

Note: Figures listed denote available capacity, not proposed pupil enrollment. Progression arrows indicate elementary schools feed into middle schools however, all scenarios may not be shown.

Key Features of Option 1B:

- Similar to Option 1A – maintains K-5, 6-8, and 9-12 grade level structure
- Reduces schools in operation from 12 to 9
- Closes additional building - Miller ES – less excess capacity
- Constructs a new elementary for grades K-5
- Constructs larger addition at Buck ES

Advantages:

- Provides for increased annual operational savings (20%+) over Option 1A
- Excess pupil capacity is reduced, better reflecting future enrollment decreases
- Higher capital cost avoidance savings
- Greater income potential from the sale of 4 closed schools

Disadvantages:

- Two school sites are closed in the Levittown area will be viewed as a negative by residents.
- Closure of Miller could be subject to PDE reimbursement rebate due to 1996 project.
- Higher project cost results from larger Buck ES addition reduced available funds to \$11 million for capital upgrades at other schools

Please visit www.Neshaminy.k12.pa.us for further information

Enrollment & Regular Ed Capacity		
K-5 Practical Capacity	3,908	
K-5 Enrollment (2014/15)	3,728	95.4% utilization
K-5 Enrollment (2020/21)	3,480	89.0% utilization
K-5 Buffer in 8 years	428	11.0% capacity

Direct Construction Costs	
Construction Cost	\$ 39,319,050
Est. State Aid	\$ 3,775,659
Local Effort	\$ 35,543,391
Est. Annual Debt Service	\$0 tax impact
by refinancing existing debt @ lower interest	

Anticipated Indirect Cost Savings	
District-Wide SF Reduction	7.46 %
Operations & Maintenance Savings	\$ (378,656)
Minimum Support Staff Savings	\$ (1,264,865)
Minimum Teaching Staff Savings	\$ (880,328)
Annual Savings (Present Value)	\$ (2,523,849)

NSD Budget Impact	
Annual (Year One)	\$ (2,523,848)
Annual (Escalated to 10-Year Average)	\$ (3,293,049)
20 Year Escalated Impact	\$ (65,980,980)
Estimated Income from Building Sales	\$ 4,185,720
Avoided Capital Upgrade Expenditures	\$ (22,831,999)

Neshaminy School District

Optimizing Our District: What you need to know...



The Neshaminy School District now has a state-of-the-art high school to support the education of young adults in this modern competitive world. Thanks to our community, this facility will accommodate our young adults for the next 20 years. But our district is still **carrying the costs of excess space** in the lower grades for the same number of students as we had 20 years ago.

Since the 1970s, our K-5 enrollment has declined from over 7,000 elementary students to less than 3,800. Even with cost reduction measures, we are still financially **absorbing the costs associated with this excess capacity**. Demographic studies and the PA Department of Education both predict that our enrollment should decline even further over the next 10 years. Our budget issues have been further strained by **recent aid reductions** from the State, as well as newly imposed spending limitations.

The Neshaminy School District needs to **right-size its facilities** to reduce its operations budget to prevent further impacts on instructional programs and to improve

the educational conditions for the students we have rather than maintaining buildings which are no longer needed. In doing so we will be allowing our children a **greater range of educational opportunities** (such as Science & Technology based STEM programs) than we can at present.

In response the Board in the Spring of 2012 formed an **Ad Hoc Committee** to study these issues. The Committee has now developed two options and is seeking input and has scheduled a series of meetings for interested taxpayers & parents to be held at the District Offices.

Community Input Timeline (Meetings at 7:00PM):

- Committee Input meeting Nov 7
- Committee Input meeting Nov 14
- Committee Input meetings Early to Mid-Dec
- Committee Recommendation to Board ... Jan 8, 2013
- Act 34 Public Hearing on the Project Feb 2013
- Public Comment Period. Feb-Mar 2013
- Elementary Building(s) to Close Jun 2015
- Completion of Construction & Redistricting Aug 2015

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Why does the District need to make a radical change?

