



# ROWE PUBLIC HEARING

## REJOINING MTRSD 7-12

**Presented by:**

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**Superintendent of Schools**

**Mohawk Trail Regional School District**

**February 24, 2016**



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## OVERVIEW

- **Brief History**
- **Current Relationship**
- **Invitation to Rejoin MTRSD**
- **Implications of Rejoining or Not**
- **Process for Rejoining MTRSD**
- **Data Analysis**



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# HISTORY

- **Rowe was a founding member of the MTRSD in 1967**
- **Rowe was asked to withdraw for financial reasons in 1982**
- **Rowe's industrial tax base reduced state aid to MTRSD**
- **Rowe agreed to withdraw to help the MTRSD**



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# CURRENT RELATIONSHIP

- Since 1982, Rowe has paid a yearly per student tuition
  - For each grade 7-12 student
  - FY16 tuition rate is \$12,479 (includes 10% discount)
  - Tuition formula defined in MTRSD regional agreement
- Rowe has voluntarily contributed additional funding
  - Language teacher and technology
  - \$488,947 in total contributions since 2002
- Rowe has 1 non-voting seat on MTRSD School Committee
  - No voting power on MTRSD 7-12 operating or capital budgets



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# INVITATION TO REJOIN MTRSD

- **State funding formula has changed since 1982**
  - **Chapter 70 now calculated on a town basis, not district**
- **Fairness of tuition rate challenged by member towns in recent years**
  - **MTRSD School Committee opted to invite Rowe back into the region**
  - **Avoid controversy over fairness of tuition rate**
- **In 2014 MTRSD School Committee proposed change to regional agreement**
  - **Rowe would become a member of MTRSD in grades 7-12**



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# IF ROWE WERE TO JOIN MTRSD 7-12

- No impact on Rowe Elementary School
- Rowe would gain 2 voting seats on MTRSD School Committee
  - Rowe would gain a stronger voice in the education of their MS-HS students
- Rowe would vote on the 7-12 portion of the MTRSD budget
  - Operating budget and capital budget for middle-high school



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# IF ROWE WERE TO JOIN MTRSD 7-12

### ... continued

- Rowe would pay an assessment based on the methodology specified in the regional agreement
  - **Minimum contribution**
    - Determined by the State- based on income and real estate values
  - **Above minimum contribution**
    - Based on 5-year enrollment average in grades 7-12 (approximately 6%)
  - **This formula tends to smooth annual changes**
    - Towns tend to favor this model because it avoids annual peaks and valleys



INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## IF ROWE WERE TO JOIN MTRSD 7-12

... continued

- Rowe would not pay capital costs on past capital projects
- Rowe would share in the costs of future capital projects
- There is one future capital project slated to begin next year
  - Project was authorized in 2015
  - Unanimously approved by all towns as required by regional agreement
  - Work to begin in fall of 2016



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# IF ROWE STAYS THE SAME

- Mohawk would continue to accept Rowe students in grades 7-12
- Pay as you go tuition arrangement would continue
  - **Vulnerable to annual peaks and valleys**
- Rowe would retain one non-voting seat on MTRSD School Committee



## INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# PROCESS FOR ROWE TO JOIN MTRSD 7-12

- MTRSD Regional Agreement would need to be amended
- A special warrant article would be presented for vote at Rowe annual town meeting (and all Mohawk towns)
- Rowe and all Mohawk towns would need to approve the warrant
  - Changes to regional agreement require unanimous town vote
- If the amendment were approved by all 9 towns, Rowe would become a member of the MTRSD on July 1, 2017 (FY18)



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## ROWE TUITION CALCULATION

CALCULATION OF ROWE FY16 TUITION PER MTRSD REGIONAL AGREEMENT				FY16
(a) 7 - 12 Five-year Enrollment (8 towns)				2,235
(b) K - 12 Five-year Enrollment (8 towns)				4,354
Five-year Average Percentage (a) divided by (b)				51.33%
	Reg Agrmnt			
Operating & Maintenance Budget (7-12)	Article IX(C)	\$ 8,171,888	100%	\$ 8,171,888
Transportation Budget	Article IX(C)	\$ 1,225,000	51.33%	\$ 628,818
Percentage of Admin. Districtwide Budget	Article IX(C)	\$ 1,631,182	51.33%	\$ 837,320
Total 7-12 Budget				\$ 9,638,026
Chapter 70 State Aid				Article IX(C) \$ 5,917,844 51.33% \$ 3,037,754
Chapter 71 Trans. Aid				Article IX(C) \$ 450,000 51.33% \$ 230,994
Total Revenues				\$ 3,268,749
Net High School Operating Budget (Total 7-12 Budget - Total Revenues)				\$ 6,369,278
7-12 Enrollment as of October 1st of Previous Fiscal Year				464
				<b>10% Discount</b>
Tuition = Net Operating Budget divided by Enrollment				\$ 13,727
Rowe Tuition	Article IX p.14	13,727	Divided by 1.1	12,479

