

# **PILLAGER SCHOOL DISTRICT #116**

## **ORGANIZATIONAL FACILITY ANALYSIS STUDY**

**Prepared for**  
**Mr. Mike Malmberg, Superintendent of Schools**  
**and**  
**School Board**  
**Independent School District #116**

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## CHAPTER I DESIGN OF THE STUDY

### 1.0 Purpose of the Study

Superintendent of Schools Mike Malmberg and the School Board of Pillager School District #116 identified the need to commission an independent, third-party, neutral firm to conduct an **Organizational Facility Analysis Study** to assess the school district's enrollment, enrollment trends, finances, programs, services, facilities, and other operational components for the purpose of enhancing organizational effectiveness, efficiency, and cost/effectiveness.

The Project Consultants will examine Pillager School District #116's multi-year trend data and multi-year (average) State of Minnesota districts' data, select multi-year trend data for peer group (comparably-sized) Minnesota school districts, interview select school district leaders and governmental officials, tour and assess school facilities, assess data on housing trends and area demographics, review and incorporate components of previously-conducted school district studies, if any, and explore other salient data as warranted.

The **Organizational Facility Analysis Study** will furnish the Superintendent of Schools and the School Board with study findings, conclusions, and recommendations which will assist the organization's leadership in future planning, intended to achieve short-term and long-term enhancements in effectiveness, efficiency, and cost/effectiveness of the school district's operations.

The School Board and Superintendent of Schools of Pillager School District #116 engaged the services of Roger Worner Associates, Inc., Educational Systems' Consultants, Cedar, Minnesota to design and conduct the **Organizational Facility Analysis Study** and function in the capacity of **independent third party neutrals** for the school district throughout the duration of the study. Dr. Roger Worner and Dr. Kay Worner of Roger Worner Associates, Inc. served as the school district's and the study's Project Consultants.

During the course of the study, Roger Worner Associates, Inc.'s Project Consultants conferred with the school district's architectural firm, Widseth, Smith, and Nolting of Brainerd, Minnesota.

Mike Malmberg, Superintendent of Schools, served as the school district's key spokesperson and liaison throughout the course of Pillager School District #116's **Organizational Facility Analysis Study**.

The timetable for the **Organizational Facility Analysis Study** spanned four months, commencing on or about June 15, 2015 and concluding on or about October 15, 2015.

### **1.1 Need for the Study**

Pillager School District #116 has displayed near continuous student enrollment growth over the course of the past decade (2004-05 through 2014-15). That student enrollment growth is projected to continue in the foreseeable future.

The student enrollment growth experienced by Pillager School District #116 is uncharacteristic of, perhaps, 85% of all Minnesota public school districts.

The obvious benefits of Pillager School District #116's student enrollment growth include—but are not limited to—enhanced and diversified staffing, programs, services, and opportunities for the P-K-12 students entrusted to the organization by the residents of the school district. At the same time, student enrollment growth—so beneficial to the students, parents, patrons, businesses, and area economic development—also translates into the need for adequate facilities to provide unstressed, quality, teaching/learning and support spaces to safely, effectively, and efficiently accommodate students, staff, and programs and services.

The Project Consultants identified additional, supportive needs at the onset of the study. They were as follows:

- ◆ The school district has a need to demonstrate financial, operational, and academic accountability.
- ◆ The school district has a need to provide programs, services, staffing, and facilities that are cost/effectively operated.
- ◆ The school district has a need to insure that programs, services, staffing, organizational configuration, methodologies, delivery systems, and facilities will be enhancing to the teaching/learning process in the future.
- ◆ The school district has a need to operate facilities in a cost/effective manner.

- ◆ The school district has a need to operate within the financial parameters of the school district's budget.

## 1.2 Methodology of the Study

The Project Consultants detailed the following methodological procedures to address the purpose and needs of Pillager School District #116's **Organizational Facility Analysis Study**. Components of the study's methodology were as follows:

- ◆ Interview the Superintendent of Schools.
- ◆ Interview members of the School Board.
- ◆ Interview key district-level administrators.
- ◆ Interview building Principals.
- ◆ Interview key governmental officials.
- ◆ Analyze area demographic data/trends.
- ◆ Analyze current K-12 enrollment data.
- ◆ Analyze enrollment trend (past) data.
- ◆ Analyze projected enrollment data.
- ◆ Analyze open enrollment, private, and home school data.
- ◆ Analyze financial trend data.
- ◆ Analyze class size data.
- ◆ Analyze school schedules.
- ◆ Analyze organizational configuration data.
- ◆ Analyze programs and services.
- ◆ Analyze course offerings.
- ◆ Analyze community education programming.
- ◆ Analyze special education programs, services, and staffing.
- ◆ Analyze facility ages, square footages, and square footage/student.
- ◆ Review recent facility studies conducted.
- ◆ Analyze facility operating costs.
- ◆ Analyze condition/status of facilities.
- ◆ Analyze educational adequacy of facilities.
- ◆ Analyze bonded indebtedness.
- ◆ Examine transportation system routes, costs, and contracts.
- ◆ Examine collaborative/cooperative relationships.
- ◆ Analyze curriculum adoption/development processes.
- ◆ Analyze staff development processes/focuses.
- ◆ Confer with the school district's architectural firm.

- ◇ Confer with or analyze data from the Minnesota Department of Education.
- ◇ Gather/analyze other data as may be warranted.
- ◇ Prepare the **Organizational Facility Analysis Study** final document.
- ◇ Present the **Organizational Facility Analysis Study**, conclusions, alternatives, and recommendations to the School Board and Superintendent.

### 1.3 Geographic Setting

Pillager School District #116 is a medium-sized critical student mass educational organization by State of Minnesota school district standards. The school district encompasses 131,481 acres and is situated in north central Minnesota.

The communities located within the geographic boundaries of Pillager School District #116 include East Gull Lake (1,002 residents), Lakeshore (1,014 residents), Motley (652 residents), and Pillager (459 residents). Additionally, all or portions of nine townships are located within the geographic boundaries of Pillager School District #116.

Pillager School District #116 is contiguous to four school districts: Brainerd School District; Pequot Lakes School District; Staples/Motley School District; and Little Falls School District.

Among the largest employers within the geographic boundaries of Pillager School District #116 are the following, accompanied their estimated numbers of employees: Madden's Resort on Gull Lake (600 employees); Cragun's Resort (301 employees); Independent School District #116 (156 employees); Manion Lumber and Truss, Inc. (62 employees); Hengel Ready Mix and Construction (35 employees); Kavanaugh's Resort (35 employees); Krushe Residential Service (25 employees); Ernie's On Gull Lake (20 employees).

Among others, primary sources of employment for residents in the school district (and resident commuters) include tourism; education; healthcare; manufacturing; commercial; foodservice; governmental; and other enterprises.

The main headquarters of Pillager School District #116 is 323 East Second Street South, Pillager, Minnesota 56473.

Superintendent Mike Malmberg and the School Board of Pillager School District #116 conduct their regular and special meetings of the School Board at the 323 East Second Street South, Pillager, Minnesota facility location.

## 1.4 Questions of the Study

The Project Consultants delineated critical questions to aid in investigating the purpose of and needs for the Pillager School District #116 **Organizational Facility Analysis Study**. Those questions were as follows:

- ◇ What is the current status of the school district, including its enrollment, enrollment trends, finances, programs, services, staffing, organizational configuration, facilities, and related issues?
- ◇ What conclusions may be drawn about the effectiveness, efficiency, and cost/effectiveness of the school district's operations?
- ◇ What alternatives are plausible for increasing the effectiveness, efficiency, and cost/effectiveness of the school district's operations?
- ◇ What recommendations do the Project Consultants suggest be implemented to increase the effectiveness, efficiency, and cost/effectiveness of the school district's operations in the future?

## 1.5 Assumptions

As is the case in conducting similar studies throughout the Midwest, Roger Worner Associates, Inc. typically specifies and tests an array of operating assumptions about the school district under investigation. This was the case in conducting the **Organizational Facility Analysis Study** for the School Board and Superintendent of Pillager School District #116. Prior to gathering and analyzing comprehensive data, the Project Consultants established the following operating assumptions about the school district and its operations:

- ◇ The school district is a mid-sized critical student mass school district—and will continue to be so—by State of Minnesota standards.
- ◇ The school district has experienced continuous student enrollment growth over the course of the past decade. That student enrollment growth will continue in the foreseeable future.

- ◇ The school district will experience a need for facility expansion in the future to accommodate growth in students, staff, programs, and services.
- ◇ The school district has demonstrated fiscal accountability.
- ◇ The school district has instituted select measures to increase its organizational cost/effectiveness.
- ◇ The school district has experienced greater non-resident student in-migration than resident student out-migration in the past. Such a trend will continue.
- ◇ The school district has maintained a prudent level of General Fund budget reserves.
- ◇ The school district's parents and patrons desire that the organization will provide quality, modern-day programs, services, class sizes, course offerings, and teaching/learning processes to the P-K-12 students entrusted to it.
- ◇ The school district's parents and patrons are committed to providing high-quality, cost/effective programs, services, class sizes, course offerings, staffing, organizational configurations, and facilities that best meet the needs of the young people and adults served by the organization.
- ◇ The school district's parents, patrons, and community leaders believe that the organization is the **centerpiece** of the area's/communities' infrastructure and essential to the vitality of its communities.
- ◇ The school district's parents and patrons will support, financially, improvements to and/or expansion of the organization's General Fund budget and facilities—in concert with verified needs—to maintain the quality and reputation of the school district.

## 1.6 Organization of the Study

Pillager School District #116's **Organizational Facility Analysis Study** is organized in a six chapter format. Chapter I contains the study's design, including purpose, needs, methodology, geographic setting, questions, assumptions, and organization. Chapters II-V present the Project Consultants' findings regarding the school district's enrollment and enrollment trends; finances; programs, services, staffing, class sizes, course offerings, organizational configuration; and

additional information; and facilities. Chapter VI offers the Project Consultants' conclusions and recommendations for deliberation and future action by the Superintendent, School Board, parents, patrons, and administrative and teaching staffs of Pillager School District # 116,

## **CHAPTER II**

### **DISTRICT SIZE AND ENROLLMENT TRENDS**

#### **2.0 Introduction**

In the State of Minnesota and virtually all other states in the United States, district size and enrollment trends represent the two most influential variables that impact the long-term financial and programmatic viability of educational enterprises, whether those organizations are small or large and geographically situated in rural, suburban, or urban settings.

Simply stated, student enrollment drives the finances of Minnesota public school districts.

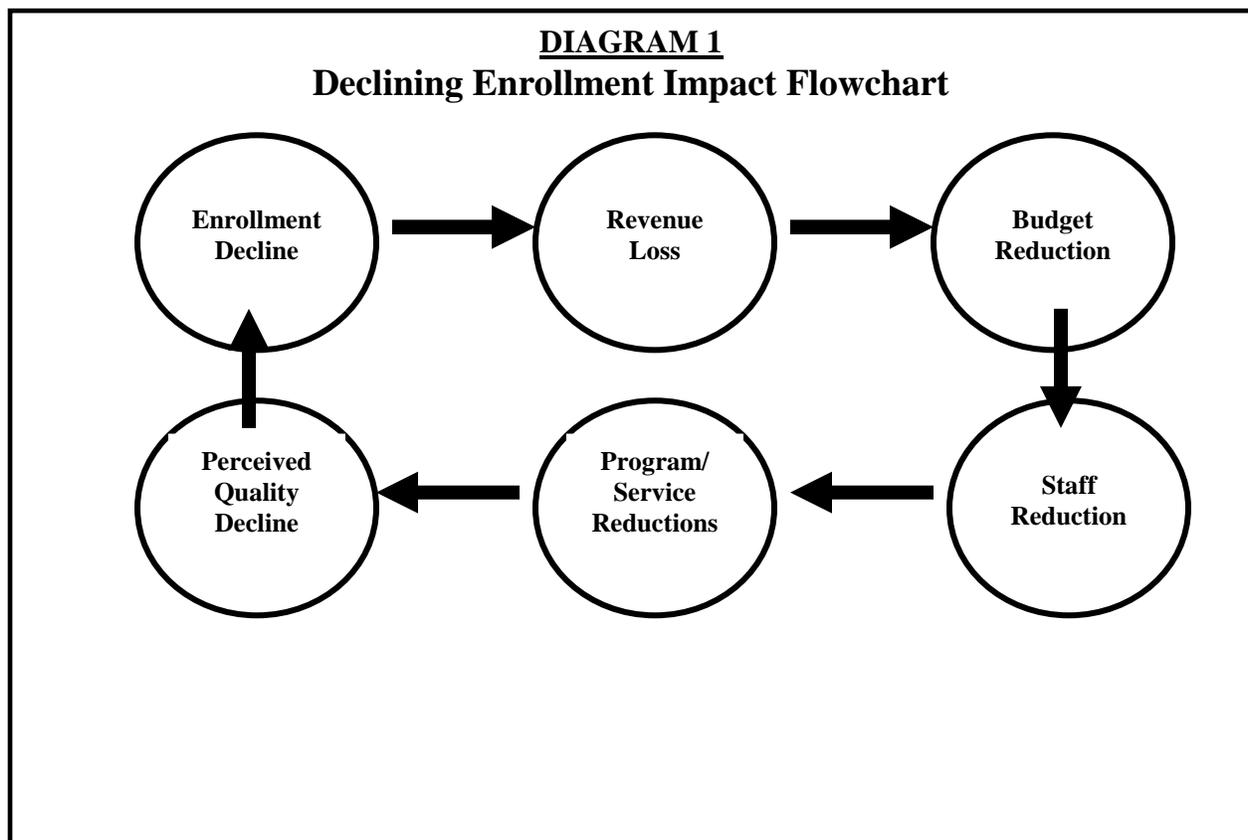
A school district's size provides a critical perspective on the status of any school enterprise. Large critical student mass educational organizations have eminently greater prospects for "survivability" than do small critical student mass school districts, displaying greater latitude in, resiliency to, and flexibility for recovering from unanticipated events or conditions that could jeopardize an organization's long-term viability. Such events as high inflation, modest funding increases (generally from the State), increases in unfunded mandates (generally from the State), enrollment decline, changes in technology, new statutory requirements, and the like have the capability of seriously impacting the effectiveness, efficiency, cost/effectiveness, and quality of a school district.

