

New City School District Comprehensive Feasibility Study for the City of Orem

July 12, 2022



DEC Consulting Services LLC

Bases for Forecast & Assumptions

- An Orem New District is feasible assuming the same level of services;
- Orem property values projected to be financially sustainable;
- Forecast results: Current level of spending will remain unchanged, except for growth due to inflation;
- Total property tax dollars paid in Orem is not expected to change significantly over the forecasted period.

School	2006 Enrollment	2021 Enrollment
Orem ASD	15,119	14,724
Maeser	161	625
Noah Webster	500	512
UCAS	332	639
Arches	0	103
Homeschool*	<u>584</u>	<u>1,044</u>
	16,696	17,647
Growth		5.39%
Not attending ASD	9.45%	16.56%

*ASD GRAMA request for 2021 (estimated for 2006)

Historic Bond Overview

- Historically, from 2002 to 2021, Orem paid 28% of the bonds.
- Impact of ASD \$595 million bond:
 - ✓ **Orem pays \$116 million (19.44%)**
 - ✓ **Orem receives \$79 million (13.3%)**
 - ✓ **Orem loses \$37 million**

From (2002 to 2021) **\$120 million** of Orem taxpayer funds built schools outside of Orem (\$6.3 million annually).

Scenario 3

New District Issues No Bond

Remaining District Issues \$595M Bond

- New District: **Increase in taxes of 4.2%.**
- Remaining District: **Increase in taxes 15.9%.**

Scenario 4

New District issues \$125M Bond

Remaining District issues \$595M Bond

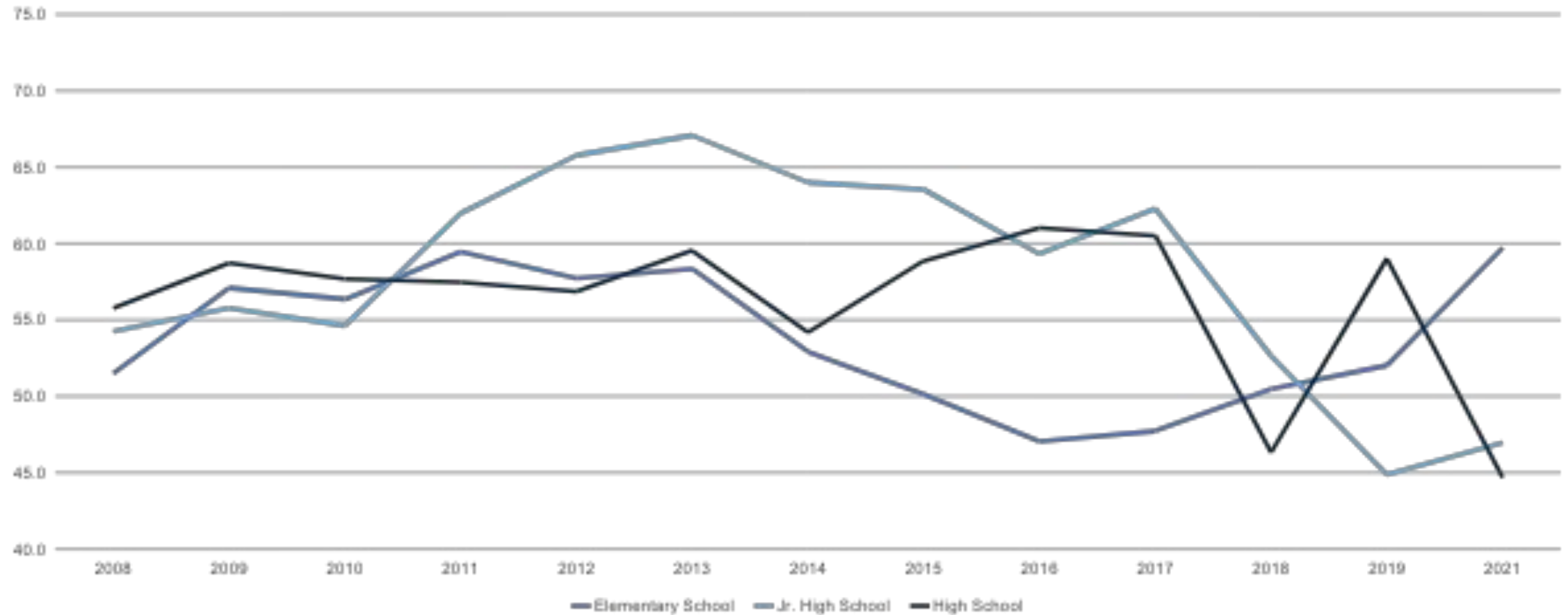
- New District: **Increase in taxes of 17.9% (Orem).**
- Remaining District: **Increase in taxes 15.9% (ASD).**
- New District retains 100% of \$125M bond

FEMA and Building Safety

In August 2006, ASD conducted a Seismic Vulnerability Assessment and found 10 schools in Orem had poor and very poor seismic issues.

In February 2022, the State of Utah & FEMA found that 4 Orem schools identified in the 2006 Assessment remained unsafe and un-remediated (Orem Jr. High, Sharon, Windsor, and Geneva).

Orem Test Score Decline – 2017, 2018, 2019, 2021



Test Score Analysis

Orem high school test scores are in a free-fall, indicating severe systemic issues. Since 2017, the scores for Orem high schools have **dropped 11.2%** (47.8% to 36.6%). ASD's average **dropped 2.3%** (53.4% to 51.1%), while the Utah state average **increased 7.3%** (40.8% to 48.1%).

Orem junior/middle school test score decline since 2017 is also critical, **dropping 8.6%** (49.0% to 40.5%). ASD's middle school scores **dropped 6.8%** (53.2% to 46.4%), while the Utah state average **decreased 3.7%** (44.9% to 41.2%).

Orem elementary school scores since 2017 have **slightly increased 1.2%** (45.9% to 47.1%). ASD's elementary school average **dropped 1.9%** (53.9% to 52.0%), while the Utah state elementary average **dropped 4.5%** (48.1% to 43.5%).

Gap between salaries of ASD Teachers and Administrators

- 29 ASD District Office Administrators earn a total of \$5.2 million annually
- ASD has one of the largest disparities in Utah between average teacher salary compared to the average administrator salary. ASD average teacher salary: **\$54,965**. ASD average administrator salary: **\$101,135**.
- A difference of **\$46,170**
- Research shows a direct correlation between teachers' salaries and student achievement.

Local Representation

- A new district will have 7 elected school board members who live in Orem and will represent local communities.
- All tax revenue will stay in Orem.
- Local representation regarding decisions within the following areas should be considered:
 - District structure and budget
 - Teacher compensation and benefits
 - Class size and student to teacher ratio
 - Capital investment (new buildings, remodels, FEMA safety, etc.)
 - Quality of education (test scores, specialty programs, etc.)