

- a. Tuck-pointing and re-caulking- \$96,000-152,000
- b. Replace gym windows and misc. screens- \$52,200-78,800
- c. Replace exterior doors- \$18,000-24,000
- d. Replace roof membrane- \$180,000-240,000
- e. Renovate toilets and signage per ADA- \$123,200-164,000
- f. Flooring (excluding asbestos abatement)- \$96,000-130,000
- g. Ceiling tile replacements- \$94,000-115,000
- h. Stage accessibility (cost is for a lift, though other options may exist)- \$35,000-100,000
- i. Renovate plumbing- \$220,000-280,000
- j. Update HVAC- \$550,000-650,000
- k. Improve office area/security system/conference, ESL areas. Note that the space improvements for ESL and other intervention specialists may be less necessary if more classroom spaces become available.- (blind estimate, not in study) \$100,000-200,00
- l. Asbestos Abatement (blind estimate, not in the study) \$100,000-200,000.
  - a. Sub total= \$1,664,400-2,333,800

**4. Horace Mann Items:**

- a. Elevator & Lift- \$215,000-370,000- Pay for this out of capital reserve fund- do not finance.
- b. Replace boiler system- \$700,000-850,000
- c. Electrical system upgrades (including fire alarm system)- \$430,000-860,000
  - a. Sub total= \$1,345,000-2,080,000
  - b. Less non-financed portion= \$1,130,000- 1,710,000

**Total renovation costs= 15,525,900-20,636,900**

Excluding state re-imbursements, bond payments on a 15-year note would result in an increased local effort of roughly \$475,000- 545,000. (this is based on a modification of Kirsh's numbers for capital improvements bond- March 22 handout). In addition to the lift at Horace Mann, some projects that fall under required levels for re-imbursement could be done with capital reserve funds. Pursuing grant money in addition to using capital reserve money would decrease our debt payments, though these numbers are not included here. PlanCon reimbursement would help to defray our local effort for our work at the High School and Ben Franklin. Again, these numbers are not included as givens but should be considered as being around the \$2,900,000 range (assuming a 20% rate of re-imbursement).

#### Savings to balance:

Salary costs taken from Kirsh projections on 2011-12 budget. All assume salary and benefits total for step 1 positions that could be furloughed- actual numbers could be greater. Retirement figures assume \$80,000 in savings for salary and benefits as a round number (preferred by Mr. Kirsh) that takes into account continued costs of retiree health insurance and other offsets. Actual savings may be greater depending on years of service and educational level of those retiring.

First Choice Options- These are cost savings measures that are the least disruptive, and are most likely.

1. Absorb a net total of 6 positions through retirements at the end of the 2011 school year. This would offset renovations by itself.  $6 \times 80,000 = \$480,000$ . Should 6 retirements not be able to be absorbed, the following would follow in priority.
2. Give all administrators and employees without collective bargaining agreements a 1% raise as opposed to a 4% raise as projected. This would roughly save \$51,000 in one year. Future raises could be negotiated.

2<sup>nd</sup> Choice Options- These are cost savings that are either less desirable, are more long-term in nature, or are likely but not fully under the board's control. This list should be considered as being in priority order.

1. Controlling growth in salaries can save around \$151,000- 302,000 over previous budget projections which hinge on a 4% growth rate in salaries.
2. Sharing one elementary principal between the two borough elementary buildings= \$102,501 in savings. The savings in this area could be greater if a principal position was not replaced due to retirement.
3. Long-term savings through upgrades in HVAC at Eisenhower, Ben Franklin, Horace Mann, and High School. Electrical upgrades at Horace Mann will also see additional annual savings. (Estimated at \$30,000 annual savings- blind estimate based on last year's utilities costs)
4. Consider cuts in select extra-curricular offerings. These cuts could result in savings in both extra duty pay assignments, and in transportation costs. \$17,000- 24,000.

5. Move the down-proofing program to 6<sup>th</sup> grade. \$7,500 (plus transportation).
6. Discontinue Wood and Metal Programs at H.S.- These programs have low enrollments and are redundant with ICTC. Maintain one of the two positions for drafting and Alt. Ed staffing. Use space for additional classrooms as needed. (1 teaching position= \$84,598). Prior to approaching this step, all efforts should be made to insure that students desiring wood/metal instruction have viable options to continue to pursue this area of study.

New Revenue stream to pursue to offset costs:

7. Possible increase in revenue through IUP student municipal services fee- Approx. \$250,000.
8. Institute Student Parking Fee at IAHS. \$25 per semester (85 spaces x 25 x 2)= \$4,250.

Between savings through attrition, program cuts, salary cost containment, and utilities savings, **budgetary constraints could be relaxed by roughly \$572,750 -1,085,850**. If increased revenue is an option, then savings could be nearly \$1,330,850. Obviously, it is not likely that all of these cuts will occur- or that they are even desirable, but it is likely that a combination of these possibilities will yield the \$475,000- 545,000 savings needed to off-set financing of construction costs.