A district's enrollment trend is an equally critical variable for gauging and projecting a school organization's future status. Enrollment trends (growth, stability, and decline) signal changes in the school district's budget, budget reserves, tax rates, staffing, programs and services, facility utilization, facility needs, the ability to respond to changes in State requirements, and the organization's capabilities for addressing the needs, interests, and expectations of students, parents, and patrons.

The impact of declining enrollment on a school district is depicted in Diagram 1, revealing that—regardless of the size or location of a school district—enrollment decline consistently begets revenue decline; revenue decline begets budget reductions; budget reductions beget staffing

reductions; staffing reductions beget reductions in programs and services; and the loss of programs and services begets a generalized decline in the quality of the school district and, often, a further erosion of student enrollment. The cycle of declining enrollment in any school district poses a significant challenge to the organization's leadership. The cycle of declining enrollment in any school district poses a significant challenge to the organization's leadership. Pillager School District #116 **does not** face this challenge. Indeed the school district has experienced (relatively) continuous student enrollment increases.

In the minority of Minnesota school districts realizing student enrollment growth—including Pillager School District #116—the “Declining Enrollment Impact Flow Chart” scenario is reversed. That is, enrollment increases consistently beget revenue increases; revenue increases beget budget expansions; budget expansions beget staffing increases; staffing increases beget expansions in the organization's programs and services and, typically, enhancements to an organization's programs and services beget an increase in the quality of the school district and a further expansion of student enrollment. One byproduct of student enrollment growth—not reflected in Diagram 1—is the impact of actual (and projected) student enrollment growth on the future availability of teaching/learning, support, and office spaces to accommodate current and future enrolled students. In part, Pillager School District #116's study is focused on future facility space availability.



that the school district enrolled 975 students in grades EC-K-12. The school district's critical student mass would rank it, in size, at or near mid-point of all public K-12 school districts in the State of Minnesota during the 2014-15 school year. By State of Minnesota standards, Pillager School District #116 would be classified as a mid-sized critical student mass school organization.

The following are salient points derived from an examination of **Table 1, Enrollment, 2014-15:**

- **Pillager School District #116's 2014-15 enrollment included 16 Early Childhood students; 73 kindergarten students; 412 grade 1-5 students; 224 grade 6-8 students; 250 grade 9-12 students; and a total of 975 students.**
- **The school district's largest grade level enrollments were in grade 1 (96 students) and grade 4 (82 students).**
- **The school district's smallest grade levels enrollments were in grade 12 (59 students) and grades 9 and 11 (62 students each).**
- **The largest three-grade level enrollment span was found in grades 1-3 (252 students). The smallest three-grade level enrollment span occurred in grades 10-12 (188 students).**
- **The school district's largest three-grade level enrollment span exceeded the smallest three-grade level enrollment span by +64 students or +34.0%.**
- **The school district's average grade level enrollment size, K-12, during the 2014-15 school year was 73.8 students/grade level.**
- **The school district's number of sections at each grade level in 2014-15 ranged from 3 sections (grade 12) to 5 sections (grade 1).**
- **The Project Consultants concluded that Pillager School District #116's student enrollment by grade level in 2014-15 offered reasonable current and future potential for retaining cost/effective staffing and balanced class section sizes throughout the school district.**

<b>TABLE 1 PILLAGER SCHOOL DISTRICT #116 ENROLLMENT 2014-15</b>		
<u>Grade</u>	<u>Enrollment</u>	<u>Rank by Size</u>
EC	16	-
K	65 +8=73	8

1	96	1
2	80	3-4
3	76	7
4	82	2
5	78	5-6
6	66	10
7	80	3-4
8	78	5-6
9	62	11-12
10	67	9
11	62	11-12
12	59	13
EC	16	
K	65+8=73	
1-5	412	
6-8	224	
9-12	250	
Total	975	
Largest three-grade level enrollment span: grades 1-3 = 252 students Smallest three-grade level enrollment span: grades 10-12 = 188 students		

Just prior to completion of the study, the Project Consultants received Pillager School District #116's October 1 enrollment count figures—prepared for the Minnesota Department of Education. The October 1, 2015 data revealed that the school district's enrollment was 1,030 students, an increase of +55 students or +5.4% from the 2014-15 school year enrollment reported in Table 1 of this study.

## 2.2 Enrollment Trends: Actual

The actual past enrollment trends in Pillager School District #116—as recorded by the Minnesota Department of Education—are reported in Table 2 for the 10 year span of time from 2004-05 (base year) through 2014-15. (The school district's enrollment for the 2014-15 school year was gathered from Pillager School District #116).

The following are salient points derived from an examination of **Table 2, Actual Past Enrollment, 2004-05/2014-15**:

- The school district's 2004-05 enrollment was 749 students.
- The school district's 2014-15 student enrollment was 975 students.

- The school district’s average daily membership grew by +226 students or +30.2% over the ten year span of time from 2004-05 to 2014-15.
- The school district’s highest enrollment figure over the ten year span of time from 2004-05 to 2014-15 occurred in 2014-15 (975 students).

<p style="text-align: center;"><b>TABLE 2</b>  <b>PILLAGER SCHOOL DISTRICT #116</b>  <b>ACTUAL PAST ENROLLMENT</b>  <b>2004-05 / 2014-15</b></p>											
<u>District</u>	<u>04-05</u>	<u>05-06</u>	<u>06-07</u>	<u>07-08</u>	<u>08-09</u>	<u>09-10</u>	<u>10-11</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>14-15</u>
Pillager #116	749	746	787	771	793	783	833	820	867	919	975

- The school district’s lowest enrollment figure between 2004-05 and 2014-15 occurred in 2005-06 (746 students).
- The school district experienced student enrollment growth on six occasions over the ten year span of time from 2004-05 to 2014-15. On four occasions during the ten year span of time reported, the school district’s student enrollment declined minimal amounts from the previous years (-3 to -16 students).
- The Project Consultants concluded that Pillager School District #116 would be classified as a growing enrollment school district.

### 2.3 Enrollment Trends: Projected

Pillager School District #116’s administrative staff provided the Project Consultants with enrollment projections over the five year span of time from 2014-15 through 2018-19.

The following are salient points derived from an examination of **Table 3, Enrollment Projections, 2014-15/2018-19**:

- The school district’s enrollment is projected to grow from 975 students in 2014-15 (base year) to 1,058 students in 2018-19, a net gain in student enrollment of +83 students or +8.5%.

<p style="text-align: center;"><b>TABLE 3</b>  <b>PILLAGER SCHOOL DISTRICT #116</b>  <b>ENROLLMENT PROJECTIONS</b>  <b>2014-15 / 2018-19</b></p>											
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<u>District</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>Change</u>	<u>%</u>
Pillager #116	975	996	1,016	1,037	1,058	+83	8.5%

- The school district projects an increase in student enrollment for each year from 2014-15 through 2018-19.
- The school district’s future enrollment increase is supported by the Project Consultants’ examination of the school district’s past, actual student enrollment gains and the generally strengthened average daily membership figures (reported in Table 1) observed in grades K-5.
- The Project Consultants concluded that the school district should anticipate a continuing need to focus on planning for anticipated student enrollment, teaching and support staff, and programs and services growth. Furthermore, the organization’s leadership will have cause to plan for the future expansion of teaching/learning, support, and office spaces to serve this enhanced student population.

(It is important to note that Pillager School District #116’s actual 2015-16 enrollment (1,030 students) significantly exceeded enrollment projections found in Table 3 for both 2015-16 and 2016-17 school years. Thus, it would appear the school district’s enrollment projections—at least for the time being—are understated and could well suggest that the organization’s rate of growth will be even greater than anticipated in the near future).

## 2.4 Changes in Average Daily Membership

Pillager School District #116’s average daily membership trends between 2004-05 and 2018-19 is documented in Table 4 of the study.

The following are salient points derived from an examination of **Table 4, Trends In Average Daily Membership, 2004-05/2018-19:**

- The school district’s K-12 enrollment (actual and projected) experienced an increase of +309 students or +41.3% from the base year enrollment of 749 students in 2004-05 to 1,058 students in 2018-19.
- The school district’s projected change in student enrollment between 2014-15 and 2018-19 (numerically) approximates the actual average student enrollment change that occurred between 2004-05 and 2014-15.

**TABLE 4**  
**PILLAGER SCHOOL DISTRICT #116**  
**TRENDS IN AVERAGE DAILY MEMBERSHIP**  
**2004-05 / 2018-19**

<u>District</u>	<u>Actual Change 2004-05 / 2014-15</u>	<u>Projected Change 2014-15 / 2018-19</u>	<u>Gain/Loss (%)</u>
Pillager #116	+226	+83	+309 (+41.3%)

- The Project Consultants concluded that the school district will continue to experience student enrollment growth in the future and, indeed, such future growth may well exceed that which is currently anticipated by the school district’s leadership.

## 2.5 Student In-Migration and Student Out-Migration

The State of Minnesota’s Open Enrollment Options’ Program permits parents to choose to enroll their students in an alternative school district to the one in which they reside—providing that the non-resident “receiving” school district has sufficient space available to accept such in-migrating students.

As in the case of Pillager School District #116, those Minnesota school districts which experience the gain of a larger number of in-migrating non-resident students than losses of resident students through out-migration will be strengthened through those gains in enrollment which, in turn, strengthen the organization’s finances, staffing, programs, and services.

The following are salient points derived from an examination of **Table 4-A, Open Enrollment, 2014-15:**

- The school district realized the in-migration of +342 non-resident students in 2014-15 through the Minnesota Open Enrollment Options’ Program.
- The school district experienced the out-migration of -183 resident students in 2014-15 through the Minnesota Open Enrollment Options’ Program.
- The school district realized a net gain of +159 students through the open enrollment process during the 2014-15 school year.
- The school district netted approximately \$1 million in State of Minnesota foundation aid as a result of a significant, net gain of “in-migrating” students through Minnesota Open Enrollment Options’ Program.

**TABLE 4-A  
PILLAGER SCHOOL DISTRICT #116  
OPEN ENROLLMENT  
2014-15**

<u>District</u>	<u>In-Migration</u>	<u>Out-Migration</u>	<u>Net</u>
Pillager #116	+342	-183	+159

- **The Project Consultants concluded that resident students of Pillager School District #116 have benefited through the “in-migration” of non-resident students to the district. Observable benefits include enhanced staffing, programs, services, and organizational finances.**
- **The Project Consultants concluded that Pillager School District #116 will continue to attract significant numbers of non-resident students through the Minnesota Open Enrollment Options’ Program.**

During the 2014-15 organizational year, Pillager School District #116 served open enrollment students, predominately, from the following non-resident school districts: Brainerd School District (155 students); Staples/Motley School District (144 students); Little Falls School District (29 students); and Pine River/Backus School District (14 students). During that same year, Pillager School District #116 resident students open enrolled to the following non-resident school districts: Brainerd School District (183 students); Pequot Lakes School District (14 students); Little Falls School District (8 students); Staples/Motley (4 students); and Pine River/Backus School District (2 students).

## **2.6 Non-Public and Home School Attendance**

The State of Minnesota offers “choice options” for parents to educate their children in other programming beyond those provided by the Minnesota Open Enrollment Options’ Program. Attendance in non-public or home school settings are available for parents (and their children) to choose as beliefs, desires, and/or opportunities may dictate.

The following are salient points derived from an examination of **Table 4-B, Non-Public and Home School Enrollment, 2014-15:**

- **The school district experienced the loss of -13 resident students to area non-public schools.**

- The school district experienced the loss of -18 resident students to alternative programs and services in their homes (home school).
- The school district's departure of -31 students to area non-public schools and home schooling represented 3.2% of the organization's 2014-15 actual enrollment.
- By State of Minnesota standards, Pillager School District's non-public school enrollment and home school participation would be considered below average for school districts of like size.
- The Project Consultants concluded that Pillager School District #116's loss of students to non-public schools and home schooling did not suggest dissatisfaction with the public school's operations or quality.

**TABLE 4-B  
PILLAGER SCHOOL DISTRICT #116  
NON-PUBLIC AND HOME SCHOOL ENROLLMENT  
2014-15**

<u>District</u>	<u>Non-Public School</u>	<u>Home School</u>	<u>Total</u>
Pillager #116	-13	-18	-31

## 2.7 0-4 Census

According to information provided by the Minnesota Department of Education, Pillager School District #116's 0-4 census figures were cited as follows: Age 00 = 60; Age 01 = 64; Age 02 = 97; Age 03 = 66; Age 04 = 82. The 0-4 census figures were based on estimations of future "in-district" and "out-of-district" students.

The Project Consultants are not confident of the degree to which a school district's 0-4 census figures reflect, accurately, future school district enrollments, particularly in a school district which has displayed such comparatively high levels of student out-migration and in-migration through the Minnesota Open Enrollment Options' Program.

## CHAPTER III FINANCES

### 3.0 Background Information

Having examined Pillager School District #116's school district size, enrollment, and enrollment trends—those factors which most significantly impact the financial condition of a school district—the Project Consultants undertook an examination and analysis of the school district's financial condition.

