

**Methacton School District--PEL Response to Claims Made at First Day of the Public Hearing to be Offered on the Second Day (February 25, 2015)**

The Pennsylvania Economy League would like to respond to several concerns regarding our enrollment projections for Methacton that were expressed by some members of the public in the course of Monday's portion of this hearing.

In terms of qualifications, PEL has 30 years of experience in projecting enrollments for Pennsylvania school districts and has conducted more than 175 of these studies. Further, we have maintained an accuracy rate that is higher than industry standards.

We can comfortably say that the study and the resulting projections are sound and the methodology mirrors the most commonly used process for projecting school enrollments. Yes, the methodology is simple and straightforward, but, most importantly, it produces reliable projections in almost every case.

I will briefly highlight several key items and some misconceptions and misinterpretations that we would like to clarify, and then provide additional details.

- Regarding annual births, it was claimed that births for only the two most recent years were factored into the model. In fact, all available births were used.
- It was also stated that birth figures used in the study were down because of the recent recession. Actually, births began to decline in 2001.

- It was stated that the methodology does not recognize all pupils entering the school system, such as those who may have been adopted. The process does capture these individuals.
- It was claimed that about 350 residential units were ignored in developing the methodology; this is not the case.

Now, turning back to annual births... We used all available historical births for the district through 2013--the most recent year for which figures were available. This means that kindergarten enrollments during the next four years are based on births that have already occurred in the district; for the remaining years, births were estimated based on your experience in the two most recent years. These estimated figures will drive kindergarten entries starting in 2019-20.

The effect of using the average birth figure of the *four* most recent years is presented in the latter part of Chapter 5. It results in just modestly higher elementary enrollments than the projections based on the two-year average.

Also, with regard to annual births, it was stated that the birth figures used in the study were "post-recession" and were only as low as they were because of the recession. It needs to be pointed out that births began to decline immediately after the 2000 school year and by 2007 had already dropped by 59 or 15.5%. In the subsequent years, births fell by another 35 or 10.9%. In all, births are down in 9 of the past 13 years and are 94 or 25% lower than in 2000. This is a key reason your enrollments are down by almost 500 and more than 9% in the past seven years and why they will continue to decline

As an aside, it should be noted that declining student population is not unique to Methacton. I checked our three most recent enrollment studies and found decreasing enrollments to be the case--although in each of these districts, unlike Methacton, births did not begin to decline until about 2007 and total enrollments are just beginning to drop into of the districts; the other began to fall in 2009. You have been on the decline since 2007.

With regard to the relationship between kindergarten entries and births in the district 5 years prior, it should be clearly stated that these figures capture the movement--in the aggregate--of preschool-age children out of and into of the school district (including children that may have been adopted). The relationship also captures the impact of parents opting for alternative opportunities at the kindergarten level.

It is true that in developing our model we relied on the relationship between kindergarten entries and births in just the two most recent years. Had we used the experience of the three, four, or five most recent years, the result would have been fewer kindergarten entries in all future years.

The Grade Progression Ratios used in the report are designed to capture the collective net impact of all children relocating from and to the district as they move through the grades, those moving into and out of nonpublic schools, home schools, charter schools, and/or special programs, those that may be held back, dropouts, etc.

The second broad issue involves the role of housing in our analysis and model. The primary purpose for tracking recent housing growth and identifying the pipeline of new residential construction is to learn whether the pace of housing

growth will be accelerating or decelerating compared with the recent past-- and by how much, or whether growth is remaining fairly steady.

There was no intent to directly link future enrollments to housing--so, we did not error by overlooking or ignoring the 350 or so residential units in the pipeline. Housing patterns are used to help establish some of the fundamental elements of a model--for example, the relevant number of years of cohort survival rates and grade progression ratios that should be reflected in the model.

Based on our experience, an attempt to directly link future enrollments to anticipated new housing units is not only impractical but, extremely unsound.

As indicated in a Table 2-6 of the study, changes in enrollments do not necessarily follow directly from changes in the number of new residential units constructed.

Further, in our view it is wrong to simply take the number of non-age-restricted units in the current pipeline and multiply them by the average number of public school enrollments generated by each housing unit--or any other factor, for that matter--in order to produce the number of children to be added to the district's enrollment. There are many other influencing factors in play.

For example, while new housing might bring additional children into the public school system, concurrently there are mature residential units with graduating seniors and are transitioning to empty nests and, therefore, will be joining with others that are producing zero children for the school system. This can offset all or part of the gross gain from the new housing. These new units might well produce numerous new public school children, but what is happening in the district's other 13,000 units must be taken into consideration, as well.

Historically, the net effect of this (and other factors) is that since the year 2000 there has been a drop in the average number of public school children per housing unit from 0.449 to 0.375. So, while the number of housing units may have gone up by 2,300 in the intervening years, the average number of children produced by each of them has dropped, and enrollments were up by just a net of 162. If we went back to 2000 and look forward and if the number of children produced by each housing unit at that time had been applied to the 2,300 new residential units that were built, they would have been expected to generate more than 1,000 pupils--instead, the actual increase was only 162.

**PEL continues to remain confident that the projections offered in its report are as reasonable, realistic, and reliable as possible in light of the available facts, and—based on our experience, the indicators we relied on, the techniques we used, and our track record—they should serve the district well in its short- and long-term planning.**

**DR. ZERBE, THIS CONCLUDES PEL'S STATEMENT FOR THIS EVENING.**

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