

**School Board Meeting:**

**November 23, 2015**

**Subject:**

Enrollment Projection Report

**Presenter:**

**Gary Kawlewski**

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**SUGGESTED SCHOOL BOARD ACTION:**

For Board Review Only.

**DESCRIPTION:**

Review of K-12 Enrollment as of Oct. 1st

The school district's enrollment growth came to a halt in the 2009-2010 school year. For 2015-16, Buffalo-Hanover-Montrose's K-12 enrollment went down 55 students from the previous year. The five-year growth average is decreasing and is currently at -19.2 students/year. Total enrollment decline for the past five years is -96 students or -1.67%.

The enrollment as of October 1<sup>st</sup> was 5,664. This number will be different from the official October 1<sup>st</sup> seat count from the Minnesota Department of Education. For internal purposes, students considered post-secondary or shared time are adjusted down in our internal monthly enrollment reports. Once the official October 1<sup>st</sup> enrollment report is on MDE's website, the enrollment number could be 20-30 students higher.

Open Enrollment History

The district typically loses more students than it gains in open enrollment. The downward trend continued, and the district experienced a net loss of 491 students through open enrollment and tuition for the 2014-2015 school year. The net loss was 421 for the previous year. Tuition students are resident students but attend another district through tuition agreements such as Wright Technical Center or MAWSECO. The district receives the general aid on the tuition students but then forwards the aid to other tuition districts. All numbers are net of non-public school students.

The district lost the largest portion of open enrollment students to Rockford and Delano (-277) and gained the most open enrollment students from Maple Lake and St. Michael-Albertville (+24). If we take a look at individual grade levels, no grades showed net gains in open enrollment.

Fall vs. Spring Enrollment

Historically, the district's K-12 enrollment decreases from October 1<sup>st</sup> to June 1<sup>st</sup>. Most of the enrollment drop happens in grades 9-12. The percentages of enrollment drops in grades 9-12 have been pretty consistent for the last five years. The district has had only two years of enrollment growth during the school year over the last 19 years (2000-01 and 2001-02) which are not shown on this graph in the presentation. After seeing the November 1<sup>st</sup> enrollment report, we are up 7 students. However, history has shown that this trend of losing student enrollment during the year is likely to continue.

### Review of 2015-16 Enrollment Projection

The 2015-16 enrollment projection of 5,689 was overestimated by 25 students. As I mentioned earlier, the October 1<sup>st</sup> counts (5,664) adjust down post-secondary and shared time students to only include the instructional time at the school district.

### 2016-17 Enrollment Projection

The district uses the SchoolFinances.Com enrollment projection model. In projecting enrollments, there are three different data sets available: October 1<sup>st</sup> MARSS submission, end of year ADM, or district data. The end of year ADM data includes tuition students where the student resides in the district but attends another school. The state aid comes to the resident school district, then the other school district bills that resident school district for the state aid. Because tuition students are included in the end of year ADM data, it makes the enrollment data inflated. A similar issue occurs with the October 1<sup>st</sup> MARSS data. The enrollment data submitted to the State includes post-secondary and shared time students. The district data option is the third option and allows schools to enter enrollment history taken at any time. For example, this option could be used by entering in our enrollment history that adjusts the post-secondary and shared time students as of any date. I will be using the district data as of October 1<sup>st</sup>.

The next step is to project kindergarten students. There are now five different methods to pick from: hold constant, linear projection, county birth, zip code method and a district-determined method. In reviewing the Wright County resident births, the overall number of recorded births, which predicts future kindergarten enrollment, is down for the next three years. Keep in mind that these are Wright County resident births from 2010-2014. For the first time in recent history, we actually saw an increase in the number of Wright county births with an increase of 12 which increases the latter year projection for kindergarten. We continue to see building permits issued in Buffalo, Hanover, and Montrose, although at about the same levels as the last several years. In our growing years, we have enrolled 26-33% of the Wright County resident births. The percentage of resident births enrolled is dropping. For October 1, 2015, we were at 19.5%. I tried to project what kindergarten enrollment numbers would look like if we averaged the last three years which is 19.7%. We would, then, stay with that percentage of the Wright County resident births enrolled at our district for the next five years. This number is the same as the 4-year average so it feels fairly accurate. For 2015-16, our kindergarten numbers were slightly below the projection by 5 students. I am hoping that we will be able to beat the kindergarten enrollment projected for the next five years.

Now we start looking at K-12 enrollment projections by looking at a variety of methods.

**Cohort survival method** uses a ratio computed for each grade from the previous year. This is accomplished by dividing the current enrollment in one grade by the previous grade in the previous year. Cohort ratios are calculated using 1-7 years of enrollment history. For example, a cohort ratio using five years of enrollment history would produce a ratio of the enrollment that occurred

five years ago to the enrollment that occurred six years ago. In rapid growth, this methodology may produce projections that are too optimistic.

**Weighted cohort survival method** uses a ratio computed for each grade level from the previous year as well as by dividing the current enrollment in one grade by the previous grade in the previous year. The ratios are weighted to bias the prediction in favor of the most recent year's results. In rapid growth, this methodology may also produce overly optimistic results.

**Numerical survival method** uses a simple grade-to-grade progression without calculating a ratio. A multiple year average of the enrollment change is added or subtracted to the enrollment in a grade to project future enrollment. In rapid growth, this model may produce projections that are too conservative.

**Weighted numerical survival method** uses grade-to-grade progressions like the numerical survival method, but also employs a weighted average to give greater influence to recent years' results. In rapid growth, this methodology dampens the projections slightly.

**Merged method** is a combination of all previous methods.

There are eighteen different variations to pick from. I examined a combination of up to five different models at one time. I pulled out the five methods that gave us the high, the low, the mid-point, and two models that pick points equidistant from the midpoint model. The following five were selected for detailed analysis: 4-Year weighted numeric average, weighted ratio 5th year, merged method, ratio 2<sup>nd</sup> year, and ratio prior year. From the five methods, I selected the Merged Method. That model predicts a total K-12 enrollment of 5,624 students for 2016-17, a decrease of 40 students from this year. Some of the factors considered when selecting a method were the current housing market, economic conditions, Wright County births, open enrollment, and budget reductions. We try to look for a mid-range option for projecting our enrollment trends

The future enrollment projections are portrayed by grade grouping. Since BHM schools has historically been a growing district and continues to be growing on a total resident population basis, we continue to look at some of the school building capacities:

BHS – 1,935	PHX – 64	PRIDE – 25
BCMS – 1,375	Elementary – 3,200	

The building capacities listed are optimum capacities and can be stretched a little bit. The enrollment projections show that we will continue to see similar higher numbers at the middle school. It shows that we will have a similar higher end number of students at the high school for 2017-18, 2018-19, and 2019-20. The recently approved bond issue will address some of these concerns at the high school and at the middle school to a certain degree.

Finally, the weighted average daily membership (WADM) projection shows a decline in student aid. 2015-16 is the third year of the revised pupil unit weightings by the Minnesota Department of Education. Keep in mind the district's enrollment history

tends to decline from October 1<sup>st</sup> to June 1<sup>st</sup>. Therefore, slightly more conservative numbers will be used in the January financial forecast.

**Attachments:**

Attachment 1: Enrollment Nov15