The purposes of the financial analysis of Pillager School District #116 were to assess the quality of the organization's fiscal management, ascertain financial trends, determine the organization's reserves, compare the school district's spending patterns with the average of all Minnesota school districts and the average of all like-sized (peer group) Minnesota school districts, determine the organization's debt load, establish options for increasing the school district's revenue and cost/effectiveness.

The Project Consultants determined through past experiences that school district patrons believe it is essential that they are apprised of the financial condition of the educational organization they are expected to support (by virtue of their residency) **prior to** approving potential, additional, local tax initiatives in the future.

### 3.1 State of Minnesota School Funding

The State of Minnesota and nearly all other states in the nation finance public education through a foundation aid formula which is typically linked to student enrollment. In Minnesota, each school district is funded on the basis of enrollment that is weighted in accordance with the organizational level at which each student is enrolled and instructed. For example, kindergarten through grade 6 students are weighted at 1.0 pupil units, and grades 7-12 students are weighted at 1.2 pupil units. Each school district in the State of Minnesota totals the number of students at each organizational level (that is, K-6 and 7-12), and multiplies the total students at each organizational level by the appropriate weighting (that is, 1.0 **or** 1.2), **and** multiplies each of those two figures by the foundation aid allotted for each pupil as affixed by the Minnesota State Legislature. The total number of pupil units times the aid allotment/pupil unit establishes the foundation aid reimbursement for school districts throughout the State of Minnesota. The level of funding furnished to school districts through the foundation aid formula on a pupil unit basis is set solely at the discretion of the Minnesota State Legislature.

In addition to funding provided by the State of Minnesota, a local school district **may elect to implement additional funding options** to augment and enhance their budget. These funding options must be adopted by local school boards and approved by a simple majority of the voting publics. The additional, major sources of funding available for the support of staff, programs, and services and the construction and/or renovation of school facilities in Minnesota school districts are the operating levy referendum and bond referendum.

### **3.2 Financial Analysis**

The Project Consultants examined Pillager School District #116's audit reports for each of the six fiscal years from 2008-09 through 2013-14 as a part of the school district's **Organizational Facility Analysis Study**. Particularly, the Project Consultants focused on the status of the school district's General Fund budget and, to lesser degrees, the organization's Community Education and Debt Retirement funds.

The General Fund budget is the largest and most flexible fund operated by a school district and contains dollar allocations for the employment of administrators, teachers, specialists, custodians, secretaries, and other school district personnel and the purchase of textbooks, instructional materials, staff development, curriculum development, equipment, utilities, insurances, fringe benefits, and much more. Table 5 details the General Fund revenues, expenditures, and fund balances for Pillager School District #116 for the six inclusive years from 2008-09 through 2013-14.

Table 5 data delineate the school district's General Fund revenue increased from \$7,042,923 in 2008-09 (base year) to \$8,486,178 in 2013-14, an increase of +\$1,443,255 or +20.5%. Within the same five year span of time, the school district's General Fund expenditures increased from \$8,808,614 in 2008-09 to \$8,842,930 in 2013-14, a gain of a miniscule +\$34,316 or +.4%.

Between the 2008-09 (base year) and 2013-14, Pillager School District #116's General Fund balance increased from \$1,214,999 (2008-09) to \$1,272,192 (2013-14), an increase of +\$57,193 or +4.7%.

At the conclusion of the 2013-14 school year, Pillager School District #116's General Fund balance of \$1,272,192 amounted to a respectable 14.4% of the school district's General Fund expenditure budget (\$8,842,930).

Pillager School District #116 recorded a total General Fund unassigned fund balance of \$697,143 at the conclusion of the 2013-14 organizational year.

**TABLE 5**  
**PILLAGER SCHOOL DISTRICT #116**  
**GENERAL FUND REVENUES, EXPENDITURES, FUND BALANCES**  
**2008-09 / 2013-14**

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Expenditure</u>	<u>Fund Balance</u>
2008-09	\$7,042,923	\$8,808,614	\$1,214,999
2009-10	\$7,245,695	\$6,916,684	\$1,553,810
2010-11	\$7,483,465	\$7,438,682	\$1,599,091
2011-12	\$7,784,718	\$7,644,279	\$1,748,971
2012-13	\$7,884,695	\$8,052,141	\$1,583,325
2013-14	\$8,486,178	\$8,842,930	\$1,272,192
<b>Change</b>	<b>+\$1,443,255</b>	<b>+\$34,316</b>	<b>+\$57,193</b>
<b>% Change</b>	<b>+20.5%</b>	<b>+4%</b>	<b>+4.7%</b>

Pillager School District #116 operated imbalanced General Fund budgets in the two most recent fiscal years, 2012-13 and 2013-14. Over the course of the most recent six fiscal years, the school district operated balanced General Fund budgets in three of the six years reported in Table 5, including 2009-10, 2010-11, and 2011-12.

A preliminary report on the status of the 2014-15 audit report for Pillager School District #116 indicates that the General Fund budget will reflect an **imbalanced budget** and a **further erosion** of the General Fund balance.

Based on information received by the Project Consultants, the School Board of Pillager School District #116 has stated as a desired goal the maintenance of a minimum General Fund balance (reserves) of 5-7%.

The Project Consultants observed that, despite continuous student enrollment growth, Pillager School District #116 has experienced (or will experience) three consecutive years of imbalanced General Fund budgets and three consecutive years of reduced General Fund reserves. Based on information that will subsequently be reported in this study, it would appear that Pillager School District #116's **regular instruction expenditures** are likely most responsible for the organization's deteriorating reserves.

### **3.3 Six Year Comparative District Expenditures**

Employing multi-year data reported by the Minnesota Department of Education, the Project Consultants recorded and analyzed six year comparative expenditure data in Pillager School District #116 (Table 6) and the average of all school districts in the State of Minnesota (Table 6-A) for 2007-08 and 2013-14. The data are intended to compare Pillager School District #116's expenditures in select categories—against itself—over a six year span of time; make an identical comparison of select expenditures for the average of all school districts in the State of Minnesota—against itself—over the same six year span of time; and permit comparisons between Pillager School District #116 and the average of all school districts in the State of Minnesota in both 2007-08 and 2013-14. In a third document, Table 6-B, the Project Consultants compared select 2013-14 General Fund expenditures in Pillager School District #116 against the average of all peer group (like-sized) Minnesota school districts in the State of Minnesota and the average of all school districts in the State of Minnesota. The purpose of the comparative analysis of select General Fund expenditures is to permit the reader to draw numerous conclusions about the cost/effectiveness of and expenditure trends in Pillager School District #116 while providing reputable bases for comparisons.

Table 6 provides an analysis of select expenditures for Pillager School District #116 over the six year span of time from 2007-08 through 2013-14. Expenditure comparisons are detailed for the following, major cost centers: administration; regular instruction; career/technical instruction; special education; instructional support services; pupil support services; operations/maintenance; student transportation; and total General Fund operating expenditures.

In reviewing the comparative school district expenditures, the reader will note that, between 2007-08 and 2013-14, Pillager School District #116 experienced a gain of +148 students or +19.2% from 771 to 919 students.

Over the six year span of time from 2007-08 to 2013-14, Pillager School District #116's expenditures for total P-K-12 operations increased by a mere +7.1%, an average of +1.2% per year.

Other line item budgets that increased over the six year span of time included administration (+25.8%); regular instruction (+13.4%); operations and maintenance (+7.6%); and instructional support services (+5.6%). Thus, expenditure increases per year averaged between +4.3% (administration) and +.9% (instructional support services) over the six year span of time from

2007-08 through 2013-14. The Project Consultants assess such annual increases as modest in light of the school district's increasing student enrollment growth and expanded responsibilities, programs, services, and staffing.

<b>TABLE 6</b>				
<b>PILLAGER SCHOOL DISTRICT #116</b>				
<b>COMPARATIVE DISTRICT EXPENDITURES</b>				
<b>2007-08 / 2013-14</b>				
<b><u>Expenditure</u></b>	<b><u>2007-08</u></b>	<b><u>2013-14</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
<b>Administration</b>	<b>\$515</b>	<b>\$648</b>	<b>+\$133</b>	<b>+25.8%</b>
<b>Regular Instruction</b>	<b>\$4,479</b>	<b>\$5,077</b>	<b>+\$598</b>	<b>+13.4%</b>
<b>Career/Technical</b>	<b>\$177</b>	<b>\$95</b>	<b>-\$82</b>	<b>-46.3%</b>
<b>Special Education</b>	<b>\$1,556</b>	<b>\$1,545</b>	<b>-\$11</b>	<b>- .7%</b>
<b>Instructional Support Services</b>	<b>\$216</b>	<b>\$228</b>	<b>+\$12</b>	<b>+5.6%</b>
<b>Pupil Support Services</b>	<b>\$214</b>	<b>\$169</b>	<b>-\$45</b>	<b>-21.0%</b>
<b>Operations/Maintenance</b>	<b>\$462</b>	<b>\$497</b>	<b>+\$35</b>	<b>+7.6%</b>
<b>Pupil Transportation</b>	<b>\$717</b>	<b>\$712</b>	<b>-\$5</b>	<b>- .7%</b>
<b>Total P-K-12 Operations</b>	<b>\$8,631</b>	<b>\$9,243</b>	<b>+\$612</b>	<b>+7.1%</b>
<b>Student Enrollment</b>	<b>771</b>	<b>919</b>	<b>+148</b>	<b>+19.2%</b>

Table 6 further reveals that Pillager School District #116's expenditures decreased in the career/technical education (-46.3%); pupil support services (-21.0%); special education (-.7%); and pupil transportation (-.7%) budget line items over the six year span of time from 2007-08 through 2013-14.

The Project Consultants found it remarkable that Pillager School District #116 has achieved a high level of special education cost containment from 2007-08 through 2013-14, an outcome that is highly unusual among school districts in the State of Minnesota. The school district is a member of the highly cost/effective Paul Bunyan Service Cooperative, headquartered in Brainerd.

The Project Consultants further noted the slight decline in Pillager School District #116's pupil transportation costs over the six year span of time studied (-\$5/ADM or -.7%). While this accomplishment is worthy of note, later tables will reveal that school district's transportation costs are comparable to peer (like-sized) school districts and exceed those of the average of all State of Minnesota school districts.

It is not unusual among school districts in the State of Minnesota for school districts to experience variable expenditures for career/technical education and pupil support services, depending upon variable student interests, needs, district staffing, and purchasing patterns.

### 3.4 Six Year Comparative Average State of Minnesota Expenditures

Table 6-A details the changes in expenditures for the average of all school districts in the State of Minnesota over the six year span of time from 2007-08 through 2013-14. As was the case in Table 6, Table 6-A's data reveal changes in the average of all State of Minnesota school districts' expenditures in the identical cost centers examined in Pillager School District #116 over the same six year span of time: administration; regular instruction; career/technical instruction; special education; instructional support services; pupil support services; operations/maintenance; student transportation; and total General Fund operating expenditures.

Over the six year span of time from 2007-08 through 2013-14, the average of all school districts in the State of Minnesota experienced six year expenditure increases in total P-K-12 operations (+12.4%); administration (+13.4%); regular instruction (+12.0%); special education (+15.2%); instructional support services (+14.5%); pupil support services (+15.1%); operations and maintenance (+7.7%); and pupil transportation (+11.9%).

<b>TABLE 6-A</b> <b>PILLAGER SCHOOL DISTRICT #116</b> <b>COMPARATIVE STATE (AVERAGE) EXPENDITURES</b> <b>2007-08 / 2013-14</b>				
<b><u>Expenditure</u></b>	<b><u>2007-08</u></b>	<b><u>2013-14</u></b>	<b><u>Change</u></b>	<b><u>% Change</u></b>
<b>Administration</b>	<b>\$778</b>	<b>\$882</b>	<b>+\$104</b>	<b>+13.4%</b>
<b>Regular Instruction</b>	<b>\$4,282</b>	<b>\$4,797</b>	<b>+\$515</b>	<b>+12.0%</b>
<b>Career/Technical</b>	<b>\$146</b>	<b>\$140</b>	<b>-\$6</b>	<b>-4.1%</b>
<b>Special Education</b>	<b>\$1,725</b>	<b>\$1,987</b>	<b>+\$262</b>	<b>+15.2%</b>

<b>Instructional Support Services</b>	<b>\$468</b>	<b>\$536</b>	<b>+\$68</b>	<b>+14.5%</b>
<b>Pupil Support Services</b>	<b>\$271</b>	<b>\$312</b>	<b>+\$41</b>	<b>+15.1%</b>
<b>Operations/Maintenance</b>	<b>\$818</b>	<b>\$881</b>	<b>+\$63</b>	<b>+7.7%</b>
<b>Pupil Transportation</b>	<b>\$570</b>	<b>\$638</b>	<b>+\$68</b>	<b>+11.9%</b>
<b>Total P-K-12 Operations</b>	<b>\$9,311</b>	<b>\$10,466</b>	<b>+\$1,155</b>	<b>+12.4%</b>

The average of all State of Minnesota school districts realized a decline in career/technical education expenditures from 2007-08 through 2013-14 (-4.1%).

When comparing Table 6 and Table 6-A data over the six year span of time from 2007-08 through 2013-14, it is to be noted that only in administration (+25.8% VS +13.4%) and regular instruction (+13.4% VS +12.0%) did Pillager School District #116's percentage change in expenditures exceed those of the average of all State of Minnesota school districts. At the same time, it should be noted that in 2013-14, Pillager School District #116's expenditures for administration amounted to \$648/ADM, while such expenditures for the average of all State of Minnesota school districts in that year totaled \$882/ADM. Administrative costs in the average of all school districts in the State of Minnesota in 2013-14 exceeded those in Pillager School District #116 by +\$234/ADM or +36.1%. Thus, by State of Minnesota standards, Pillager School District #116's expenditures for administration would be considered below average.