- **FY17 calculations based on estimated tuition rate of \$12,500**



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## FINANCIAL IMPACT ON ROWE

<b>Rowe School District - Secondary</b>	<b>If Rowe Stays the Same</b>	<b>If Rowe Joins Mohawk 7-12</b>	
Tuition to MTRSD	\$ 350,000		
Secondary Transportation Expense	\$ 64,429		
School Choice Sending	\$ 10,000		
Charter School Sending	\$ 58,908		
Rowe Assessment		\$ (394,352)	
Rowe Chapter 70 Revenue Transferred to District		\$ (56,206)	<b>Savings to Rowe</b>
Rowe Estimated FY17 Charter Reimbursement		\$ (17,748)	
	\$ 483,337	\$ (468,306)	<b>\$ 15,031</b>

- Based on FY17 Mohawk budget proposal and FY17 Governor's State budget proposal



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## FINANCIAL IMPACT ON MOHAWK

Mohawk Trail RSD	Estimated Mohawk Regional District	Additional Revenue to Mohawk w/Rowe	Changes
Tuition	\$ (350,000)		
Rowe Chapter 70 Payment to MTRSD		\$ 56,206	
Rowe Chapter 71 (New Revenue for Regionalization)		\$ 38,658	
FY17 Charter Reimbursement For Rowe Students		\$ 10,762	
Rowe Estimated Minimum Contribution		\$ 261,959	
Rowe Estimated Above Minimum Contribution		\$ 114,582	
Rowe Estimated Transportation Assessment		\$ 17,811	
Total Revenue	\$ (350,000)	\$ 499,977	
Less Rowe Transp Expense		\$ (64,429)	Additional Revenue to Mohawk Trail RSD
Less Rowe School Choice Sending		\$ (10,000)	
Less Rowe Charter Sending Expense		\$ (35,718)	
Total Change	\$ (350,000)	\$ 389,830	\$ 39,830

- Based on FY17 Mohawk budget proposal and FY17 Governor's State budget proposal



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## CAPITAL ASSESSMENT (projected)

### MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

#### ESTIMATED DEBT SCHEDULE

#### USING EQUAL ANNUAL PRINCIPAL PAYMENTS

BOND INTEREST ESTIMATE 4.75%

#### HIGH SCHOOL/MIDDLE SCHOOL PROJECTS/DISTRICT WIDE PROJECTS

YEAR	FISCAL YEAR	PRINCIPAL	BOND PRINCIPAL DUE	INTEREST ESTIMATE	TOTAL DEBT SERVICE	ASHFIELD	BUCKLAND	CHARLEMONT	COLRAIN	HAWLEY	HEATH	PLAIN-FIELD	ROWE	SHELBURNE	TOTALS
				4.75%		15.70%	18.30%	16.90%	14.60%	3.00%	7.90%	3.90%	6.00%	13.70%	100.00%
BOND:															
1	2018	245,200	49,040	11,647	60,687	9,528	11,106	10,256	8,860	1,821	4,794	2,367	3,641	8,314	60,687
2	2019	196,160	49,040	9,318	58,358	9,162	10,679	9,862	8,520	1,751	4,610	2,276	3,501	7,995	58,358
3	2020	147,120	49,040	6,988	56,028	8,796	10,253	9,469	8,180	1,681	4,426	2,185	3,362	7,676	56,028
4	2021	98,080	49,040	4,659	53,699	8,431	9,827	9,075	7,840	1,611	4,242	2,094	3,222	7,357	53,699
5	2022	49,040	49,040	2,329	51,369	8,065	9,401	8,681	7,500	1,541	4,058	2,003	3,082	7,038	51,369
		TOTALS	245,200	34,941	280,141	43,982	51,266	47,344	40,901	8,404	22,131	10,925	16,808	38,379	280,141

