



TO: Members of the Board of Education

FROM: Andrew Statz, Executive Director of Accountability
Chad Wiese, Executive Director of Building Services
Kelly Ruppel, Chief Financial Officer

DATE: December 13, 2018

SUBJECT: Fall 2018 Enrollment Report Implications and Next Steps

The annual Fall 2018 enrollment reports will be shared publicly on December 13. This memo is designed to accompany the annual release of these reports to provide context to the Board of Education as it relates to ongoing conversations regarding Building Excellence and long-range facility planning, including discussions around the over/under capacity in a few of our current buildings and the impact current programming (2x charters, vouchers, alternatives, and English Language Learner (ELL) programs) has on our enrollment projections.

Long Range Facilities Implications

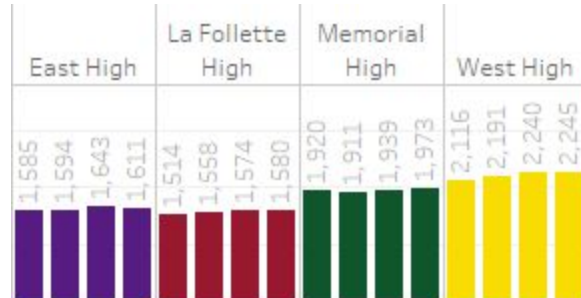
Ultimately the goal of Building Excellence is to ensure that the district provides safe, healthy, and sufficient school facilities in the short term while planning to meet the future school needs of the Madison community as it grows and changes in the long term. This effort will help ensure that MMSD remains a thriving, diverse, urban school district that is more than competitive with the smaller suburban and rural school districts that surround MMSD.

With an average school facility age of fifty-five years, the district's school facilities are in need of strategic level reinvestment and renovation. Beyond obvious renovation needs, some schools have excess capacity while others are operating at or beyond maximum capacity. A few key areas lack an elementary school within their neighborhood. Programming decisions also impact capacity, with all-day 4K and ELL program strategies being two obvious examples. Finally (and illogically) MMSD's boundary does not mirror that of the City of Madison, with much of the City's future residential growth occurring outside of the current MMSD boundary, thus segregating these future City neighborhoods from MMSD.

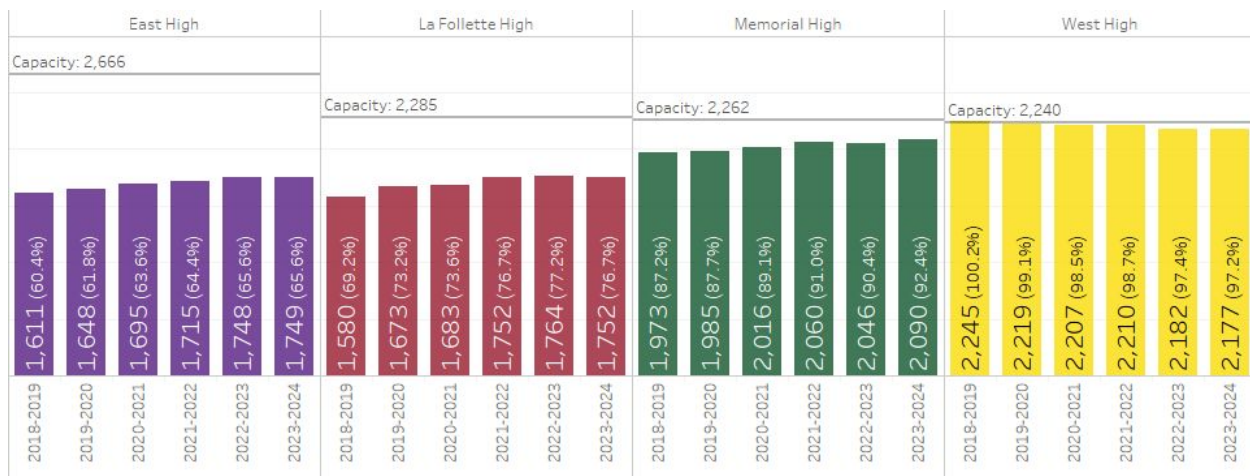
Factors like these are at the center of our long-range planning work. The annual enrollment reports are important data inputs into the planning process, and we would like to highlight a few areas that our long-range facility planning work will focus on.

High Schools. Building Excellence, our strategic assessment of MMSD facilities and facility planning effort, will help guide facility reinvestment decisions, including recommendations for our high schools, which will be discussed at the January 2019 Operations Work Group meeting. Building Excellence also will include looking at capacity in both the short and longer terms.

The graphic at right shows enrollment trends over the last four years at each of our comprehensive high schools. We see that all four high schools have increased their enrollment slightly, with the largest increase happening at West, which is already the largest high school by more than 200 students.



The graphic below illustrates Fall 2018 enrollment, as well as a projection for each of the next five years, at each of our comprehensive high schools. The horizontal gray lines represent capacity based on current facilities.