A comparison of Pillager School District #116's 2013-14 regular instruction costs (\$5,077/ADM) reveals that they exceed such costs for the average of all school districts in the State of Minnesota (\$4,797/ADM) by +\$280/ADM or +5.8%.

### **3.5 Comparative District, Peer, and State Expenditures, 2013-14**

Table 6-B details comparative expenditures for Pillager School District #116, the average of all like-sized (peer group) Minnesota school districts in the State of Minnesota, and the average of all school districts in the State of Minnesota for the 2013-14 school year.

Table data for 2013-14 illustrate that Pillager School District #116's peer group (the average of all like-sized school districts in the State of Minnesota) **outspent** Pillager School District #116 in the following cost categories: administration; career/technical education; special education instruction; instructional support services; pupil support services; operations and maintenance; and total P-K-12 operations. In the same year, Pillager School District #116's spending

**exceeded** those of the average of all like-sized school districts in the State of Minnesota in regular instruction. Pupil transportation expenditures in Pillager School District #116 and the average of all peer group school districts in 2013-14 were virtually identical (\$712/ADM VS \$711/ADM).

In 2013-14, the average of all State of Minnesota school districts' expenditures **exceeded** those of Pillager School District #116 in the following cost categories: administration; career/technical education; special education; instructional support services; pupil support services; operations and maintenance; and total P-K-12 operations. In the same year, Pillager School District #116 **outspent** the average of all State of Minnesota school districts in regular instruction and pupil transportation.

In comparing specific expenditures during the 2013-14 organizational year, the Project Consultants identified the following data elements as most noteworthy: (1) the school district's total P-K-12 operations' expenditures (\$9,243/ADM) **trailed** those of the peer group (\$9,830/ADM) and the average of the State of Minnesota (\$10,466/ADM), respectively, by -\$587/ADM or -6.0% and -\$1,223/ADM or -11.7%; (2) the school district's expenditures for administration (\$648/ADM) **trailed** their peer group (\$1,035/ADM) and the average of all State of Minnesota school districts (\$882/ADM), respectively, by -\$387/ADM or -37.4% and -\$234/ADM or -26.5%; (3) the school district's operations and maintenance expenditures (\$497/ADM) **trailed** the average of all peer group school districts (\$953/ADM) and the average of all State of Minnesota school districts (\$881/ADM), respectively, by -\$456/ADM or -47.8% and -\$384/ADM or -43.6%; and (4) the school district's regular instruction expenditures (\$5,077/ADM) **exceeded** those of the average of all peer group school districts (\$4,308/ADM) and the average of all State of Minnesota school districts (\$4,797/ADM), respectively, by +\$769/ADM or +17.9% and +\$280/ADM or +5.8%.

<b>TABLE 6-B</b> <b>PILAGER SCHOOL DISTRICT #116</b> <b>COMPARATIVE DISTRICT, PEER, AND STATE EXPENDITURES</b> <b>2013-14</b>			
<u>Expenditure</u>	<u>PILLAGER</u>	<u>PEER</u>	<u>STATE</u>
<b>Administration</b>	<b>\$648</b>	<b>\$1,035</b>	<b>\$882</b>
<b>Regular Instruction</b>	<b>\$5,077</b>	<b>\$4,308</b>	<b>\$4,797</b>

Career/Technical	\$95	\$202	\$140
Special Education	\$1,545	\$1,592	\$1,987
Instructional Support Services	\$228	\$345	\$536
Pupil Support Services	\$169	\$214	\$312
Operations/Maintenance	\$497	\$953	\$881
Pupil Transportation	\$712	\$711	\$638
<b>Total P-K-12 Operations</b>	<b>\$9,243</b>	<b>\$9,830</b>	<b>\$10,466</b>

The Project Consultants concluded that Pillager School District #116, generally, operates as a highly cost/effective organization, though its regular instruction expenditures clearly exceed peer group and State of Minnesota standards.

The Project Consultants concluded that, when compared to the average of all Minnesota school districts of like-size and/or the average of all State of Minnesota school districts, Pillager School District #116 would be considered a **low-spending educational organization**.

### 3.6 Sources of General Fund Revenue

Based on an examination of the school district's 2013-14 audit report, the Project Consultants examined and delineated in Table 7 Pillager School District #116's sources of General Fund revenue.

The school district's total General Fund revenue for the 2013-14 organizational year amounted to \$8,486,178.

<p style="text-align: center;"><b>TABLE 7</b>  <b>PILLAGER SCHOOL DISTRICT #116</b>  <b>SOURCES OF GENERAL FUND REVENUE</b>  <b>2013-14</b></p>		
<u>Source</u>	<u>Actual</u>	<u>% of Total</u>
Local Property Tax	\$415,863	4.9%
Other Local/County Revenues	\$342,899	4.0%

<b>Revenue from State</b>	<b>\$7,535,034</b>	<b>88.8%</b>
<b>Revenue from Federal</b>	<b>\$191,307</b>	<b>2.3%</b>
<b>Sales and Other</b>	<b>\$1,075</b>	<b>0.0%</b>
<b>Total Revenues</b>	<b>\$8,486,178</b>	<b>100.0%</b>

Information contained in Table 7 divulges that the largest amount of revenue to Pillager School District #116's General Fund budget was secured from the State of Minnesota in the amount of \$7,535,034 or 88.8% of total General Fund revenue. The school district's patrons contributed \$415,863 or 4.9% of the organization's total General Fund revenue in local property tax.

General Fund revenue from Federal sources in 2013-14 amounted to \$191,307 or 2.3% of General Fund revenue. Other, lesser sources of General Fund revenue received by Pillager School District #116 during the 2013-14 organizational year included \$342,899 or 4.0% in other local/county revenues and \$1,075 or .00% in sales and other revenue.

The Project Consultants concluded that during the 2013-14 organizational year, Pillager School District #116's taxpaying residents contributed approximately \$1 in each \$20 expended to support the organization's General Fund revenue budget of \$8,486,178.

### **3.7 Unassigned/Unreserved General Fund Balance**

Table 8 delineates the unassigned/unreserved General Fund balances for Pillager School District #116 for the six inclusive years of 2008-09 through 2013-14.

Table data reveal that Pillager School District #116 had consistently maintained an unassigned/unreserved General Fund balance of greater than \$1 million for five consecutive years from 2008-09 through 2012-13. During that span of time, the school district's largest unassigned/ unreserved General Fund balance was \$1,434,677 in 2011-12. The school district's smallest unassigned/unreserved General Fund balance was \$697,143 at the conclusion of the 2013-14 organizational year.

Over the six year span of time from 2008-09 through 2013-14, Pillager School District #116's unassigned/unreserved General Fund balance decreased from \$1,250,006 to \$697,143, a decline of -\$552,863 or -44.2%.

The school district's unassigned/unreserved General Fund balance was projected to have further declined at the conclusion of the 2014-15 fiscal year.

<p style="text-align: center;"><b>TABLE 8</b>  <b>PILLAGER SCHOOL DISTRICT #116</b>  <b>UNASSIGNED/UNRESERVED GENERAL FUND BALANCE</b>  <b>2008-09 / 2013-14</b></p>							
	<u>2008-09</u>	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>Change</u>
<b>Pillager</b>	<b>\$1,250,006</b>	<b>\$1,350,078</b>	<b>\$1,410,152</b>	<b>\$1,434,677</b>	<b>\$1,192,831</b>	<b>\$697,143</b>	- <b>\$552,863</b> (-44.2%)

The Project Consultants concluded that Pillager School District #116 would be well advised to institute spending measures which will insure the organization's financial resources are preserved and protected to insure the maintenance of an adequate level of General Fund reserves. This matter will be further addressed during an examination of the school district's class section sizes in Chapter IV of this study.

### **3.8 Operating Levy**

The School Board, parents, and patrons of Pillager School District #116 have demonstrated support of their school district by authorizing an operating levy to provide additional funding—beyond that which is provided by the State of Minnesota through its foundation aid formula—to augment the organization's General Fund budget. Operating levy funds are typically dedicated by Minnesota school districts to enhance staffing, programs, services, technology, textbooks, and the like. In 2014-15, the operating levy furnished Pillager School District #116 with \$313,095 General Fund revenue.

### **3.9 Contracted Services**

School districts in the State of Minnesota, including Pillager School District #116, enter into agreements with public and private organizations to secure services for the general operation of those organizations.

The Project Consultants examined the contents of three, significant, contracted services' agreements between Pillager School District #116 and private sector vendors. Pillager School District #116 contracts transportation services from Fornshell Bus Company, janitorial

maintenance services from DaBer, LLC, and secretarial, food service, nursing, and educational assistant service from Spartan Staffing, LLC.

In all three instances, contracted fees for the aforementioned services are negotiated between the School District and the service-providing vendor.

The durations of the contracted services' agreements with Spartan Staffing, LLC and DaBer, LLC are two years (July 1, 2015 through June 30, 2017). The duration of the contracted services' agreement with Fornshell Bus Company is five years, extending from 2011-12 through 2015-16.

Based on Pillager School District #116's favorable, comparative expenditures with the average of all peer group Minnesota school districts and the average of all Minnesota school districts in transportations, operations and maintenance, and food service, the Project Consultants could find no observable (financial) reasons for discontinuing the usage of contracted services' agreements in the specified service areas.

The Project Consultants would recommend—given the impending expiration of the transportation contract—the school district consider engaging the services a reputable school transportation consultant to undertake a study for the purposes of determining whether or not more efficient transportation routes could be designed which could (a) shorten route time, (b) reduce the number of routes, and (c) reduce transportation costs.

(It should be noted that it was beyond the scope of this study for the Project Consultants to attempt to ascertain whether or not school district personnel or clients were satisfied with the quality of service furnished through the contracted services' agreements).

## **CHAPTER IV**

### **EDUCATIONAL PROGRAMS, SERVICES, AND STAFFING**

#### **4.0 Introduction**

Pillager School District #116's primary organizational purpose—as is in the case of all other public school districts in the State of Minnesota—is the delivery of instructional programs and services to resident and, through open enrollment and tuition agreements, non-resident P-K-12 students and, as well, pre-school youngsters whose parents or guardians reside in the school district. The breadth, scope, and sophistication of the school district's programs and services have increased over the course of the past two decades in response to resident and non-resident student growth.

After concluding an examination of Pillager School District #116's district size, enrollment, enrollment trends, and financial data, the Project Consultants gathered substantial data on the organization's educational programs, services, and staffing through source documents, interviews, facility tours, informal conversations with staff members, and observations.

The Project Consultants' findings in examining programs, services, staffing, and other indicators, in part, are presented in this chapter. Analyses of such data were purposefully used to determine Pillager School District #116's status, assess the organization's strengths and needs, conduct comparative analyses, and, as appropriate, identify potential, future actions that were worthy of consideration by the School Board and Superintendent of Schools.

#### **4.1 Elementary Class Sizes**

Pillager School District #116's elementary class section sizes in grades K-5 for the 2014-15 school year are detailed in Table 10.

Pillager School District #116's K-5 students are located in the elementary wing of the organization's P-K-12 facility, along with the school district's pre-school and early childhood students and programs.

The school district's K-5 student population is comprised of 73 kindergarten students and 412 grades 1-5 students for a total student population of 485 students (see Table 1).

An examination of Table 10 data reveals that Pillager School District #116 operated 25 elementary class sections during the 2014-15 school year.

<b>TABLE 10</b> <b>PILLAGER SCHOOL DISTRICT #116</b> <b>ELEMENTARY CLASS SIZES</b> <b>2014-15</b>					
<u>School</u>	<u>Less than 20</u>	<u>20-25</u>	<u>26-29</u>	<u>30 or larger</u>	<u>Total</u>
K-5	7	18	0	0	25
%	28.0%	72.0%	0.0%	0.0%	100.0%

Of the 25 K-5 elementary class sections operated during the 2014-15 school year, 7 class sections or 28.0% enrolled 20 or fewer students, and 18 class sections or 72.0% enrolled 20-25 students. During that year, Pillager School District #116 had no elementary school class sections with sizes of 26-29 students/section or 30 or more students/section. The smallest elementary class section staffed by the school district in 2014-15 enrolled 17 students, while the largest elementary school class section, K-5, enrolled 22 students.

The Project Consultants rated Pillager School District #116's elementary class section sizes as **highly favorable** when compared with school districts of comparable size and larger throughout the State of Minnesota.

[An examination by the Project Consultants of Pillager School District #116's elementary class section sizes in 2013-14 and, more recently, 2015-16 yielded the following data: in 2013-14, the school district operated 24 elementary class sections, K-5, of which 16 sections or 66.6% enrolled less than 20 students/section and 8 sections or 33.3% enrolled 20-25 students/section, the largest class section of which was 21 students/ section; in 2015-16, the school district—now operating a K-4 elementary school grade level configuration—staffed 21 elementary school class sections, 12 sections or 57.1% of which enrolled less than 20 students/section, 6 sections or 28.6% of which enrolled 20-25 students/ section, and 3 sections or 14.3% which enrolled 26-29 students/section. In the current year, the smallest elementary school class section enrolls 17 students, while the largest elementary class section enrolls 27 students (grade 4)].

The Project Consultants found that, in 2014-15, Pillager School District #116's average elementary school class section size was 19.4 students/ section.