- \$3,362 average annual capital assessment for the next 5 years



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## BREAK EVEN ESTIMATE

- **Break Even = Minimum Contribution ÷ Tuition Rate**
  - **FY17 Minimum Contribution is \$261,959**
  - **FY17 Estimated Tuition Rate is \$12,500**
  - **$\$261,959 \div \$12,500 = 20.96$  students**
    - If  $\geq 21$  students, membership model more advantageous to Rowe
    - If  $\leq 20$  students, tuition model more advantageous to Rowe

**Projected Enrollment of Rowe Students in Grades 7-12**

FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
32	28	24	28	27	26	20	21	20	13

- **FY17 and beyond includes Tech School, choice and charter students**



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## CAPITAL “BUY-IN” ISSUE

If Rowe had been a member town, capital assessment

Middle School, High School & District Wide Grades 7-12 W/Rowe									
	10/01/11	10/01/12	10/01/13	10/01/14	10/01/15	Total	5-Year Avg		ROUNDED
Ashfield	76	73	71	69	67	356	15.74%		15.7%
Buckland	97	82	83	80	73	415	18.35%		18.3%
Charlemont	88	74	77	74	70	383	16.93%		16.9%
Colrain	82	67	67	55	59	330	14.59%		14.6%
Hawley	15	14	14	13	11	67	2.96%		3.0%
Heath	31	35	40	33	39	178	7.87%		7.9%
Plainfield	21	19	16	16	16	88	3.89%		3.9%
Rowe	24	27	26	26	32	135	5.97%		6.0%
Shelburne	66	67	57	62	58	310	13.70%		13.7%
TOTALS	500	458	451	428	425	2,262	100.00%		100.0%

- Rowe’s capital assessment for all projects since leaving MTRSD would have amounted to approximately \$400,000 based on a 6% average enrollment



# INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

## CAPITAL “BUY-IN” ISSUE

### Rowe’s history of voluntary contributions to MTRSD

Description	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	TOTALS
BEGINNING FUND BALANCE	\$ -	\$ 9,500	\$ 876	\$ 2,289	\$ 7,664	\$15,256	\$35,794	\$29,889	\$15,109	\$11,504	\$13,232	\$24,225	\$25,855	\$18,915	\$ -
ROWE GRANT REVOLVING-REVENUE	\$50,000	\$55,000	\$55,000	\$95,120	\$87,500	\$60,000	\$15,000	\$15,000	\$15,000	\$15,000	\$13,400	\$12,927	\$ -	\$ -	\$ 488,947
WORLD LANGUAGE TEACHER SALARY	\$ -	\$ -	\$ 5,000	\$15,000	\$22,690	\$ -	\$15,530	\$19,628	\$14,860	\$13,272	\$ 2,408	\$11,297	\$ 6,940	\$18,915	\$145,538
MATH & SCIENCE TEXTBOOKS	\$ -	\$ -	\$ -	\$19,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,638
TECH CONSULTANT CONTRACTED	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
TECHNOLOGY SALARY & WAGES	\$40,500	\$44,685	\$41,685	\$46,683	\$47,666	\$29,474	\$ 4,875	\$10,152	\$ 3,745	\$ -	\$ -	\$ -	\$ -	\$ -	\$269,466
TECHNOLOGY EMPLOYEE BENEFITS	\$ -	\$18,939	\$ 6,902	\$ 8,423	\$ 9,552	\$ 9,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,805
TOTAL EXPENSES	\$40,500	\$63,624	\$53,587	\$89,745	\$79,908	\$39,462	\$20,905	\$29,780	\$18,605	\$13,272	\$ 2,408	\$11,297	\$ 6,940	\$18,915	\$ 488,947
ENDING FUND BALANCE	\$ 9,500	\$ 876	\$ 2,289	\$ 7,664	\$15,256	\$35,794	\$29,889	\$15,109	\$11,504	\$13,232	\$24,225	\$25,855	\$18,915	\$ -	\$ -

- Between FY02 and FY15, Rowe voluntarily contributed \$488,947 to MTRSD



INVITATION TO RE-JOIN THE MOHAWK TRAIL REGIONAL SCHOOL DISTRICT

# QUESTIONS & DISCUSSION

**ROWE  
PUBLIC  
HEARING  
REJOINING  
MTRSD 7-12**



Presented by:  
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Mohawk Trail Regional School District  
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