



PENNSYLVANIA  
ECONOMY LEAGUE

Information, Insight, Integrity.

# **Feasibility Study Combining Millersburg Area and Upper Dauphin Area School Districts**

SEPTEMBER 2019

Pennsylvania Economy League  
Thompson Associates Architects and Planners

# Agenda

1. Consolidation Study Team
2. Overview of Study
3. Study Approach and Merger Options
4. Findings and Recommendation
5. Next Steps



# **Consolidation Study Team**

# Consolidation Study Team

## Pennsylvania Economy League:

Statewide experience in school finance, enrollment projections, and school district merger studies

- **Gerald E. Cross, MPA**, Executive Director PEL
- **Patricia M. Moorhead**, Senior Financial Analyst PEL
- **M. Jane Thompson, CPA**, School District/Higher Ed Finance Director
- **David Davare, PhD**, Former research director PSBA and PEL
- **Martin Hudacs, EdD**, School Improvement Facilitator, District Superintendent

## Thompson Associates Architects & Planners:

Statewide experience in school design, district-wide planning, and school district merger studies

- **James R. Thompson, AIA**, Architect and Educational Facility Planner
  - Architect of 100 schools
  - District-Wide planner for 20 Pennsylvania public school districts



# Overview of Study

# Phase I: Scope of Work

- Buildings:
  - Assessed the condition of current facilities; realignment of grade structure, educational facilities location, and facility use including assessment of student capacity versus projected enrollments by building
- Curriculum:
  - Analyzed the impact of consolidation upon educational programs: elementary, middle, and high schools
- Financial Implications
  - Examined historical and projected financial condition of the districts
  - Analyzed tax rate impact

# Phase II: Scope of Work

Develop in Collaboration with the Districts based on the recommended consolidation option:

- Projected Board Configuration
- Projected Student Transportation Analysis and Options
- Projected Curricular Alignment and Programs
- Projected Collective Bargaining Agreements/Salary Schedules
- Projected Operational Budget

# Why Now?

**Declining enrollments and projected deficits in both districts serve as a call to action**

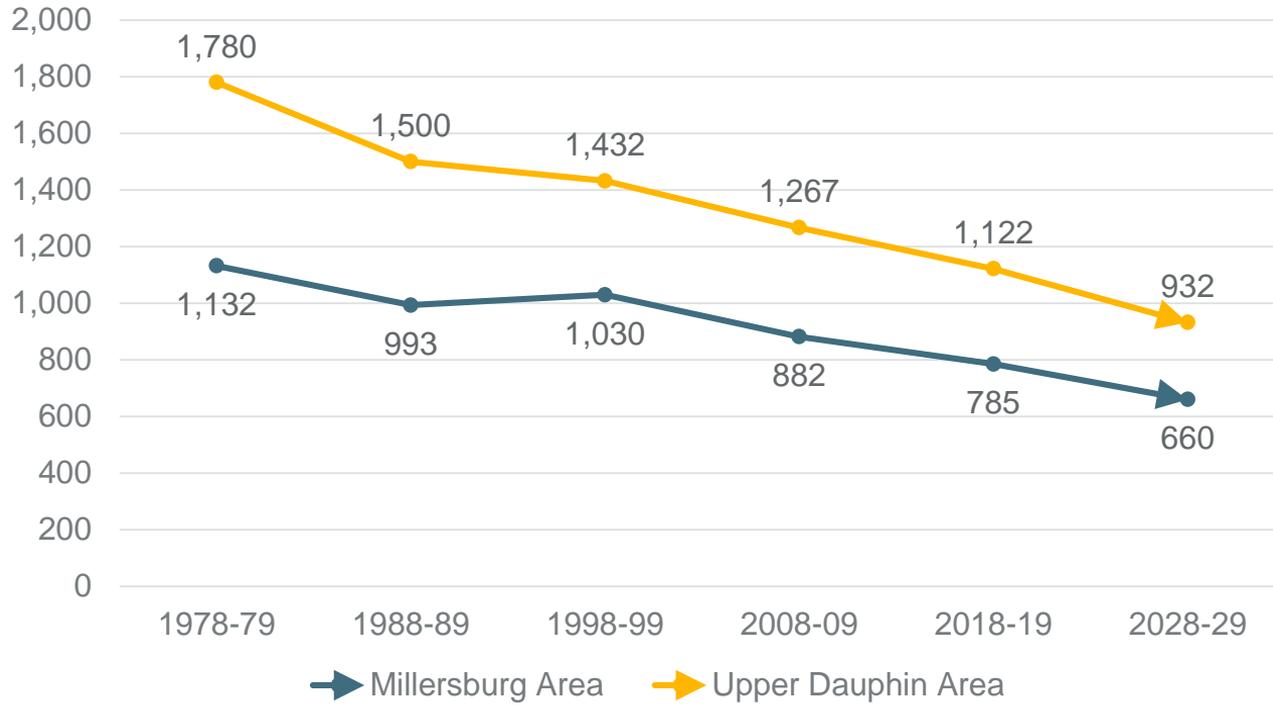
**Opportunity for efficiencies and managing the growth of future expenditures**