#### 4.2 Secondary Class Section Sizes

Table 11 reports Pillager School District #116's combined middle school and high school class section size data for the 2014-15 school year. The school district's secondary class section size data were examined for **regular education** class sections and did not include special education, study hall, work experience, and other specialty course sections. These table data were gathered to provide a perspective for the Project Consultants and readers on the school district's regular education programming and staffing.

<b>TABLE 11</b> <b>PILLAGER SCHOOL DISTRICT #116</b> <b>SECONDARY CLASS SIZES</b> <b>2014-15</b>					
<u>School</u>	<u>Less than 20</u>	<u>20-25</u>	<u>26-29</u>	<u>30 or larger</u>	<u>Total</u>
<b>Secondary*</b>	<b>65</b>	<b>57</b>	<b>16</b>	<b>4</b>	<b>142</b>
<b>%</b>	<b>45.8%</b>	<b>40.1%</b>	<b>11.3%</b>	<b>2.8%</b>	<b>100.0%</b>
*Grades 6-12; Fall Semester					

The Project Consultants customarily use class section sizes of less than 20 students as a threshold for assessing staffing cost/ineffectiveness and cost/effectiveness. The Project Consultants have found that school districts and schools which offer a preponderance of class section sizes with less than 20 students enrolled may anticipate difficulties in maintaining financial viability and/or providing a breadth of programs and services which will offer students in the educational organization comparative parity with school districts operating a proportionately larger number of cost/effective class section sizes (that is, class section sizes enrolling 20 students or greater).

During the 2014-15 school year, Pillager School District #116 operated 142 middle school (grades 6-8) and senior high school (grades 9-12) course sections. Sixty-five middle and high school course sections or 45.8% enrolled less than 20 students, while 57 course sections or 40.1% enrolled 20-25 students. During the 2014-15 school year, only 16 secondary school course sections or 11.3% were operated with 26-29 students enrolled and 4 course sections or 2.8% were operated with 30 or more students per section.

The Project Consultants rated the school district's secondary school course sections as **highly desirable but, generally, cost/ineffectively low.**

The observer will note that during the 2014-15 school year, nearly 86% (85.9%) of all secondary school class sections enrolled 25 students or less. The number and percentage of secondary class sections with enrollments of 25 students or less/section would be more favorable than that which is found in nearly all school districts of comparable or larger size in the State of Minnesota.

#### **4.3 Senior High School Credit Course Offerings**

Pillager School District #116 operates a single, large, comprehensive high school.

The Project Consultants reviewed Pillager School District #116's (grades 9-12) course offerings for the 2015-16 school year in Pillager High School as described in **Pillager Huskies Senior High School Course Registration Guide, 2015-2016.**

Table 12 reveals that Pillager High School made available 121 credit course offerings during the 2015-16 school year. Course offerings were included in 10 disciplines: art; business education/computer; English; industrial technology; mathematics; music; physical education and health; science; social studies; and world languages.

High school students in Pillager School District #116 were offered the greatest number of credit course offerings in the following course disciplines: science (21 credits); social studies (21 credits); English (20 credits); and mathematics (17 credits). The smallest high school credit course offerings were made available to grade 9-12 students in the following subject matter disciplines in 2015-16: music (3 credits); world languages (4 credits); art (5 credits); and physical education and health (7 credits).

The breadth and scope of grade 9-12 credit course offerings made available to Pillager High School students in 2015-16 were comparable (perhaps on the low end) to offerings made available in high schools in State of Minnesota school districts with comparable critical student masses (200-300 students).

As delineated in the school district's **Pillager Huskies Senior High School Course Registration Guide, 2015-2016**, high school students may secure "enriched or college level courses in English, Social Studies, Science, Mathematics, Fine Arts, and Business." The

course registration booklet emphasized that “students who enroll in college courses can expect to work at a college level pace and cover more complex material in greater depth than in the standard high school courses.”

Pillager High School students may also register for on-line college courses through Lake Superior College and/or Central Lakes College. Participation in on-line college courses is available only to junior and senior students who “meet the eligibility requirements to receive college credit on-line.”

<b>TABLE 12</b> <b>PILLAGER SCHOOL DISTRICT #116</b> <b>CREDIT COURSE OFFERINGS, 9-12</b> <b>2015-16</b>	
<b><u>Discipline/Subject</u></b>	<b><u>Credits</u></b>
<b>Art</b>	<b>5</b>
<b>Business Education/Computers</b>	<b>15</b>
<b>English</b>	<b>20</b>
<b>Industrial Technology</b>	<b>8</b>
<b>Mathematics</b>	<b>17</b>
<b>Music</b>	<b>3</b>
<b>Physical Education &amp; Health</b>	<b>7</b>
<b>Science</b>	<b>21</b>
<b>Social Studies</b>	<b>21</b>
<b>World Languages</b>	<b>4</b>
<b>Total</b>	<b>121</b>

The Project Consultants concluded that Pillager School District #116 enhances course credit opportunities for high school students through enrollment in college level courses in the school district, on-line college courses in the school district, and post-secondary enrollment options, off-site, at post-secondary institutions of higher learning.

Typically, college level courses completed by high school students earn “dual credit.” That is, with the aforementioned courses, students are permitted to fulfill credit requirements applicable

to high school graduation and, also, amass college credits that will be accepted by all (or most) institutions of higher learning in Minnesota and other states.

The Project Consultants commend Pillager School District #116 for their organizational participation in collaborative arrangements with institutions of higher learning and area school districts for the purpose of enhancing curricular opportunities/course offerings to their students.

#### **4.4 Organizational Configuration**

Pillager School District #116's organizational configuration (grade level configuration) during the 2015-16 school year was a P/EC-K-4; 5-8; 9-12 grade level structure.

Pre-school, Early Childhood/Family Education, and grades K-4 are located in the elementary wing of Pillager School. Grades 5-8 students received instructional programs and services in Pillager School's middle school wing. The school district's grades 9-12 students are located in the Pillager School's senior high school wing.

In the main, general purpose and special education classrooms for elementary, middle, and high school students are located, respectively, in their organizational level wings. Elementary and secondary school students have separate lunch rooms provided. Select teaching/learning spaces are jointly (but separately) used by middle school and high school students, including industrial technology, physical education, art, and music.

As a result, of a high rate of general purpose classroom occupancy at the middle school and high school levels, select general purpose classrooms are used—on a limited basis—by **both** middle school and high school students (e.g. social studies; world language; science).

The Project Consultants viewed the school district's organizational configuration as sound and appropriate for instructional program and service delivery. That is, each of the wings of the Pillager School facility offers classrooms and support spaces that are appropriate to the students served. It is clear to the Project Consultants, however, through an examination of classroom utilization at the elementary, middle school, and high school levels that the school district's teaching/learning and support spaces are exhausted. This conclusion is verified through an examination of the school district's 2014-15 and 2015-16 secondary school master schedule. It is also verified through that which appears to be an increasing need to utilize select middle school or high school classrooms (when vacant for a single period) to accommodate a class section of high school or middle school students.

#### 4.5 Secondary School Schedules

Pillager High School operates a conventional 6 period schedule.

Period lengths at Pillager High School are 57 minutes in duration with 4 minutes allocated for passing. Period 1 convenes at 8:30 a.m., and Period 6 concludes at 3:00 p.m. The length of the school day for senior high school students is 6 hours and 30 minutes.

Pillager High School's lunch period is 30 minutes in length, extending from 12:30-1:00 p.m.

Pillager High School courses are structured on a semester (1 credit) or year-long (2 credit) bases.

Select middle school courses are offered on a quarterly or trimester basis.

#### 4.6 Instructional Support Services

Pillager School District #116's furnishes (or collaborates for) a broad and comprehensive array of instructional and support services for pre-school, school-aged, and adult populations that would be characteristic of Minnesota school districts with enrollments of similar or larger critical students masses than that which is found in the school district.

Instructional support services are typically defined as programs and services which extend beyond those dispensed by professional teaching staff members in the regular/general classroom setting during the regular school day (8:00 a.m.-3:00 p.m.).

Pillager School District #116's instructional and support services—as reported in Table 13—include programs and services delivered by specialist personnel (e.g. computer; music; physical education); special education programs and services (e.g. learning disabilities;

<b>TABLE 13 PILLAGER SCHOOL DISTRICT #116 INSTRUCTIONAL AND SUPPORT SERVICES (SAMPLE) 2014-15</b>	
<b>• Athletics</b>	<b>• Autism Spectrum Disorder</b>
<b>• Cheerleading</b>	<b>• Learning Disability</b>

• Dramatics/Plays	• Communication/Speech Disorder
• Speech	• Mental Disability
• Band/Marching Band	• Emotional/Behavioral Disability
• Choir	• Physical Disability
• Music Ensembles/Musicals	• Other Health Impaired
• Yearbook	• Psychological Services
• Newspaper	• Vision Services
• Dance Team	• Deaf/Hard of Hearing Disability
• Academic Competitions	• Physical Therapy
• Leadership Groups	• Occupational Therapy
• Clubs	• Early Childhood/Special Education
• Music Specialist	• Early Childhood/Family Education
• Physical Education Specialist	• School Readiness
• Library/Media Specialist	• Extended Day/Childcare
• Computer Specialist	• Adult Enrichment
• Guidance Counselor	• Youth Enrichment
• Nurse Service	• Youth Recreation
• Title I	• Senior Citizens
• ELL	• Cooperative Programming
• Pre-School Screening	• College in the School
• Pre-School	• Summer School
• Heat Start (collaborative)	• Pillager Area Family Center

adaptive physical education; speech disorder); community education programs and services (e.g. adult enrichment); programs and services for under-achieving students (e.g. Title I); pre-school and Early Childhood programs and services (e.g. School Readiness; Early Childhood/Family Education; pre-school screening); school-aged child care services (e.g. child care); co-curricular and extra-curricular activities (e.g. athletics; band; dramatics); and the like.

#### **4.7 Course Preparations**

The master schedules of Pillager High School for the **Fall Semester only** of the 2014-15 and 2015-16 school years were reviewed by the Project Consultants to ascertain the number of

course preparations assigned to full-time **regular** teaching staff members in grades 6-12 (2014-15) and grades 5-12 (2015-16).

As a general rule, full-time regular education teachers in Pillager High School are assigned five periods of teaching and one period of planning during each semester of the school year. (During the 2015-16 school year, it would appear that middle school teachers had been assigned four periods for instruction, one period for planning, and one period for advisory).

As revealed in Table 14, the Project Consultants found that 26 **regular** staff members appeared on Pillager High School’s 2014-15 **Fall** Master Schedule. Twenty-nine **regular** staff members appeared on Pillager High School’s 2015-16 **Fall** Master Schedule.

Table data delineate that, during the fall semester of the 2014-15 organizational year at Pillager High School, 5 regular education teachers were assigned 1-2 teaching preparations daily, while 17 regular education teachers were assign 3-4 teaching preparations daily and 4 regular education teachers were assigned 5-6 teaching preparations daily.

<p style="text-align: center;"><b>TABLE 14</b>  <b>PILLAGER SCHOOL DISTRICT#116</b>  <b>COURSE PREPARATIONS, 5-12</b>  <b>2014-15 / 2015-16</b></p>				
<b><u>Course Preparations</u></b>	<b><u>1-2</u></b>	<b><u>3-4</u></b>	<b><u>5-6</u></b>	<b><u>Total</u></b>
<b>2014-15</b>	<b>5</b>	<b>17</b>	<b>4</b>	<b>26</b>
<b>2015-16</b>	<b>10</b>	<b>14</b>	<b>5</b>	<b>29</b>

During the fall semester of the 2015-16 school year at Pillager High School, 10 regular education teachers were assigned 1-2 teaching preparations daily, while 14 regular education teachers were assigned 3-4 teaching preparations daily and 5 regular education teachers were assigned 5-6 teaching preparations daily.

The Project Consultants observed that, with the inclusion of grade 5 students and staff in the school district’s middle school organizational design at the onset of the 2015-16 school year,

middle school staff members, course offerings, and students assigned to grade 5 were included in Pillager High School's Fall (and Spring) Master Schedule.

The inclusion of grade 5 staff members and course offerings in Pillager High School's Master Schedule counted, in part, for the increased number of teachers assigned to 1-2 course preparations daily and the increase in the total number of full-time **regular education** teaching staff members in 2015-16.

The Project Consultants did not find significant variance in the number of course preparations assigned to Pillager School District's secondary school teachers than that which is found in other school districts of comparable size. (However, in an examination of course preparations assigned to regular education teachers in Pillager High School/Middle School, it would appear that the number of course preparations assigned in the school district was generally smaller in number than that which is commonly found in peer group school districts).

#### **4.8 Staffing**

The Project Consultants reviewed multi-year data from the Minnesota Department of Education on staffing trends in Pillager School District #116. Data analysis revealed that the school district's enrollment, total licensed professional staff, total licensed instructional staff, and students per licensed instructional staff had increased in a manner that was consistent with student enrollment growth over the six year period of time from 2007-08 (base year) through 2013-14. Evidence would suggest that the school district has monitored its student enrollment growth and increased regular and special education staff members to approximate student enrollment gains.

According to Table 15 data, Pillager School District #116's enrollment grew from 771 students in 2007-08 to 919 students in 2013-14, a gain of +148 students or +19.2%. During that same span of time, total licensed professional staff in the district grew from 65 to 73, a gain of +8 licensed professional staff members or +12.3%, while total licensed instructional staff increased from 54 to 63, a gain of +9 licensed instructional staff members or +16.7%.

Pillager School District #116's students per licensed instructional staff increased from 13.2 students/1 licensed instructional staff member to 14.6 students/1 licensed instructional staff member, a gain of +1.4 students/1 instructional staff member or +10.6%.