In addition to the renovations that all our high schools need to be positioned for the future, two capacity issues are apparent. In the near term, West High School's capacity concerns are a constant need. Despite West High School being effectively closed to new Internal Transfers, the school is at full capacity and is not properly configured to serve its current enrollment. West is in need of additional classroom space and multi-use collaboration areas. West's enrollment has increased by more than 125 students over the last several years even as the net impact of Internal Transfers on West has decreased, suggesting that Internal Transfer management alone may not be enough. Also, future residential growth on the farthest west side of Madison is expected to cause capacity problems for James Madison Memorial High School. Our facility planning for the high schools will address both of these issues.

East High School and La Follette High School have sufficient overall capacity relative to projected enrollment. These schools are in need of renovation to better support instruction and to improve operating efficiency.

We look forward to a discussion on the high schools in the January 2019 Operation Work Group.

Middle Schools. The annual enrollment reports shows that MMSD has supported smaller middle schools over the years, with seven of the twelve middle schools enrolling fewer than five hundred students each. Overall middle school enrollment is expected to decrease by seven percent in the next five years, although long-term enrollment is expected to be stable. Our current analysis is that our middle schools are located across the city in areas where we need them for enrollment and transportation purposes. Future enrollment projections do not point to the need for additional capacity in our middle schools. The graphic below illustrates current enrollment and a five-year projection for each middle school, with gray lines showing capacity based on current capacities and schools colored by high school they feed into. This graphic illustrates why we do not anticipate capacity concerns at any middle school over the next five years.



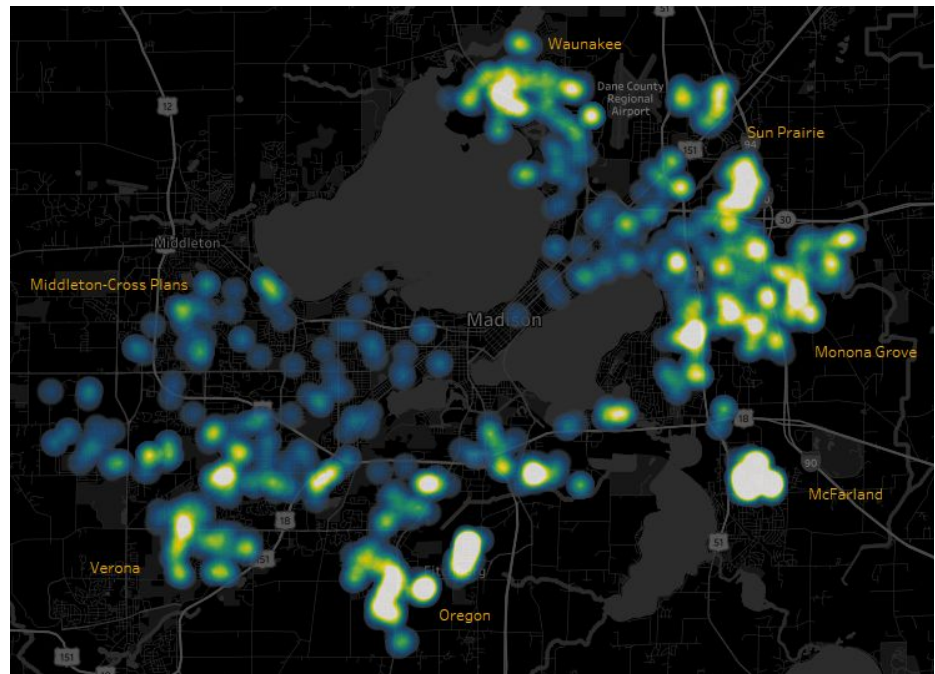
However, as a group, the middle schools are in need of significant reinvestment to meet the demands of our current and future generations of students, especially the older middle schools that were originally built as elementary schools. The facilities planning team is focusing on maintenance and transformative renovation of existing middle schools in line with our Facility Condition Index to give the middle schools the attention they need and deserve. Facility planning work will be informed by the future direction of the middle level instructional program.

Elementary Schools. The annual enrollment reports shows that MMSD's current 4K through Grade 5 enrollment of 13,574 has decreased by five percent since the September 2014 count of 14,327 reflecting a nationwide trend. Since short-term enrollment projections are heavily influenced by recent results, the trend shows small enrollment decreases for the next five years with the 2023-24 estimate totaling 13,156. The recent introduction of publicly funded non-MMSD charter schools must also be accounted for in long-term enrollment projections (see discussion below).

Beyond enrollment projections, there are multiple planning challenges at the elementary level. These include general renovation of older facilities; possible program changes that impact space utilization such as all-day 4K or future ELL strategies; the lack of a local elementary school in certain neighborhoods; and over/under capacity across the 32 elementary schools currently in operation.