**Consolidation/merger is reasonable and practical**

- Similar educational philosophies and enhanced opportunities for all students
- Buildings are in good condition to support the merger
- Both districts are stable and administratively lean and sound

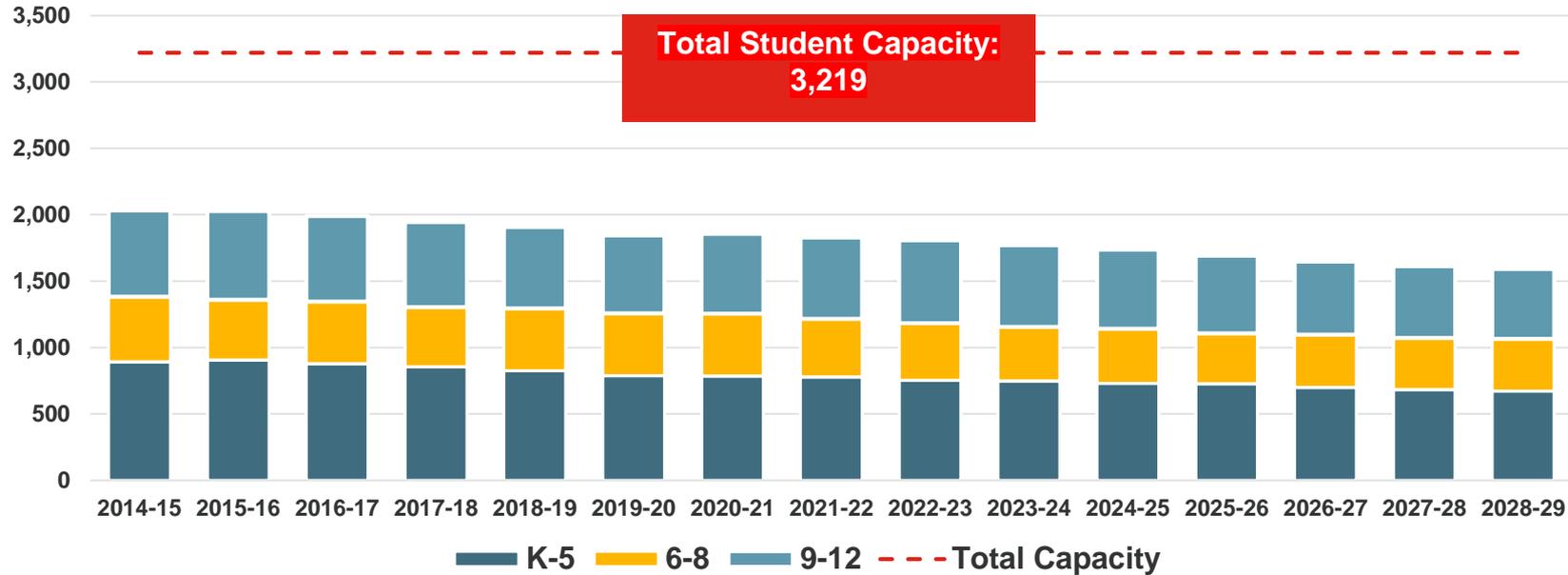
# Why Now?

