



**Lee's Summit R-VII School District
Purchasing and Distribution Services
702 SE M-291 Highway
Lee's Summit, MO 64063
816-986-2190**

July 26, 2021

RICHARD BRAMMER
APPLIED ECONOMICS
11209 N TATUM BLVD, SUITE 225
PHOENIX AZ 85028

SUBJECT: Contract Renewal

Bid/RFP # and Title	RFP No. 2019-47 Demographer Study Services
Original Contract Term:	September 9, 2019- September 8, 2020
Number of Renewals for Contract:	3

Dear Mr. Brammer;

The current period on the contract referenced above is due to expire on September 8, 2021. There is a provision to renew this contract for an additional (1) one-year period. This renewal period shall be governed by the specifications, pricing, and the terms and conditions set forth per contract executed on September 24, 2019. I am inquiring to see if you would be interested in extending the contract for this additional period of time.

Please complete the appropriate section below indicating your response on renewing the contract no later than August 6, 2021. If pricing needs to be adjusted, please fill out the attached pricing sheet and include the manufacturer/supplier documentation that supports the price increase. The increase will be limited to the current Federal Price Index, "CPI-U, All Items" (Urban Consumers) index CPI rate.

Thanks for your consideration in this matter. If you have any questions, please feel free to contact me at 816.986.2210.

Sincerely,

Jennifer Lalumondier
Purchasing and Distribution Services Administrative Assistant

- I agree to the renewal of RFP No. 2019-47 Demographer Study Services for the period beginning September 9, 2021 to September 8, 2022. All terms and conditions of the original agreement will remain the same.
- I agree to the renewal of RFP No. 2019-47 Demographer Study Services for the period beginning September 9, 2021 to September 8, 2022, but will require adjustments to the price that was included in the original contract. I have included the new price(s) along with the justification of the adjustment.
- No, I do not wish to renew the contract.

Authorized Signature

July 26, 2021
Date

Principal
Title



APPLIED ECONOMICS

July 9, 2020

Dr. Emily Miller
Assistant Superintendent of Operational Services
Lee's Summit R-VII School District
301 NE Tudor Road
Lee's Summit, MO 64086

Dear Dr. Miller:

Applied Economics is pleased to present this proposal to the Lee's Summit R-7 School District to update the Demographic and Enrollment study for the District for the 2020/21 school year per the contract awarded last year. This includes the annual District-level and small-area enrollment projections. The scope could be extended to assist with boundary planning activities if that becomes necessary.

Our proposed approach for the Lee's Summit R-7 School District is based on the same basic set of tasks conducted in previous District updates. The sections that follow detail our proposed scope, timing and fee to update enrollment projections and assist with attendance area recommendations. However, we are always willing to adjust our services to meet the needs of the District.

Major work items under this proposal include:

- Obtaining and loading student information;
- Updating absorption information for active residential projects;
- Updating the survey of future residential potential;
- Reviewing student generation and survival rates;
- Projecting District-level enrollment by grade for 10 years;
- Projecting small-area enrollment by grade for 10 years;
- Presenting results to the Governing Board, SLT or a boundary committee (as needed);
- Assist in facility location/utilization and school attendance area planning (as needed).

Task 1 – Update Planning Database

1.1 Enrollment and Demographic Data

The scope of work for Task 1 begins with obtaining current student enrollment data from the District including latitude and longitude for each student. This information will be processed to calculate total District enrollment by grade and facility, and then assigned to the planning grids to re-assess the relationship between housing inventory, household characteristics and enrollment at the small area level. Maps will be prepared showing the current distribution of students and how that distribution has changed over time. We will also collect and examine trends in live birth statistics for the District, and sub-areas as possible, for use in the kindergarten projections.

1.2 Development Data

This task involves updating the information on residential development activity and potential. This includes active residential projects and vacant land that could result in residential development in the next 10 years or so. For active residential projects, we will obtain current housing inventory and absorption rate information from the Market Graphics report generated by Landmarketing, Inc, a regional vendor of residential development information.

We will also need to meet with Planning Department representatives from the City of Lee's Summit, City of Kansas City, Town of Greenwood, City of Blue Springs, Lake Lotawana, Lake Winnebago, Unity Village and Jackson County to identify and track planned and proposed residential projects within District boundaries. These discussions normally result in the need to follow-up with landowners, developers or builders to update the information on the current specifications and anticipated timing of their projects. For this year, due to COVID-19, some or all of these meetings will be held via GotoMeeting or other virtual format. That said we will still visit the District to perform necessary field research.

Task 2 – Absorption, Survival, and Generation Rates

In Task 2 we will update absorption projections for active and planned residential projects in the District based on their performance over the past year, and review detailed model assumptions including student survival and generation rates. Absorption projections for the District will be based on regional economic trends and detailed data on building activity from Landmarketing. District-level absorption is allocated to individual projects based on past performance, current status and expected competition.

For the student survival rates, we will incorporate the current year's student data into the analysis of the overall progression of the District student population by grade level and school. We will also review the changes to the survival rates for consistency with District and sub-district level demographic and housing trends.