**TABLE 15**  
**PILLAGER SCHOOL DISTRICT#116**  
**STAFFING**  
**2007-08 / 2013-14**

<u>Year</u>	<u>2007-08</u>	<u>2013-14</u>	<u>Difference</u>	<u>% Difference</u>
<b>Enrollment</b>	<b>771</b>	<b>919</b>	<b>+148</b>	<b>+19.2%</b>
<b>Total Licensed Professional Staff</b>	<b>65</b>	<b>73</b>	<b>+8</b>	<b>+12.3%</b>
<b>Total Licensed Instructional Staff</b>	<b>54</b>	<b>63</b>	<b>+9</b>	<b>+16.7%</b>
<b>Students/Licensed Instructional Staff</b>	<b>13.2/1</b>	<b>14.6/1</b>	<b>+1.4/1</b>	<b>+10.6%</b>

The Project Consultants observed that, while Pillager School District #116’s students per licensed instructional staff member ratio has increased, the school district’s 2013-14 ratio of students per licensed instructional staff member (14.6/1) **trailed** the figure for the average of all school districts in the State of Minnesota (16.+/1). These data—along with the comparative regular instruction expenditures for Pillager School District and the average of all school districts in the State of Minnesota in Table 6-B—reflect that the school district’s staffing model, while desirable, is negatively impacting the organization’s financial cost/effectiveness.

#### **4.9 Community Education Programs and Services**

Pillager School District #116 operates a Community Education Program which serves pre-school, school-aged, and adult populations within the school district’s boundaries.

According to the school district’s 2013-14 audit report, the Community Service Fund received \$228,478 in revenue, expended \$246,302, and recorded a year-end fund balance of \$24,458. Between June 30, 2013 and June 30, 2014, the Community Service Fund balance decreased by -\$17,824.

The primary sources of Pillager School District #116’s Community Education Program revenue were from other local and county revenues (\$91,083), State sources (\$78,425), and local property tax levies (\$58,970).

The Community Education Program in Pillager School District #116 offers select—though limited—opportunities in adult education, adult enrichment, youth enrichment, youth recreation, and for senior citizens. Community events are a highly recognized facet of the Community Education Program in the community.

In the school district's newly-constructed Early Childhood Center are located an exciting array of programs and services which are available to Pillager School District #116's parents, pre-school youngsters, and school-aged students, including Early Childhood/Family Education, Early Childhood/Special Education, Head Start (provided through Bi-County CAP), Pillager Area Family Center, Home Visiting Program, Pillager Little Huskies Childcare Center (serving children 16 months to 5 years), Fun Stop School-Aged Care Program (serving school-aged students from kindergarten through grade 5), Pillager Area Food Shelf, Early Childhood Screening, and other services.

It should be noted that Pillager School District #116's Early Childhood/Family Education Program is supervised by an Early Childhood Center Coordinator. Furthermore, the school district's elementary principal is responsible for providing supervisory evaluation of staff members serving the four year old School Readiness Program and the school district's three year old Early Childhood/Special Education Program.

According to the 2014-15 Early Childhood/Family Education Annual Report, Pillager School District #116 enrolled 24 children. During that same year, 41 youngsters received Early Childhood Screening.

It should be noted that the Project Consultants received notification that enrollments in the School Readiness Program and Pre-School Program had been closed for the 2015-16 organizational year as a result of insufficient space to accommodate additional students.

#### **4.10 Special Education Programs and Services**

Pillager School District #116 is a member school district—along with 6 public school districts and 3 charter schools—of the Paul Bunyan Education Cooperative, headquartered in Brainerd, Minnesota. As stated on the Cooperative's website, "The Paul Bunyan Education Cooperative is an organization of area school districts that have joined together to compliment and expand existing educational opportunities."

The Paul Bunyan Education Cooperative staff provides administrative, supervisory, and coordination services, augmented by specialist personnel who provide assistance, consultation, and/or services in autism; communication impairment; Early Childhood; emotional and behavioral disability; occupational therapy; physical impairment; school psychology; traumatic brain injury; vision and mobility; and transitioning.

In general, Pillager School District #116 eligible special education students receive programs and services from 13 certified/licensed special educators. Among licenses held by Pillager School District #116's special education staff members are the following: learning disabilities, K-12; emotional behavioral disorder, K-12; MM mentally handicapped, K-12; Early Childhood/Special Education, B-6; developmental disabilities, K-12; pre-K-12 physical and health disability; and others. While nearly all eligible special education students receive programs and services in the home school district, select, few students may be provided services in an area school district (e.g. Brainerd Public Schools).

During the 2013-14 school year, 140 eligible students in Pillager School District #116 received special education programs and services. The following number of students received special education programs and services in the specified disability areas: 38 students (specific learning disabilities); 20 students (other health impaired); 18 students (speech and language disability); 18 students (emotional and behavioral disorder); 15 students (autism spectrum disorder); 18 students (developmentally delayed); 6 students (developmental cognitive disability—mild to moderate); 2 students (visually impaired); 2 students (hearing impaired); 1 student (developmental cognitive disability—severe to profound); 1 student (severe to moderate impairment); 1 student (physically impaired).

According to information provided by the Paul Bunyan Education Cooperative, the percentage of all Pillager School District #116's students receiving special education services in 2013-14 was 16.5%. The percentage of all students in member districts of the Cooperative receiving special education services in that year was 17.2%.

The Project Consultants concluded that, with the assistance of Paul Bunyan Education Cooperative, the school district operates a financially cost/effective special education program.

The Project Consultants toured all special education teaching/learning and/or consultation classrooms and spaces in Pillager School District #116. In the main, classroom and consultation spaces were adequate to good.

#### **4.11 Collaboration**

The Project Consultants found through interviews with the school district's School Board members, district administrators, Principals, and others that the organization cooperates and collaborates with other school districts, the State of Minnesota, select colleges or universities, businesses, non-profit organizations, sub-divisions of governmental entities, and other organizations and individuals in the delivery of its programs and services.

The Project Consultants concluded that it would be enhancing both to the school district and the City of Pillager if greater collaboration and cooperation between these two entities were to occur.

The Project Consultants concluded that the school district's pre-school and school-aged populations benefit because of the school district's pro-activity in encouraging the development of collaborative and cooperative initiatives with a broad spectrum of organizations and individuals.

#### **4.12 Strategic Plan**

The Project Consultants reviewed Pillager School District #116's **2015 Strategic Planning Project, 2015-2020**, document and studied the organization's priorities over a five year span of time.

Guided by the Big River Group, LLC, the school district's focuses in the Strategic Plan were as follows: (a) staff development; (b) increase student achievement; (c) increase effective use of technology; (d) improved extra curriculars, fine arts, and community education; (e) study and develop a plan for facility expansion; (f) retain and attract quality staff; and (g) remember how we got here: small town feel and class sizes.

Elements of the school district's Strategic Plan which focused on the organization's facilities were as follows:

- ◆ **Fine Arts Auditorium.**
- ◆ **Classroom Expansion.**

The Project Consultants concluded that Pillager School District #116 was well served by creating a timely Strategic Plan to guide its organizational planning in the future.

#### **4.13 Interview Perceptions**

The Project Consultants conducted interviews with the Superintendent of Schools, School Board members, Principals, other district administrative personnel, and informal conversations with select community patrons, parents, and staff members to secure perspectives about perceived strengths, needs, and priority ratings of Pillager School District #116.

The most frequently cited strengths of Pillager School District #116 among individuals interviewed were as follows: small town atmosphere; small class sizes; teachers; facilities; middle school; and others.

The most frequently identified needs/concerns of Pillager School District #116 among individuals interviewed were as follows: managing growth; open enrollment; need for additional facilities; budget/funding; hiring and retaining quality staff members; and others.

Individuals interviewed by the Project Consultants were asked to rate select quality factors/characteristics of Pillager School District #116 on a scale of 0 to 10 (lowest to highest). Respondents' assessments—when averaged—yielded the following quality ratings of organizational characteristics:

**Quality Factors/Characteristics  
2015**

<b><u>Factors/Characteristics</u></b>	<b><u>Average Rating</u></b>
<b>Quality of the school district:</b>	<b>8.3</b>
<b>Quality of the School Board:</b>	<b>6.8</b>
<b>Quality of the administration:</b>	<b>6.8</b>
<b>Quality of the staff:</b>	<b>7.3</b>
<b>Quality of programs and services:</b>	<b>7.2</b>
<b>Quality of organizational communication:</b>	<b>6.9</b>
<b>How burdensome do you believe the public believes school taxes are:</b>	<b>4.2</b>
<b>How likely is it that the public would approve a well-defined bond issue to improve the conditions of district buildings and grounds:</b>	<b>6.4</b>

## CHAPTER V SCHOOL FACILITIES

### 5.0 Introduction

Following the Project Consultants' examination of Pillager School District #116's district size, enrollment trends, finances, educational programs and services, staffing, and related issues, a context had been provided within which an assessment could be made of the condition of the school district's current facilities and their short-term and long-term usage.

### 5.1 Importance of School Facilities

Both private and public sector organizations and their leadership realize that the environment in which a process occurs and/or product is manufactured is supremely important to the organization's productivity, performance, and accountability and the level of quality of the process or product. School facilities provide the environment within which the teaching/learning process unfolds and the environment within which students either will or will not acquire skills, concepts, processes, and attributes necessary to function with distinction in the highly-competitive global economy that will characterize the 21<sup>st</sup> Century.

Surprisingly, it is only within the past three to four decades that school districts have given significant credence to the truism that school district facilities enhance or detract from the quality of delivery of educational programs and services to students and the achievement of those students.

To a significant degree, Pillager School District #116's **Organizational Facility Analysis Study** was focused on assessing the teaching/learning environments in which students either will or will not acquire the skills, concepts, processes, and attributes necessary to function with distinction in the highly-competitive global economy that will characterize the 21<sup>st</sup> Century; offering conclusions, alternatives, and recommendations to assist the School Board, Superintendent, administrative and teaching staffs, and community patrons strengthen their organization's cost/effectiveness; and, indeed, provide a framework within which the school district can retain a larger marketshare of its resident students and, as well, attract prospective parents, patrons, and students to the school district and communities in the future.

### 5.2 Guidelines for School Facilities

Presented below in Table 16 are Selected Guidelines for School Facilities—established by the State of Minnesota (Minnesota Department of Education)—which provide representative

benchmarks for school districts to use when undertaking new construction, renovation, and remodeling projects and/or comparative facility appraisals.

Detailed in the table are guidelines for school site acreage and (facility) square footage per student in modern-day elementary, middle, junior high, senior high, junior-senior high, and campus school settings.

It is to be noted that, in the renovation of existing, construction of additions to existing, and/or construction of new school facilities which are costed at \$1,000,000 or greater dollar value, school districts must prepare, submit, and meet statutory specifications in a Review and Comment document to the Minnesota Department of Education for assessment and approval by the Minnesota Commissioner of Education (or his/her designee). The contents of the Review and Comment document are carefully analyzed and weighed by the Minnesota Department of Education to insure that State of Minnesota school districts closely adhere to the “Selected Guidelines for School Facilities,” insuring that teaching/learning environments meet Federal and State standards, State of Minnesota building code, space requirements, modern-day design standards, construction materials specifications, and a host of other qualitative criteria.

<b>TABLE 16</b>			
<b>SELECTED GUIDELINES FOR SCHOOL FACILITIES</b>			
<b><u>School Enrollment</u></b>	<b><u>Elementary SF</u></b>	<b><u>Middle Level SF</u></b>	<b><u>High School SF</u></b>
<b>Less than 500</b>	<b>125-155</b>	<b>170-200</b>	<b>200-225</b>
<b>500-999</b>	<b>110-135</b>	<b>160-190</b>	<b>190-220</b>
<b>For Pool Addition</b>	<b>10-12</b>	<b>10-12</b>	<b>10-12</b>
<b>For Auditorium Addition</b>	<b>10-12</b>	<b>10-12</b>	<b>10-12</b>
<b><u>Site</u></b>	<b><u>Acreage</u></b>	<b><u>Square Foot Per Student</u></b>	
<b>Elementary</b>	<b>10</b>	<b>100 SF – 110 SF</b>	
<b>Middle School</b>	<b>20</b>	<b>48 SF or 25/1200 SF</b>	
<b>Junior High</b>	<b>25</b>	<b>36 SF or 25/900 SF</b>	
<b>Senior High</b>	<b>35</b>	<b>150 – 200 SF depending upon grade organization and enrollment</b>	

<b>Junior-Senior High</b>	<b>40</b>	<b>150-200 SF depending upon grade organization and enrollment</b>
<b>Campus (Several Schools)</b>	<b>40 – 60</b>	<b>32 SF or 25/800 SF</b>
<b>PLUS One acre for each 100 students of estimated capacity, including additions</b>		

### 5.3 Overview of the School District’s Facilities

At the time of the conduct of the **Organizational Facility Analysis Study**, Pillager School District #116 owned and operated a single teaching/learning facility, housing P/EC-K-12 students.

Table 17 below provides the dates of original construction of and additions to the school district’s teaching/learning facility; the grade level configuration of the building; facility square footage; 2014-15 enrollments; and 2014-15 square footages/student.

<b>TABLE 17</b> <b>PILLAGER SCHOOL DISTRICT #116</b> <b>OVERVIEW OF FACILITIES</b> <b>2014-15</b>					
<u>School</u>	<u>Dates</u>	<u>Type</u>	<u>Square Feet</u>	<u>Enrollment</u>	<u>Sq. Ft./ Student</u>
<b>Pillager #116</b>	<b>1940</b>	<b>K-12</b>	<b>4,959</b>	<b>975</b>	<b>205.1/sq.ft.</b>
	<b>1957</b>		<b>11,211</b>		
	<b>1966</b>		<b>2,057</b>		
	<b>1969</b>		<b>19,163</b>		
	<b>1973</b>		<b>15,748</b>		
	<b>1991</b>		<b>35,406</b>		
	<b>1998</b>		<b>35,771</b>		
	<b>2007</b>		<b>1,776</b>		
	<b>2008</b>		<b>9,862</b>		
	<b>2013</b>		<b>64,000</b>		
		<b>199,953</b>			

Pillager School is a P/EC-K-4, 5-8, 9-12 teaching/learning facility that is located in the City of Pillager. The facility was originally constructed in 1940 and received nine subsequent additions.