## Declining Enrollments



# Why Now?

## Excess Building Capacity



Source: Enrollments- PDE; Capacity: Thompson & Associates Architects and Planners

# Why Now?

## Financial Future

### Millersburg Area School District

	Budget	Projected	Projected	Projected	Projected
	2019-20	2020-21	2021-22	2022-23	2023-24
Revenues	14,644,251	14,725,546	14,808,030	14,899,296	14,985,749
Expenditures	15,203,195	15,513,901	15,876,193	16,274,653	16,660,873
Surplus/(Deficit)	<b>-558,944</b>	<b>-788,354</b>	<b>-1,068,164</b>	<b>-1,375,357</b>	<b>-1,675,123</b>

### Upper Dauphin Area School District

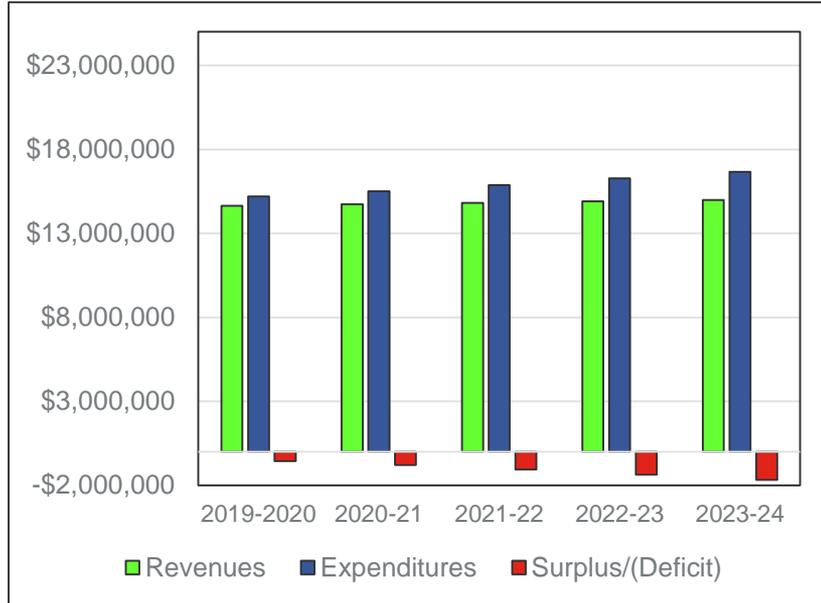
	Budget	Projected	Projected	Projected	Projected
	2019-20	2020-21	2021-22	2022-23	2023-24
Revenues	19,966,456	20,077,094	20,189,291	20,312,608	20,429,973
Expenditures	20,303,563	20,815,889	21,196,053	21,819,690	22,339,505
Surplus/(Deficit)	<b>-337,107</b>	<b>-738,795</b>	<b>-1,006,762</b>	<b>-1,507,082</b>	<b>-1,909,532</b>

Assumes no tax increases, other revenue at historic growth rates.  
Expenditure growth in contracted salaries, healthcare, required pensions. Other costs based on inflation forecasts.