Finally, we will review the per-housing-unit student generation rates developed for District sub-areas and adjust rates on future projects accordingly. Using the difference between the school-age population and the enrollment data for the District we can estimate the school-age population being served by other providers including private and parochial schools, magnet schools and home schooling. We can also quantify the net movement of students between campuses, i.e. the difference between enrollment by attendance area and enrollment by school.

Task 3 – District Enrollment Projections

Using past enrollment data and current development, absorption, and student generation and survival data, we will prepare long-term (10-year) enrollment projections by grade for the Lee's Summit School District. We will be using a modified cohort-survival model developed by Applied Economics that specifically accounts for the impact of new development, while at the same time adjusting for observed trends in student generation and survival rates. This model uses a top-down, macroeconomic approach to development of enrollment projections that ensures consistency with the long-term demographic trends and supply-demand patterns of the District. These projections are sometimes modified based on the results of the small-area enrollment projections described in the next section.

Task 4 – Small-Area Enrollment Projections

In Task 4, new student and development data are combined with assumptions about absorption, and student generation, survival and capture to prepare sub-area enrollment projections for the Lee’s Summit R-7 School District. Census data will be leveraged to refine these calculations, and updated through the 2018 American Community Survey. The projections will be broken down to the small-area geographies developed in our previous work for the District. This provides sufficient detail to perform facility and attendance area planning.

The future student population will be based on the current student population, student generation and capture rates, and projected housing unit increases or decreases. The model translates future housing inventory into projected student population by analyzing the types of units and the demographic characteristics of the population likely to inhabit them. This model creates bottom-up projections that are compared with, and sometimes modified based on, the results of the district enrollment projections.

Task 5 – Documentation and Presentations

The results of the Demographic and Enrollment Analysis will be transmitted to the District in an executive summary style written report. This report will make extensive use of tables and charts to illustrate key input data and findings. The report will also include maps that show the existing distribution of students in the District, active and potential residential development areas, and future enrollment growth patterns.

We will also create a PowerPoint presentation, and optionally present it to the Board in-person for a fee per the pricing schedule from our contract award. If the boundary planning option is added, we could do the Board presentation during the on-site visit to set up the District redistricting software to reduce or eliminate this cost.

Timing and Fee

We plan to shift the work on the project ahead somewhat this year, planning to do field work in late July if possible. We will still perform the same scope of services that Applied Economics has been providing in the past. Doing the field work early will help ensure that the new development information will be ready for the projections as soon as the new student data is available. We would continue to ask that the student data be captured on the same day that the data is pulled for annual facility and budget planning calculations. Based on getting this data in late-September, we could have our draft report complete in late October.

The cost for the Demographic and Enrollment Projection Update would be \$14,530, including out of pocket expenditures as shown in **Figure 1**. This includes labor of \$13,530 for the demographic projections (142 hours) and \$1,000 in expenses for housing data purchased from Landmarketing Inc. As mentioned under Task 5, there is an optional fee of \$1,000 to make an in-person presentation of the results bringing the total to \$15,530.

Dr. Emily Miller
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If you have any questions, please do not hesitate to call. We look forward to the prospect of continuing our working relationship with the Lee's Summit School District.

Sincerely,



Rick T. Brammer
Principal

FIGURE 1
ESTIMATED HOURS BY TASK AND STAFF MEMBER AND COST
LEE'S SUMMIT R-7 SCHOOL DISTRICT
2020/21 DEMOGRAPHIC AND ENROLLMENT UPDATE

	Principal	Senior Associate	Associate	Total Hours	Budget Labor
Task 1 - Update Planning Database	0.0	40.0	32.0	72.0	\$6,040
1.1 Enrollment & Demographic Data	0.0	8.0	8.0	16.0	
1.2 Development Data	0.0	32.0	24.0	56.0	
Task 2 - Update Absorption and Generation Rates	6.0	14.0	0.0	20.0	\$2,080
2.1 Absorption Rate Analysis	4.0	4.0	0.0	8.0	
2.2 Student Survival Analysis	0.0	4.0	0.0	4.0	
2.3 Student Generation / Capture Rate Analysis	2.0	6.0	0.0	8.0	
Task 3 - District Enrollment Projections	8.0	4.0	0.0	12.0	\$1,380
3.1 Housing and Population Growth Trends	4.0	4.0	0.0	8.0	
3.2 District Enrollment by Grade Projections	4.0	0.0	0.0	4.0	
Task 4 - Small-Area Enrollment Projections	6.0	8.0	0.0	14.0	\$1,510
4.1 Model Updates	4.0	2.0	0.0	6.0	
4.2 Analysis & Review	2.0	6.0	0.0	8.0	
Task 5 - Documentation	8.0	16.0	0.0	24.0	\$2,520
5.1 Enrollment Update Report	8.0	16.0	0.0	24.0	
Project Total Hours	28.0	82.0	32.0	142.0	
Hourly Rates	\$125	\$95	\$70		
Labor Cost	\$3,500	\$7,790	\$2,240	\$13,530	\$13,530
Expenses:					
Residential Absorption Data - LandMarketing				\$1,000	
Total Update Cost					\$14,530.00
Optional Presentation					\$1,000.00