In 2014-15, the Pillager School facility furnished 199,953 square feet of teaching/learning, office, and support spaces for the student population of 975. During that school year, Pillager School afforded each of the 975 students an average of 205.1 square feet/student.

As revealed in Table 17, the largest additions to Pillager School occurred in 2013 (64,000 square foot secondary school addition); 1998 (35,771 square foot elementary school and high school addition); 1991 (35,406 square foot high school classroom and gymnasium addition); 1969 (19,163 square foot middle school gymnasium and locker room addition); 1973 (15,748 square foot elementary and high school classroom addition); 1957 (11,211 square foot elementary and high school classroom addition); and 2008 (9,862 square foot Early Childhood addition).

The layout of Pillager School congregates children involved/enrolled in pre-school, Early Childhood/Family Education, school-aged childcare, Head Start, and K-4 programs in the facility's eastern wing. In the main, middle school classrooms and programs are located in the school's north and central wing. Pillager High School students are situated, largely, in the facility's western wing.

Pillager School District #116 owns and has access to two temporary/portable classrooms which were unoccupied at the time of the conduct of the study. The square footage of the two temporary/portable classrooms is not computed as a part of the total facility square footage cited in Table 17.

#### **5.4 Facility Observations by the Project Consultants**

The Project Consultants toured Pillager School District #116's (unified) facility on three occasions.

The Project Consultants interviewed the school district's Head Custodian, Principals, and Superintendent of Schools on their perceptions of the capacity and current utilization of Pillager School.

One of the primary purposes of the Project Consultant's tours of Pillager School was to assess the **educational adequacy** of the facility.

**Educational adequacy** is a term employed by the Project Consultants to describe the capabilities of a school facility to enhance the delivery of modern-day programs, services, methodologies, and teaching experiences that will ensure the students are well-positioned to perform with distinction in a highly-competitive, global marketplace upon high school graduation and subsequent further training in an institution of higher learning (e.g. technical institution, college, university, military, or other).

Except in newly-constructed schools, most modern-day school facilities lack select components of **educational adequacy**, but in the main, they exhibit a significant majority of the following design components and characteristics:

- ◆ Adequate site size, including space for parking, playgrounds, athletics/recreational/community usage, transportation access, other.
- ◆ Provide safe and secure entries—including visual inspection—to deter intruders.
- ◆ Meet health, life safety, and access statutes and codes.
- ◆ Display modern-day electrical and mechanical systems.
- ◆ Display current technology, including voice, video, and data access.
- ◆ Provide adequate classroom and specialty room space per student.
- ◆ Provide custom-designed teaching/learning spaces for art, music, physical education, technology, special education, science, business education, technical education, family and consumer science, fitness, media, and the like.
- ◆ Are flexibly-designed to accommodate multi-purpose functions.
- ◆ Accommodate modern-day teaching methodologies and delivery systems, including team teaching, project-based learning, applied learning, cooperative learning, community-based learning, inter-disciplinary curricular delivery, performance-based assessment, co-located programming, inclusion model, resource-based model, multi-age level grouping, technology-based learning, peer tutoring, and the like.
- ◆ Provide adequate conferencing space.

- ◆ Furnish variable teaching/learning spaces, including independent study, small group, and large group spaces.
- ◆ Offer specialty spaces for teacher planning, teaming, and curriculum design.
- ◆ Offer a centrally-located, spacious, multi-purpose media center as the “hub” of the school.
- ◆ Provide teacher office areas.
- ◆ Incorporate contemporary equipment, furniture, and fixtures.
- ◆ Encourage before and after school usage by the community, while maintaining the integrity (security) of the school district’s properties.
- ◆ Facilitate usage of technology in the teaching/learning process.
- ◆ Other factors.

As the Project Consultants tour, review, and assess the **educational adequacy** of the school district’s schools, the comparative benchmark employed (by the Project Consultants) is/would be a typical, recently-constructed, mid-range costed, modern-day elementary school, middle school, or high school (as the comparisons may dictate) in the same state or general region (in this case the Midwest) of the United States. The Project Consultants examined each of the school district’s teaching/learning facilities in the light of the aforementioned **educational adequacy** components as those components would be found in the recently-constructed, modern-day school of like organizational level. Each school facility school component is ranked, employing the following coding system: Excellent (state-of-the-art); Good (definitely a higher quality than that which is typically found in most schools); Adequate (acceptable; workable; average, not necessarily deficient; not necessarily remarkable); Marginal (below standard; deficient); Poor (inadequate; unacceptable as a teaching/learning environment).

To provide a broad spectrum perspective for the reader in assessing a school district’s teaching/learning facilities, the Project Consultants would describe, for example, the educational adequacy of an “excellent” teaching/learning environment as follows: spacious; well lighted; modern-day flooring and ceilings; ample modern-day cabinetry; technology-laden (SMART

Board); modern-day furniture; flexible seating; adequate storage; and the like. By comparison, the Project Consultants would characterize the educational adequacy of a “poor” teaching/learning environment as follows: under-sized; antiquated flooring; antiquated, soiled, and, potentially, missing ceiling components; insufficient electricity; aged and/or insufficient storage; absence of technology; period-dated furniture; aged heating and ventilation system; period-dated and inadequate lighting; poor air quality; and the like.

Employing the specified guidelines, the Project Consultants toured the Pillager School teaching/learning, support, and office spaces and examined the building’s floor plan. The following notations were made by the Project Consultants regarding Pillager School’s adequacies and inadequacies:

### **Pillager School**

- ◆ The school is situated on an ample site.
- ◆ The school has quality, modern-day athletic and activity fields and support facilities.
  
- ◆ The school has modern-day, quality, “curb appeal.”
  
- ◆ The school has received recent, modern additions and recent internal modernization (ceilings; lighting; cabinetry; painting; carpeting).
  
- ◆ The school’s classrooms—in the main—have been provided with modern-day technology, including SMART Boards.
  
- ◆ The school’s Early Childhood Center displays excellent separation from other areas of the building; tile and/or carpeting; good storage; well appointed; spacious; good to excellent.
  
- ◆ The Early Childhood Center has a quality multi-purpose room; good.
  
- ◆ The Early Childhood Center provides three offices; conference room; sensory room; classrooms; spaces for childcare and pre-school programming; good to excellent.
  
- ◆ The school’s elementary cafeteria is a period-dated gymnasium; wood floor; stage; moveable tables; adequate.

- ◇ The elementary school's classrooms, in general, are spacious; storage; shelves; white board; cabinets; SMART Boards; tile or carpet flooring; adequate to good.
- ◇ The elementary school's kindergarten classrooms are spacious; storage; shelves; cabinets; white board; SMART Board; water; good to excellent.
- ◇ The elementary school's computer laboratory is a standard size classroom; periphery layout; Dell computers; adequate.
- ◇ The elementary school's gymnasium is spacious; wood floor; modern-day; good.
- ◇ The elementary school's office suite is well appointed; spacious; cabinetry; adequate seating; tile/carpet; offices; good to excellent.
- ◇ The elementary school's music classroom is spacious; SMART Board; moveable risers; practice room; acoustical treatment; storage; office; adequate.
- ◇ The school's library/media center is spacious; carpeted; well appointed; quality layout; adjacent computer laboratories (two); quality seating; adjoining offices; stacks; adjacent to Faculty Room; good to excellent.
- ◇ The school's faculty work room provides seating for 20; bathrooms; mailboxes; work space; copiers (two); adequate to good.
- ◇ The school's resource rooms are typically spacious; SMART Board; flexible seating; storage; appropriate teaching/learning appointments (as required); adequate to good.
- ◇ The school's shop is spacious; concrete floor; open ceiling; venting; welding stations; protective devices on equipment; broad, period-dated tables; adjacent office; work room; adequate.
- ◇ The school's art classroom is spacious; open ceilings; concrete floor; storage; exterior and interior lighting; kiln (ventilation); broad, period-dated tables; adequate.
- ◇ The school's computer laboratory; Hewlett Packard computers (50+) and printers; periphery seating; adequate.

- ◆ The school's science laboratories are modern-day; SMART Boards; cabinets; storage; white board; hood; venting; adjoining rooms; office; internal storage capacity; laboratory tables; good to excellent.
- ◆ The school's secondary school classrooms range from small to standard-sized; SMART Boards; storage; white boards; generally tile flooring; adequate to good.
- ◆ The middle school's gymnasium has two stations; wood floor; bleacher seating; modern-day; good to excellent.
- ◆ The school's high school gymnasium is modern-day; wood floor; bleachers; two stations; excellent.
- ◆ The school's commons/cafeteria is modern-day; flexible seating; spacious; individual or booth seating; concrete floor; excellent.
- ◆ The school's technology/business education classroom includes Hewlett Packard computers (28); SMART Board; white board; storage; carpeted; under-sized; adequate.
- ◆ The school's band/choir suite is spacious; acoustically treated; tile floor; quality storage; moveable risers; white board; lesson rooms (two); office; good to excellent.
- ◆ The school's middle school, high school, and Central offices are modern-day; spacious; quality reception areas; adequate seating; carpeted; storage; offices; support spaces; conference rooms; good to excellent.
- ◆ The Project Consultants found that Pillager School has limited general classroom capacity to accommodate future student enrollment growth **without** increasing class sizes and/or over-stressing existing classrooms.

## 5.5 General Obligation Bonds

The Project Consultants examined Pillager School District #116's annual audit for the 2013-14 organizational year in order to determine the dollar volume of General Obligation Bonds (GOB) payable at the conclusion of that year.

Pillager School District #116's principal payable on General Obligation Bonds at the conclusion of the 2013-14 organization year totaled \$16,680,000. The interest on those General Obligation

Bonds amounted to \$7,025,581. The school district's total (principal and interest) payable amount on General Obligation Bonds at the conclusion of the 2013-14 school year was \$23,705,581.

<b>TABLE 18</b> <b>PILLAGER SCHOOL DISTRICT #116</b> <b>GENERAL OBLIGATION DEBT</b> <b>2013-14</b>			
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>Pillager #116</b>	<b>\$16,680,000</b>	<b>\$7,025,581</b>	<b>\$23,705,581</b>

Pillager School District #116's General Obligation Bond debt was assessed by the Project Consultants as similar to that of the average of all school districts in the State of Minnesota.

**5.6 Capital Lease**

Based on information provided by the school district's annual audit, the Project Consultants learned that Pillager School District #116 entered into a lease/purchase agreement to construct and lease/purchase an Early Childhood Education Center in June 2007.

The original issue amount of the 2007 building lease was \$1,400,000. On June 30, 2014 the outstanding balance of that building lease was \$1,229,532. According to the terms of the lease, the school district would be obliged to make 38 semi-annual payments of \$48,000 with a final payment on February 1, 2027 of \$658,958.

The Family Center currently leases space in the Early Childhood Education Center at a cost of \$12,000 annually.

**5.7 Fine Arts Center**

One topic of discussion at the onset of the **Organizational Facility Analysis Study** was the perceived need for the future construction of a Fine Arts Center to serve the school district's students, parents, and community patrons.

During the course of 25 years of conducting over 400 studies of school districts, the Project Consultants have found that, with increasing regularity, school districts engaging in new construction have proposed to and received approval from their taxpaying publics to construct Fine Arts Centers for their school district and community uses. Such structures are assets to

instrumental music, vocal music, dance, and dramatics programs. Such facilities also provide quality gathering places for enhanced adult programming, performances, community meetings, guest performances, guest lecturers, school lyceums, civic meetings, and the like.

The Project Consultants assess that the future construction of a Fine Arts Center in Pillager School District #116 would prove to be a significant asset to the school district, community, and civic organizations.

During the course of the conduct of the study, the Project Consultants inquired of a number of school personnel, parents, patrons, and governmental officials, randomly, about their perceived support for the construction of a Fine Arts Center. While the Project Consultants' interactions on this topic were "admittedly random," it was notable that, while there would be strong support of a bond referendum to construct additional classrooms and support spaces, there would not be strong support for the construction of a Fine Arts Center. Consequently, if the school district were to consider conducting a future school bond referendum to include the construction of classrooms and support spaces **and** a Fine Arts Center, the Project Consultants would recommend that the Fine Arts Center issue be stated separately (on a future bond referendum ballot) from the addition of classrooms and support spaces.

## **5.8 Future Capital Improvement Project Priorities**

During the course of interviewing the school district's Head Custodian, the Project Consultants requested a listing of the organization's future capital improvement project needs. Among those capital improvement project needs identified were the following:

- ◆ Elementary roof repair and then total roof repair eventually.
- ◆ Air conditioning elementary gym.
- ◆ Air conditioning for the rooftop unit above old concession area.
- ◆ Air conditioning for IT room (needs to be replaced as is unrepairable, approximate cost \$4,000).
- ◆ Computer program to control the heating system for all of the old school classrooms; have no control.
- ◆ Hot water heater and boilers in new school need updates.
- ◆ Replacement skid loader; the one we have has seen its days.
- ◆ Replacement truck at some point.
- ◆ Replace lighting in wood shop area.
- ◆ Replace overhead door in wood shop.