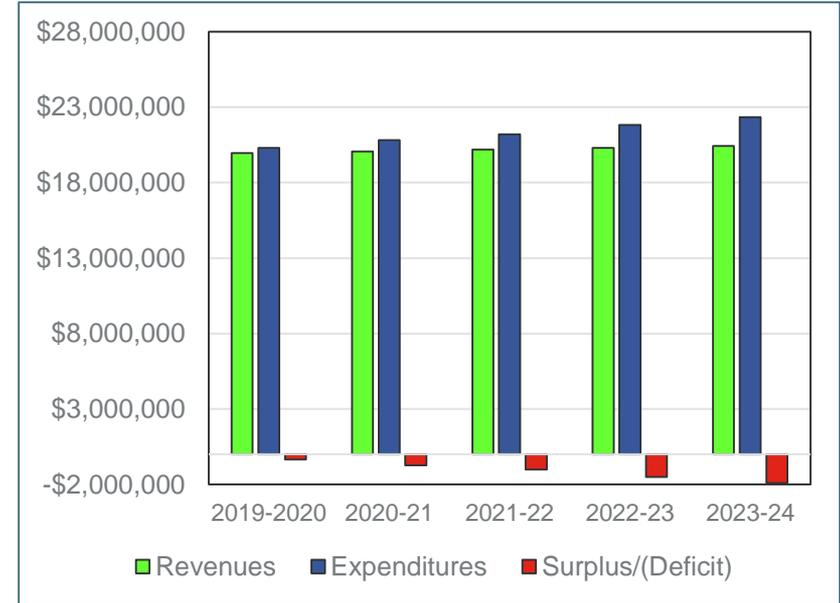
# Why Now?

## Financial Future

### Millersburg Area School District



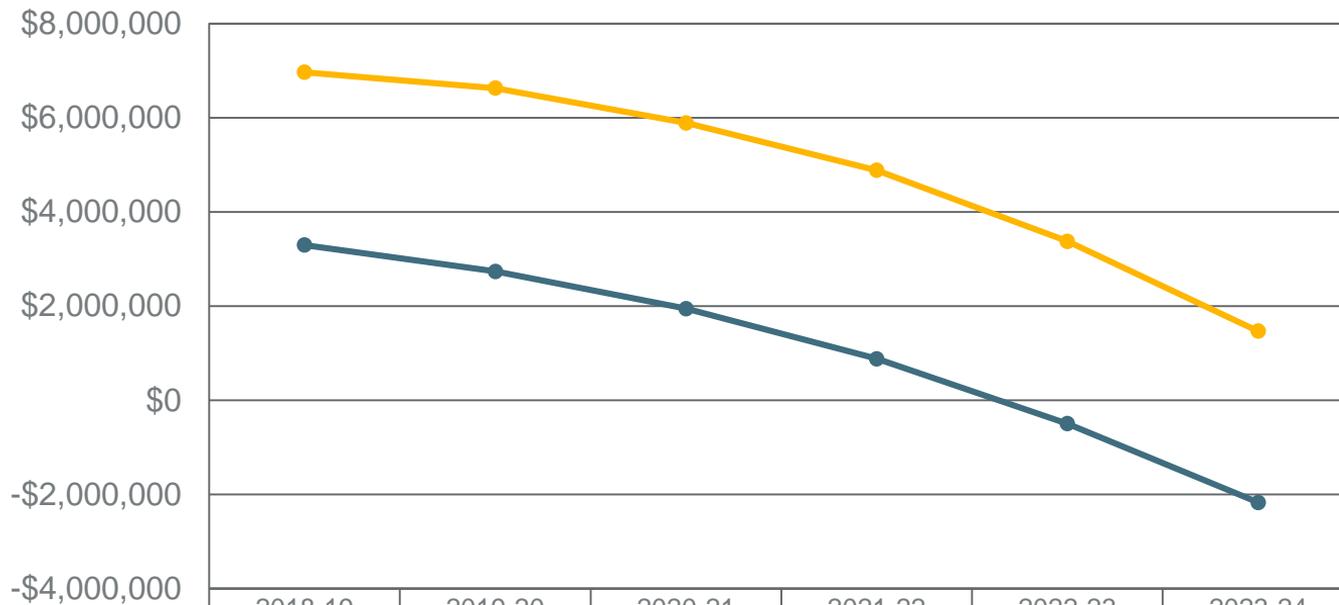
### Upper Dauphin Area School District



Expenditures outpace Revenues in both districts

# Why Now?

## Impact on Fund Balance



● Millersburg	\$3,297,035	\$2,738,091	\$1,949,737	\$881,573	-\$493,784	-\$2,168,907
● Upper Dauphin Area	\$6,968,830	\$6,631,723	\$5,892,928	\$4,886,166	\$3,379,084	\$1,469,552