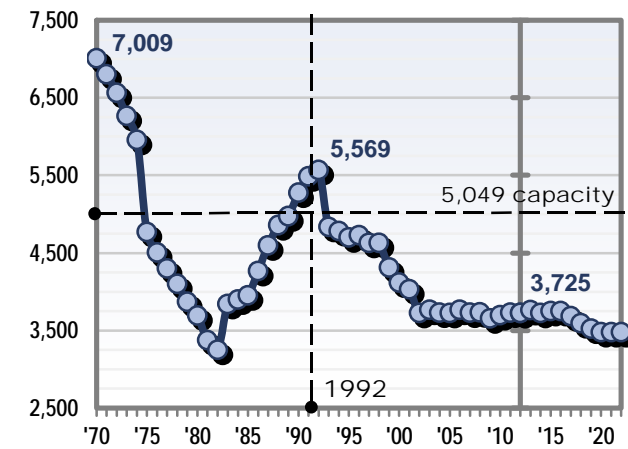
Maintain Educational Programming: Facility restructuring will directly result in **staff and operational savings of between \$2.0 and \$2.5 million annually**. These savings can be used to maintain and even enhance educational programs.

Capital Cost Avoidance: By reducing the total area of facilities to match our actual need, we can **eliminate more than \$18 million in capital upgrades**.

Low Construction Costs: We have an opportunity to take advantage of **favorable construction costs** due to the slow construction market.

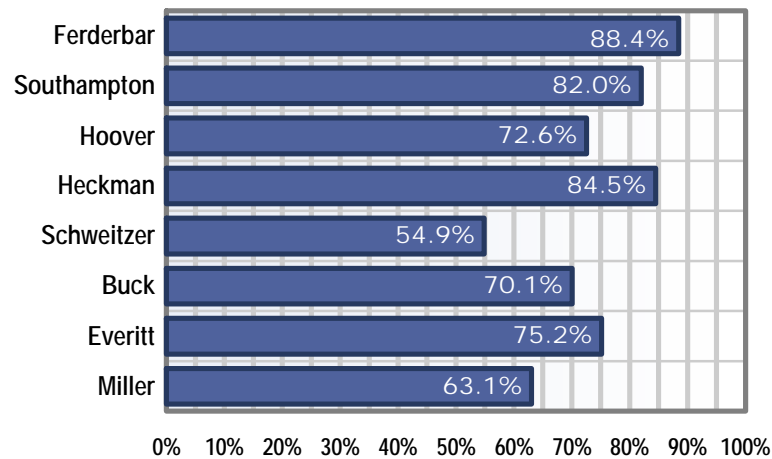
Low Interest Rates: Our project can take advantage of historically low interest rates and combined with the refinancing of existing debt, will allow us to pursue either one of these options **at no taxpayer cost**. This timely circumstance will also allow implementation of elements of the capital facilities plan including **installation of air-conditioning in all remaining buildings**.

50 Year K-5 Enrollment Trends



INTO THE FUTURE...	K-5	
Enrollment for 2014/15 (McKissick Projection)	3,728	73.8% utilization
Enrollment for 2020/21 (McKissick Projection)	3,480	68.9% utilization
Enrollment for 2020/21 (PA Dept of Ed. Projection)	3,028	60.0% utilization

K-5 Building Utilization 2012/13



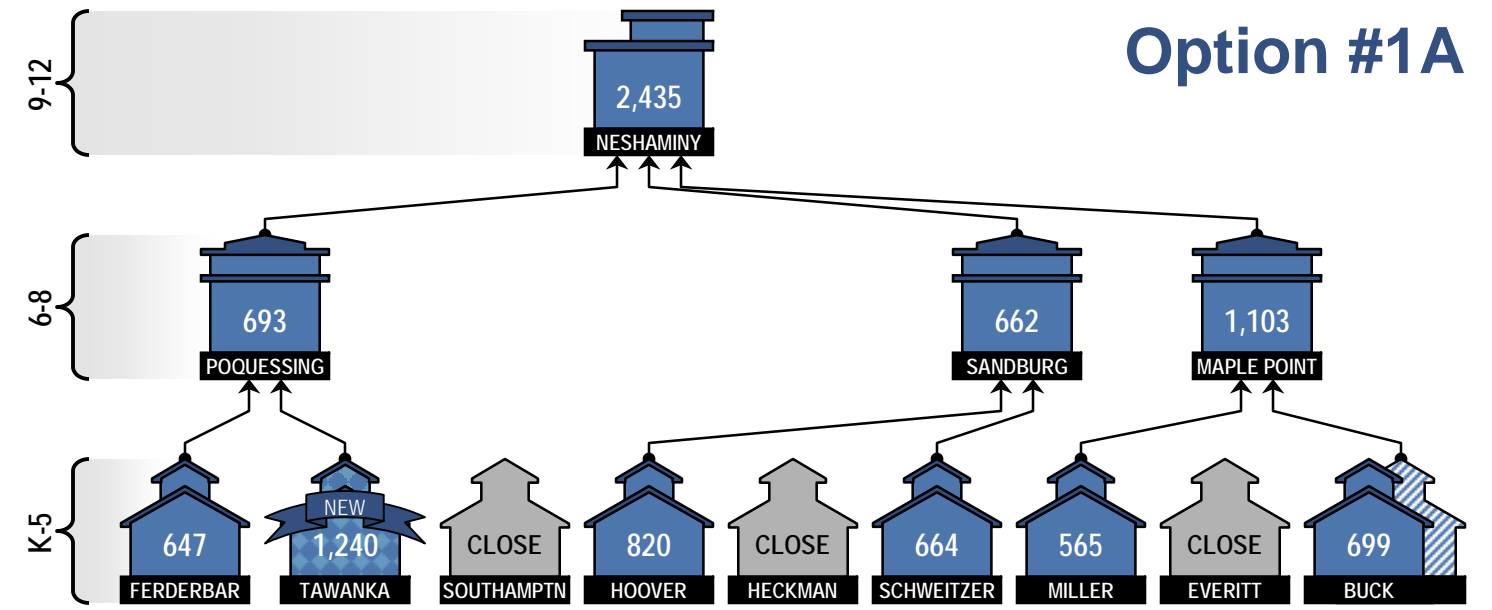
Identifying Opportunities:

The school district first undertook a feasibility study and geographic information system (GIS) analysis in 2007. The study identified current student population as well as growth for the next 10 to 20 years by geographical area and compared this with actual classroom capacity and utilization by building.

Seventeen (17) options were presented to address the broader issues of the district. These findings resulted in immediate cost-saving measures such as the closing and sale of the former Neshaminy Middle School and the removal of 24 excess modular classrooms from various school sites.

In the spring of 2012, with updated GIS data and detailed indirect cost estimates, the school board established an ad hoc committee to study four of the original options. In October 2012, the **Board Ad Hoc Committee selected Options 1A and 1B for further study and development.**

CURRENTLY...	K-5	
Total Practical Capacity	5,049	73.8% utilization
<i>"Practical" capacity represents class sizes as established by the district which may differ from the Department of Education recommendations.</i>		
Practical Capacity without IU & NSD Special Education Rooms	4,553	81.8% utilization
<i>Special education rooms are full-size classrooms which are always available for pull-out use but not typically occupied full-time or by a full sized class.</i>		
Current Enrollment	3,725	



Note: Figures listed denote available capacity, not proposed pupil enrollment. Progression arrows indicate elementary schools feed into middle schools however, all scenarios may not be shown.

Key Features:

- Reduces schools in operation from 12 to 10
- Maintains K-5, 6-8, 9-12 grade level structure
- Reduces excess pupil capacity by closing 3 elementary schools
- Constructs a new elementary for grades K-5
- Constructs addition to Buck ES

Advantages:

- Least expensive construction option
- Minimal disruption of attendance areas
- Provides for ongoing yearly operational savings to enhance educational programming
- Can utilize the existing Tawanka site for new building – optimal location
- After refinancing, a \$16 million buffer will be available to address capital projects including provision of air conditioning at other schools

Disadvantages:

- Does not maximize operational cost reductions
- Not as flexible relative to future enrollment decreases as Option 1B

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Enrollment & Regular Ed Capacity		
K-5 Practical Capacity	4,635	
K-5 Enrollment (2014/15)	3,728	80.4% utilization
K-5 Enrollment (2020/21)	3,480	75.1% utilization
K-5 Buffer in 8 years	1,155	24.9% capacity

Direct Construction Costs	
Construction Cost	\$ 34,736,619
Est. State Aid	\$ 3,775,659
Local Effort	\$ 30,960,960
Est. Annual Debt Service	\$0 tax impact
by refinancing existing debt @ lower interest	

Anticipated Indirect Cost Savings	
District-Wide SF Reduction	4.74 %
Operations & Maintenance Savings	\$ (217,416)
Minimum Support Staff Savings	\$ (793,132)
Minimum Teaching Staff Savings	\$ (880,328)
Annual Savings (Present Value)	\$ (1,890,876)

NSD Budget Impact	
Annual (Year One)	\$ (1,890,876)
Annual (Escalated to 10-Year Average)	\$ (2,467,164)
20 Year Escalated Impact	\$ (49,343,280)
Estimated Income from Building Sales	\$ 3,058,840
Avoided Capital Upgrade Expenditures	\$ (18,859,114)