- ◆ Cement pad for dumpsters.
- ◆ Cement strip by van garage.
- ◆ Storage shed where propane tank is currently located.
- ◆ Brown garage by elementary playground needs shingles replaced.
- ◆ Old varsity ball fields need new dugouts.
- ◆ Sidewalk repair new school.
- ◆ Classroom exit door replacements, especially in the middle school area.
- ◆ All classroom door locks will need to be replaced, as are getting worn out in the middle school and elementary areas.
- ◆ Many outside exit doors are rusted out and should be replaced in the next 2-3 years due to salt damage.
- ◆ Parking lot by Early Childhood should be blacktopped.
- ◆ Elementary lockers will need to be replaced in the next 2-3 years.
- ◆ Carpet in elementary and Early Childhood classrooms will need to be replaced in the next 1-2 years.
- ◆ Security cameras are needed in Early Childhood area as there are none; more cameras are needed on the outside of the school.
- ◆ New commons floor will need to be maintained.

## CHAPTER VI

### CONCLUSIONS AND RECOMMENDATIONS

#### 6.0 Introduction

Superintendent of Schools Mike Malmberg and the School Board of Pillager School District #116 identified the need to commission an independent, third-party, neutral firm to conduct an **Organizational Facility Analysis Study** to assess the school district's enrollment, enrollment trends, finances, programs, services, facilities, and other operational components for the purpose of enhancing organizational effectiveness, efficiency, and cost/effectiveness.

The **Organizational Facility Analysis Study** was intended to furnish the Superintendent of Schools and the School Board with study findings, conclusions, and recommendations which will assist the organization's leadership in future planning, intended to achieve short-term and long-term enhancements in effectiveness, efficiency, and cost/effectiveness of the school district's operations.

The Project Consultants delineated critical questions to aid in investigating the purpose of and needs for the Pillager School District #116 **Organizational Facility Analysis Study**. Those questions were as follows:

- ◇ What is the current status of the school district, including its enrollment, enrollment trends, finances, programs, services, staffing, organizational configuration, facilities, and related issues?
- ◇ What conclusions may be drawn about the effectiveness, efficiency, and cost/effectiveness of the school district's operations?
- ◇ What alternatives are plausible for increasing the effectiveness, efficiency, and cost/effectiveness of the school district's operations?
- ◇ What recommendations do the Project Consultants suggest be implemented to increase the effectiveness, efficiency, and cost/effectiveness of the school district's operations in the future?

#### 6.1 Conclusions

Based on data gathered, analyzed, and presented in the previous four chapters of the **Organizational Facility Analysis Study**, the Project Consultants offer the following, **most significant** conclusions regarding district size and enrollment trends, finances, programs, services, staffing, and facilities to the School Board and Superintendent of Pillager School District #116:

### **District Size and Enrollment Trends**

- ◆ **By State of Minnesota standards, the school district would be classified as a mid-sized critical student mass school organization.**
- ◆ **The school district's largest three-grade level enrollment span (grades 1-3) exceeded the smallest three-grade level enrollment span (grades 10-12) by +64 students or +34.0% in 2014-15. These figures illustrate that, over the course of the next decade, enrollment in the school district's high school will be significantly larger than currently exists.**
- ◆ **The school district's average grade level enrollment size, K-12, during the 2014-15 school year was 73.8 students/grade level. In that year, enrollments in grades 1, 2, 3, 4, and 5 exceed that average grade level enrollment figure.**
- ◆ **The school district's average daily membership grew by +226 students or +30.2% over the ten year span of time from 2004-05 to 2014-15.**
- ◆ **The Project Consultants concluded that the school district would be classified as a growing enrollment organization.**
- ◆ **The school district's enrollment is projected to grow from 975 students in 2014-15 (base year) to 1,058 students in 2018-19, a net gain in student enrollment of +83 students or +8.5%.**
- ◆ **The Project Consultants concluded that the school district should anticipate a continuing need to focus on planning for anticipated student enrollment, teaching and support staff, and programs and services growth.**
- ◆ **The organization's leadership will have cause to plan for the future expansion of teaching/learning, support, and office spaces to serve future student enrollment growth.**

- ◇ The school district realized the in-migration of +342 non-resident students, the out-migration of -183 resident students, and a net gain of +159 students in 2014-15 through the Minnesota Open Enrollment Options' Program.
- ◇ The Project Consultants concluded that resident students of the school district have benefited through the "in-migration" of non-resident students to the district.
- ◇ The Project Consultants concluded that the school district will continue to attract significant numbers of non-resident students through the Minnesota Open Enrollment Options' Program.

### Finances

- ◇ The school district's General Fund revenue was \$8,486,178 in 2013-14, while General Fund expenditures were \$8,842,930 in that same year. The General Fund balance in 2013-14 was \$1,272,192.
- ◇ Over the five year span of time from 2008-09 to 2013-14, the school district's General Fund revenue increased by +20.5% while General Fund expenditures increased by +.4%. During that span of time, the school district's General Fund fund balance grew by +4.7%.
- ◇ The school district has experienced (or will experience) three consecutive years of imbalanced General Fund budgets and three consecutive years of reduced General Fund reserves.
- ◇ The Project Consultants observed that the school district's regular instruction expenditures are likely most responsible for the organization's deteriorating reserves.
- ◇ In 2013-14, the school district was outspent by its peer group (the average of all like-sized school districts in the State of Minnesota) in the following cost categories: administration; career/technical education; special education instruction; instructional support services; pupil support services; operations and maintenance; and total P-K-12 operations. Pillager School District exceeded

**expenditures of all like-sized school districts in the State of Minnesota in 2013-14 ONLY in regular instruction.**

- ◇ **In 2013-14, the average of all State of Minnesota school districts' expenditures exceeded those of Pillager School District #116 in the following cost categories: administration; career/technical education; special education instruction; instructional support services; pupil support services; operations and maintenance; and total P-K-12 operations. In that same year, the school district outspent the average of all State of Minnesota school district ONLY in regular instruction and pupil transportation.**
- ◇ **The Project Consultants concluded that the school district, generally, operates as a highly cost/effective organization, though its regular instruction expenditures clearly exceed peer group and State of Minnesota standards.**
- ◇ **The Project Consultants concluded that, when compared to the average of all Minnesota school districts of like-size and/or the average of all State of Minnesota school districts, Pillager School District would be considered a low-spending educational organization.**
- ◇ **The school district's primary source of General Fund revenue in 2013-14 was the State of Minnesota (\$7,535,034 or 88.8% of General Fund budget). Local property tax in the school district during the 2013-14 fiscal year amounted to \$415,863 or 4.9% of all General Fund revenue.**
- ◇ **The Project Consultants concluded that, during the 2013-14 organizational year, the school district's taxpaying residents contributed approximately \$1 in each \$20 expended to support the organization's General Fund revenue.**
- ◇ **The school district's unassigned/unreserved General Fund balance decreased from \$1,250,006 in 2008-09 to \$697,143 in 2013-14, a loss of -\$552,863 or -44.2%.**
- ◇ **The school district is a party to contract services' agreements for student transportation services; janitorial services; and food service, nursing, secretarial, and educational assistant personnel.**
- ◇ **With the expiration of the school district's transportation contract services' agreement at the conclusion of the 2015-16 organizational year, the Project**

**Consultants recommend that the school district's leadership engage the services of a transportation consultant to conduct an examination of transportation routes to ascertain whether or not greater cost/effectiveness of that service could be realized.**

### **Educational Programs, Services, and Staffing**

- ◆ **The school district has displayed consistently (enviably) low elementary school class section sizes, minimally, for the past three years (2013-14, 2014-15, 2015-16).**
- ◆ **The vast majority of elementary class section sizes have ranged between 17-20 students/section.**
- ◆ **The Project Consultants concluded that low enrollment elementary school class section sizes result in increased staffing; increased staffing results in increased regular instruction expenditures. The school district's regular instruction expenditures are significantly higher than those of the average of all Minnesota peer group school districts and the average of all State of Minnesota school districts.**
- ◆ **During the 2014-15 school year, the school district's secondary schools operated 122 secondary course sections or 85.9% of all such sections with student enrollments of 25 students or less.**
- ◆ **The Project Consultants rated the school district's secondary school course sections as highly desirable but, generally, cost/ineffectively low.**
- ◆ **In 2015-16, the school district made available 121 credit course offerings to its secondary school students. Course offerings were made available in ten disciplines.**
- ◆ **The Project Consultants concluded that the breadth and scope of grade 9-12 credit course offerings made available to High School students in 2015-16 were comparable (perhaps on the low end) to offerings made available in State of Minnesota school districts with comparable critical student masses (200-300 students).**

- ◆ **The Project Consultants viewed the school district’s organizational configuration as sound and appropriate for instructional program and service delivery.**
- ◆ **The Project Consultants—through an examination of classroom utilization at the elementary, middle school, and high school levels—concluded that the school district’s teaching/learning and support spaces are exhausted. This conclusion was verified through observation and examinations of two years of secondary school master schedules.**
- ◆ **The school district has a broad and comprehensive array of instructional support services for pre-school, school-aged, and adult populations that would be characteristic of Minnesota school districts with enrollments of similar or larger critical student masses than that which is found in the school district.**
- ◆ **Over the six year span of time from 2007-08 through 2013-14, the school district’s student enrollment increased by +19.2%; total licensed professional staff increased by +12.3%; total licensed instructional staff increased by +16.7%; and students/licensed instructional staff increased by +10.6%.**
- ◆ **The Project Consultants observed that, while the school district’s students per licensed instructional staff member ratio has been increasing, the organization’s 2013-14 ratio of students per licensed instructional staff member (14.6/1) trailed the figure for the average of all school districts in the State of Minnesota (16.+/1). These data reflect that the school district’s staffing ratio is better than/more expensive than the average of all school districts in the State of Minnesota in that year.**
- ◆ **The school district operates a highly commendable Early Childhood Center which provides an array of programs and services for school district residents, including Early Childhood/Family Education, Early Childhood/Special Education, Head Start (provided through Bi-County CAP), Pillager Area Family Center, Home Visiting Program, Pillager Little Huskies Childcare Center, Fun Stop School-Aged Care Program, Pillager Area Food Shelf, Early Childhood Screening, and other services.**
- ◆ **The Project Consultants observed the high level of cost/effectiveness of the school district’s special education program. Participation by the school district in**

**the Paul Bunyan Education Cooperative has proven beneficial to the school district.**

- ◆ **During the 2013-14 school year, 140 eligible students in the school district received special education programs and services.**
- ◆ **The percentage of school district students receiving special education services in 2013-14 was 16.5%, a figure that was favorably lower than the 17.2% of all students in member school districts of the Paul Bunyan Education Cooperative who received special education services in that year.**
- ◆ **The Project Consultants found a high degree of school district participation in collaborative ventures with other public and private and profit and non-profit organizations.**
- ◆ **The Project Consultants concluded it would be enhancing both to the school district and the City of Pillager if greater collaboration and cooperation between those two entities were to occur.**
- ◆ **The Project Consultants concluded that the school district's pre-school and school-aged populations benefit from the school district's pro-activity in encouraging the development of collaborative and cooperative initiatives with a broad spectrum of organizations and individuals.**
- ◆ **The school district is commended for having recently completed a quality Strategic Planning Project.**
- ◆ **The Project Consultants observed that the school district has identified and begun expanded initiatives in strengthening staff development and curriculum development processes.**

### **School Facilities**

- ◆ **The school district operates the Pillager School, a P-EC-K-4, 5-8, 9-12 teaching/learning facility, located in the City of Pillager.**
- ◆ **Pillager School was originally constructed in 1940 and received nine subsequent additions. During the 2014-15 organizational year, the facility furnished 199,953**

square feet of teaching/learning, office, and support spaces for a student population of 975.

- ◇ In 2014-15, the school provided 205.1 square feet for each of its 975 students. (That square foot/student figure has diminished with the population increase experienced by the school district at the onset of the 2015-16 school year).
- ◇ The Project Consultants concluded that, when comparing the square foot/student figures available in Pillager School to the Selected Guidelines for School Facilities of the Minnesota Department of Education, the school district's facility is revealing "space stresses."
- ◇ The school district has two temporary/portable classrooms which were unoccupied at the time of the conduct of the study.
- ◇ The Pillager School layout/design is accommodating to the school district's organizational configuration, providing—insofar as is possible—separation between/among Early Childhood, elementary school, middle school, and high school students and programs.
- ◇ Pillager School is a modern-day, quality, well-designed teaching/learning facility with high "curb appeal." The school is situated on an ample site and has quality, modern-day athletic and activity fields and support facilities.
- ◇ In the main, the Project Consultants rated the Pillager School as having "good" educational adequacy.
- ◇ The school district's Early Childhood Center is particularly noteworthy for its design, program collaboration, fulfillment of community needs, and its array of programs and services.
- ◇ The Project Consultants found that Pillager School has limited general classroom capacity to accommodate future student enrollment growth without increasing class sizes and/or over-stressing existing classrooms.
- ◇ The school district's principal payable on General Obligation Bonds at the conclusion of the 2013-14 organizational year totaled \$16,680,000.

- ◆ **The Project Consultants assessed that the school district's General Obligation Bond debt was similar to that of the average of all school districts in the State of Minnesota.**
- ◆ **The Project Consultants assessed through conversations with school district and buildings and grounds' personnel that there are numerous capital improvement projects that will need to be undertaken over the course of the next 3-5 years.**
- ◆ **The Project Consultants concluded that it will be essential for the school district to address the emerging need for the construction of additional classrooms at the elementary and secondary school levels to accommodate current and future student enrollment growth.**
- ◆ **The Project Consultants recommend the school district engage the services of an architectural firm to institute a school facility planning process as expeditiously as possible.**