From an enrollment perspective, we are particularly interested in protecting MMSD's market share of resident students, which is a growing challenge. On the geographical outskirts of the district, MMSD loses a net of hundreds of resident students to suburban districts every year via interdistrict transfers, as the heatmap below illustrates (dense pockets of MMSD residents attending other districts

are labeled with the most common district those students attend); similarly, this map shows that MMSD residents attending other districts from closer to the center of the district are rare. What's more, the surrounding districts are building new schools close to the MMSD boundary. To maintain our competitive position in the greater Madison area, we need to invest



in MMSD's existing facilities, particularly in attendance areas that border other district's existing and new schools, which are coming online soon including Middleton, Oregon, McFarland, Verona and Sun Prairie.

Because new schools are conventionally built with excess initial capacity to accommodate pending residential development, it is reasonable to assume that the recent decline in Open Enrollment leaverships may begin to reverse as schools in neighboring districts come online. Examples include a school near the intersection of and US Hwy 14 and Lacy Rd in the Oregon School District to the east of the Leopold Elementary area, a school in the Middleton-Cross Plains Area School District north of MMSD's Olson Elementary area and proposed Acacia Ridge site acquisition on the far west side, and various plans by the Sun Prairie Area School District northeast of MMSD though located within City of Madison boundaries. While easiest to see with

these examples, it is important to note that these concerns are not limited to the elementary level.

The 2018 enrollment and capacity reports will also help inform options for moving Nuestro Mundo Community School to its own permanent location within the district (currently, NMCS is in a facility rented from Monona Grove School District); moving Capital High out of the third floor at Lapham Elementary, and working to better utilize available capacity within our elementary schools that are under-enrolled. These issues are previewed below.

Smaller Schools as Opportunities

The Building Excellence team is examining closely the relationship of school enrollment to school capacity (expressed as: $\text{enrollment} / \text{capacity} = \% \text{ utilization}$). We are naturally concerned about under-utilization and the cost inefficiencies it creates. At the same time, we believe school performance must be weighed in the balance, since closing a high academic growth school to save operating costs will almost surely prove to be a false economy. Instead, we would like to build on the positive momentum some of these smaller schools have generated by using instructional designs to find greater efficiencies.

For elementary schools like Lindbergh, Marquette, and Gompers, all of which have fewer than 200 students this year, and middle schools like Black Hawk, Sherman, and O’Keeffe, all of which have 450 students or fewer, we will be looking at a variety of options. As we think about the best ways to use our spaces to serve students, we will examine cost efficiencies versus new programs and opportunities presented by available space to better serve the needs of students and families in these areas.

Programmatic Implications and Alternatives

Enrollment information and projections for Developmental Bilingual Education (DBE) programs appear starting on page 17 of the Enrollment History and Projections report. You will see Lake View Elementary’s new Hmong DBE program reflected. As part of the ELL plan review, we will consider the viability of DBE programs in the longer term.

Our enrollment projections are based on historic trends in our alternative high school environments. As a district, we want to create more alternative options for students to succeed because we believe the demand for these options exceeds current capacity. Moving forward, our enrollment in alternative environment capacities will likely exceed these projections as additional program options become available. This will generate a need for future high school alternative space. Our team is working to pull together instructional recommendations for the expansion of Capital High to accommodate more seats. These instructional recommendations will then tie into the facility planning needs to relocate Capital High. We believe the instructional vision and student needs must guide the decisions we make regarding new or expanded sites.

2x Charter Schools/Voucher Programs & Budgetary Implications

On page 27 of the Enrollment History and Projections report, we note the effects of new so-called 2x independent (non-MMSD) charter schools operating within MMSD's boundaries. Isthmus Montessori Academy Public (IMAP) and One City Senior Preschool (OCSP) enroll a combined 199.7 FTE of students who are MMSD residents. The program had an estimated \$1.7 million negative impact on MMSD's current budget in 2018-19. While three-year rolling enrollment will help to decrease this impact over time, the current two schools are expected to continue to grow for the next few years and a third 2x charter with an environmental focus is potentially on the horizon within MMSD boundaries. This continues to add ongoing uncertainty.

Because enrollment drives funding, we pay close attention to the factors driving our enrollment totals. MMSD's historic enrollment has been remarkably stable around 27,000 students with only slight decreases in recent years. Over the past five years, enrollments decreased by less than 1%, but even modest decreases lead to fewer available resources. The 2x charter conversation reinforces the need for MMSD to continually invest in staff, instructional programming, and facilities to remain a viable, thriving school district.

Communications Implications

With all these factors affecting long-range facility planning, it can all be overwhelming. However, as we will discuss in the January 2019 Operations Work Group, now is the time to start planning to address these issues. We need to work to get ahead of these issues, and not be passive to fall behind them. Therefore, in January we are looking for Board approval to start talking to the community about these factors. We need to get in front of families that live in these communities and are affected by these decisions to see what ideas they have to help us move forward.

A Few Next Steps

At the Operations Work Group meeting in January 2019, we will refresh the Board on the Building Excellence mission, share progress to date, check for agreement on our overall timeline, focus on facility needs of our high schools and alternatives, and discuss investment options for middle and elementary schools.

During the summer of 2019, we will provide the Board with a draft short- and long-range facility plan for Board approval, discuss November 2020 referendum proposals and financials as appropriate, and discuss our overall engagement strategy.