# Why Now?

- Declining Enrollments Trends
- Excess Capacity
- Projected Deficits Deplete Fund Balances

# Real Estate Tax Rates

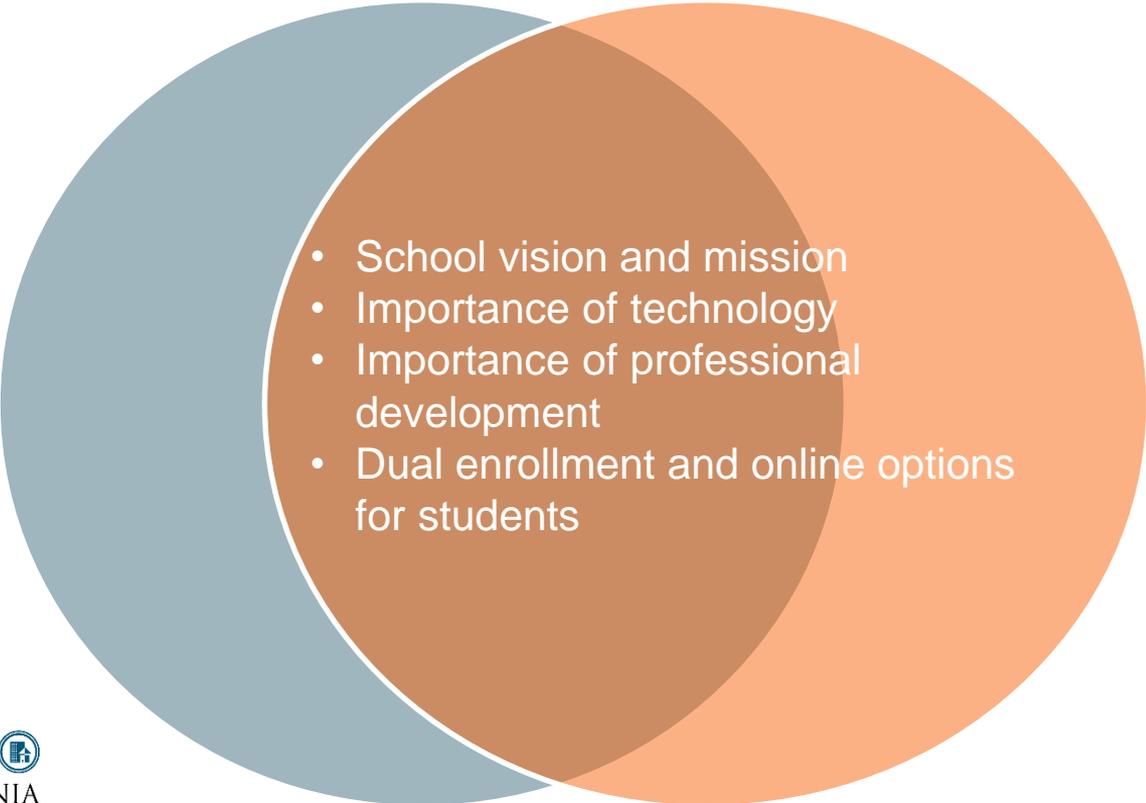
## Real Estate Tax Options:

- Uniformity Requirement of PA Constitution
- Three Approaches to Uniformity
  - **Apply lower rate** (Upper Dauphin Area) to combined assessments  
Loss in tax revenue but reduction in millage for Millersburg Area
  - **Apply higher rate** (Millersburg Area) to combined assessments  
Increase in tax revenue but increase in millage for Upper Dauphin Area
  - **Apply revenue neutral** approach to combined assessments  
Applying the revenue neutral millage rate of 19.800 would result in an approximate millage increase for Upper Dauphin Area (0.9225) and a decrease for Millersburg Area (-1.219)
- All other tax rates are the same for both districts