Another savings could be garnered through negotiating a 2% annual raise (vs. 3%) in extra duty pay. Altering our electric service agreements in the future could also result in savings, as could any change in our health benefits agreement. However, none of these possibilities are factored into this proposal. Obviously, should changes be made in these areas, more off-setting savings could be realized to cover the costs of building projects and/or PSERS rate increases.

#### Rationale:

This plan frees up elementary teaching space with the departure of one grade level at each building, which could be utilized for growth in enrollments, including space for pre-k program in the future. Upgrades to Ben Franklin will make the teaching space more age-appropriate, and will be more similar to other schools in the district. In this way, greater equity in instructional space will be provided to a level not previously experienced, correcting a long-standing in-justice. Lesser upgrades at other elementary buildings insure safety and security of students, greater efficiencies in utility costs, and ADA compliance while containing construction costs and debt payments.

Maintaining 4 elementary buildings reflects an educational desire to keep class sizes and school sizes small. In addition, this plan is responsive to the desires of parents and community members who wish to keep public schools in borough neighborhoods. This plan also takes into account questions in the manner in which vacated properties might be utilized. Presently, borough zoning and regional plans are at odds with closing a school building, and while there could eventually be a waiver, there is no guarantee that this could happen, when it could happen, and if a buyer would be willing to take on one

of our buildings. Maintaining our existing buildings is a pragmatic decision on all counts, considering desires of the community, educational concerns, and political realities.

The movement of 9<sup>th</sup> graders to the high school is a compromise done to facilitate space-making at the elementary level. While I do not believe that there is particular educational value to having 9<sup>th</sup> grade at the high school, I do see that there is a greater utilization of faculty resources if that move takes place. The same follows for the movement of 6<sup>th</sup> grade. It would be silly to have a junior high of our size with only two grades in it, so moving 6<sup>th</sup> grade up would be the best use of resources under that situation.

Attrition has been the traditional method of managing staff cost at the IASD, and it is the preferred method of the majority of the board at this time. Therefore, this plan sets a reasonable goal of 6 net absorbed positions. Frequently, retirements are greater prior to the end of a contract, and depending on the areas from which the positions come, a net of 6 absorbed positions is possible. Even if 3 or 4 are absorbed, the district will see a substantial savings that will help to offset construction. Combined with other cost-saving measures, this plank can be effective at containing district costs while preserving valued programs. Most likely, however, absorbed teaching positions, combined with some level of salary containment from teachers and/or administrators along with a new revenue stream could reasonably achieve our financial goals.

Should attrition not be enough to achieve our cost-saving goals, I am suggesting a change in the Wood and Metal programs at the High School. Both of these programs have extremely low enrollments and take up usable instructional space that could be allocated for other purposes. Additionally, while the two programs are not entirely consistent, there is duplication of services in this area with the ICTC. Given this fact, it would be better in my view to strengthen our relationship with ICTC and continue this elective for our students while reallocating space and/or shedding a position or two at the high school. My proposal keeps one of the two teachers in these areas, in part, to continue the drafting program at the high school and to utilize them to supplement instruction in our budding alternative education program. All efforts should be made to make sure that such a furlough be avoided prior to taking this action, and all efforts should be made to make sure that students requesting instruction in these areas be accommodated. Should other target measures of cost-containment not be reached, then this option should be pursued.

Similarly, salary costs are a major factor in the budget projections. School closure could be avoided, and renovation costs could be financed, in part, by agreements in the growth of wages. For this reason, I feel that any vote to close a building should be withheld until contracts have been put in place. Should agreements in salaries be greater than our targets, **and** no net positions are absorbed, **and** positions cannot be shed through program re-alignments, **and** agreements are not made between the Borough and IUP, **and** renovation costs exceed these projections, **and** the state makes no changes to PSERS, then the board should re-consider the financial realities related to keeping all 4

elementary buildings open. What this plan does, however, is give enough time for administration and faculty to effectively first plan for the move in grades in isolation of planning for building closure. After contract negotiations have played out and the grades have moved, the board will know more about the true financial picture of the district.

Re-drawing attendance lines for greater enrollment equity would help to mitigate under-enrollment in Borough schools, and crowding at Ben Franklin. Allowing for greater parental choice in elementary buildings would help in this regard as well. The rationale in allowing for choice also is driven by the fact that district residents pay taxes to the district, and not to a specific elementary school. Therefore, in my opinion, families should be able to have some ability to select which elementary school might make a better fit for their family's circumstances. A family shouldn't have to move to a more expensive house, lie about their location, or disclose an abundance of personal information to the district in order to be able to select a school that would most suit the family's needs. This issue is as much about fairness, flexibility, and family empowerment as it is about enrollment management. This availability of multiple options for parents of elementary parents is in fact one of the major elements that drive this proposal to maintain all four elementary schools.

Lastly, this proposal seeks to balance elements of financial responsibility by pairing construction costs to reduced spending. It seeks to address the desires of parents to have choices and maintain small class sizes at the elementary level, while still paying for needed renovations at elementary schools and the high school. This proposal acknowledges the desires of the public, while recognizing restraints placed upon the district by the state. This plan responsibly balances community and district desires while working realistically within our income resources.