# Real Estate Tax Rates

	Millersburg Area	Upper Dauphin Area	Revenue Neutral
Current Tax Rate (mills)	21.019	18.8775	19.8000
Taxes on \$75,000 AV	\$1,576	\$1,416	\$1,485
Lower Rate	-\$161	—	
Higher Rate	—	\$161	
Revenue Neutral Rate	-\$91	\$69	

# Common Educational Philosophy

- 
- School vision and mission
  - Importance of technology
  - Importance of professional development
  - Dual enrollment and online options for students

# Curriculum Commonalities

## CURRICULUM

### At the Elementary School Level

- Focus on improving math instruction
- Additional Time allocated to:
  - Core content areas
  - Support math and literacy

### At the Middle School Level

- Core content offerings and sequence
- Middle Level philosophy to work with the “whole” student
- Many related arts offerings

### At the High School Level

- College, Career, and Community ready
- On-line options and dual enrollment
- Off-school-site opportunities

# Curriculum Configuration Goals

## Expected Outcomes for Student Development

- **Elementary**  
Skills-focused; learn to read; read to learn
- **Middle School**  
Educating the “whole student” - mental, physical, emotional, social
- **High School**  
Career and college readiness
- **Special Education Curriculum**  
Builds skills and strategies to address cognitive, physical, and emotional needs; promotes self-advocacy skills
- **All Students**  
1:1 Technology accessible to all students

A blurred photograph of a classroom where several students are raising their hands. The image has a blue-to-yellow gradient overlay. The text "Study Approach and Merger Options" is centered in white, bold font.

# Study Approach and Merger Options

# Consolidation Analysis

## Students

- Enough room for students
- Expansion potential
- Maintain and enhance course offerings

## Curriculum

- Shared philosophy
- Grade structure options
- Provide more diverse instructional content

## Cost

- More efficient
- More practical
- Reduces future cost increases

# Consolidation Options Analyzed

## MERGER OPTION 1

- Administrative Structure Merged
- Buildings Status Quo
- Students Stay in Place

## MERGER OPTION 2

- Pre-K-4 (UDA Loyalton)
- 5-8 (UDA Loyalton)
- 9-12 (UDA HS)

## MERGER OPTION 3

- Elementary Pre-K-8 (UDA Loyalton)
- Elementary Pre-K-8 (MA MS/HS)
- 9-12 (UDA HS)

## MERGER OPTION 4

- Pre-K-4 (UDA Loyalton)
- Grades 5-8 (MA MS/HS)
- 9-12 High School (UDA HS)

## MERGER OPTION 5

- Pre-K-5 (UDA Loyalton)
- Grades 6-8 (MA MS/HS)
- 9-12 High School (UDA HS)

# Merger Option 1: Status Quo

## All schools maintained under merged district

### Student Capacity:

- Excess capacity of 1,400 empty seats (and growing)
  - School Year 21-22 all levels filled to average 57% capacity
  - School Year 28-29 all levels filled to average 49% capacity

### Curriculum:

- K-12 curriculum scope and sequence alignment
- Different High School graduation requirements

### Financial Implication:

- Reduced administrative costs
- Estimated \$7.3 million renovation at Lenkerville Elementary

# Merger Option 2:

## All students attend the Upper Dauphin Area Elementary, Middle, and High School Buildings

### Student Capacity:

- School Year 21-22 all levels filled to average 97% capacity (PreK-4 -106%, 5-8-90% MS, and 94% HS)
- School Year 28-29 all levels filled to average 84% capacity (PreK-4 -93%, 5-8-79% MS, and 81% HS)

### Curriculum:

- K-12 curriculum scope and sequence alignment
- Different High School graduation requirements

### Financial Implication:

- Likely cost for temporary added student capacity (modular classrooms)
- Discontinue educational use of Lenkerville Elementary and Millersburg Area MS/HS
  - Loss of \$250,000 in existing annual Millersburg state subsidies
- Reduced administrative costs

# Merger Option 3: Grades Pre-K-8 Two Attendance Areas with Grades 9-12 Consolidated

- Elementary Pre-K-8 (UDA ES/MS Loyalton)
- Elementary Pre-K-8 (MA MS/HS Millersburg)
- 9-12 (UDA HS Elizabethville)

## Student Capacity:

- Upper Dauphin Area Elementary and Middle School already Pre-K-8 Option
- School Year 21-22: (Pre-K-8: 59% UDA, 65% MA; and 94% HS)
- School Year 28-29: (Pre-K-8: 50% UDA, 60% MA; and 81% HS)

## Curriculum:

- K-12 curriculum scope and sequence alignment
- Different High School graduation requirements

## Financial Implication:

- Costly renovation for change in use of Millersburg Area Middle School to Pre-K-5
  - Millersburg Area Middle School is currently not equipped for Early Childhood Education
- Discontinue educational use of Lenkerville Elementary
- Reduced administrative costs
- Improved economies of scale

# Merger Option 4:

## Grades Pre-K-4, 5-8, and 9-12 Consolidated

- Pre-K-4 (UDA ES/MS Loyalton)
- Grades 5-8 (MA MS/HS Millersburg)
- 9-12 (UDA HS Elizabethville)

### Student Capacity:

- Grade-level multi-disciplinary teams a mis-fit for Millersburg Area Middle School side
- School Year 21-22: (Pre-K-4 - 59%, 5-8- 73% MS, and 94% HS)
- School Year 28-29: (Pre-K-4 - 52%, 5-8 -64% MS, and 94% HS)

### Curriculum:

- K-12 curriculum scope and sequence alignment
- Different High School graduation requirements

### Financial Implication:

- Discontinue educational use of Lenkerville Elementary
- Reduced administrative costs
- Improved economies of scale

# Merger Option 5: Grades Pre-K-5, 6-8, and 9-12 Consolidated

- Pre-K-5 (UDA Loyaltown)
- Grades 6-8 (MA MS/HS Millersburg)
- 9-12 (UDA HS Elizabethville)

## Student Capacity

- Grades Pre-K-2 are well-supported at the Upper Dauphin Area Elementary School
- Grades 3-5 are well-supported at the Upper Dauphin Area Middle School
- Grades 6-8 are well-supported in the Millersburg Area MS/HS
- School Year 21-22 capacity: (Pre-K-5 - 73%, 6-8-55% MS, and 94% HS)
- School Year 28-29 capacity: (Pre-K-5 - 63%, 6-8-49% MS, and 81% HS)

## Curriculum:

- K-12 curriculum scope and sequence alignment
- Different High School graduation requirements

## Financial Impact

- Discontinue educational use of Lenkerville Elementary
- Reduced administrative costs
- Improved economies of scale



# Findings and Recommendations

# Consolidation Recommendation

## OPTION 5

- Pre-K-5 Elementary School *UDA ES/MS Loyalton*
  - Grades 6-8 Middle School *MA MS/HS Millersburg*
  - 9-12 High School *UDA HS Elizabethville*
- 
- Best use of existing buildings
  - Opportunity to provide more diverse instructional content
  - Maintain and enhance K-12 course offerings
  - Greatest opportunity for economies of scale



# Next Steps

# Next Steps



## Presentation

Joint Board Study  
Session

**October 7, 2019**



## Community Presentations

UDA Community Session  
UDA Middle School  
**October 14, 2019, 6:30 pm**

MA Community Session  
MA High School  
**October 21, 2019, 6:30 pm**



## Vote

Joint Board Vote to  
approve Phase I and  
continue to Phase II

**November 11, 2019**



# PENNSYLVANIA ECONOMY LEAGUE

Information, Insight, Integrity.

**Pennsylvania Economy League**  
**Thompson Associates Architects and Planners**