



8 TOWN REGIONAL SCHOOL DISTRICT PLANNING BOARD

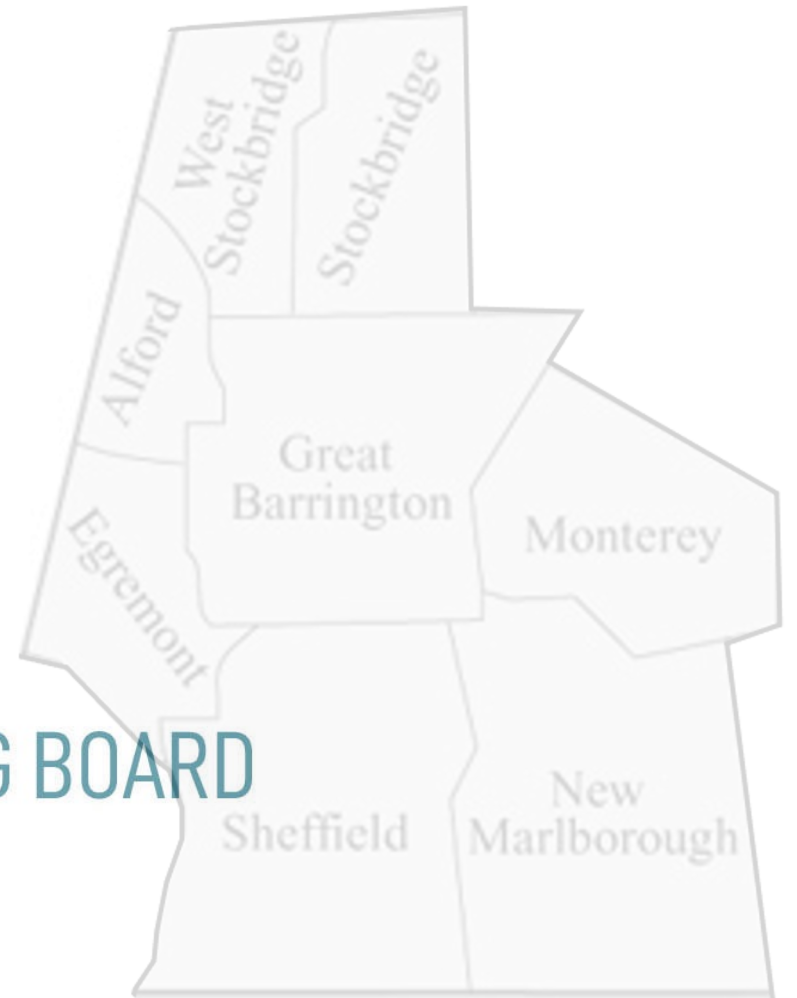
Monterey Select Board

Lucy Prashker, Chair

H. Jake Eberwein, Project Manager

Matt Abrahams, Finance Analyst

September 12, 2023



Introduction/Context



Can our districts do better together?



8 TOWN REGIONAL SCHOOL DISTRICT PLANNING BOARD



WHO WE ARE

The Regional School District Planning Board is a group of volunteer community members from the eight member towns of the Berkshire Hills Regional School District and the Southern Berkshire Regional School District.

OUR GOAL

Our goal is to provide all children within the 8 Towns with high quality educational opportunities that will enable them to succeed.

Can our districts do better together?

THE EIGHT TOWNS WE SERVE



GET THE FACTS. BE INFORMED. YOU DECIDE.
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Recommendation:

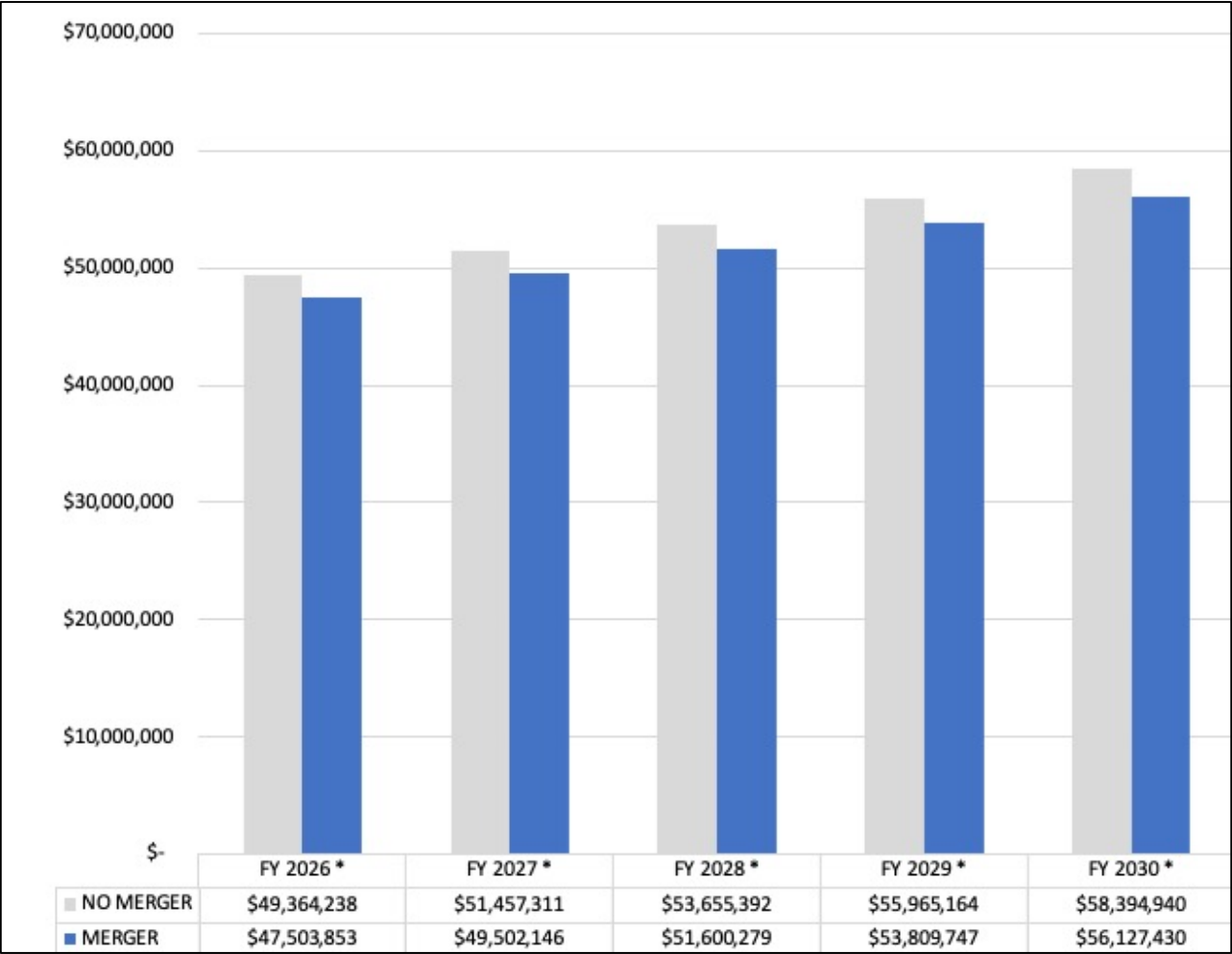
Merge the Berkshire Hills Regional School District and the Southern Berkshire Regional School District into a single preK-12 district, maintaining the existing elementary and middle schools as they are, but creating a new merged 9-12 high school to be built on the Great Barrington campus.

Finance

Please visit [RESOURCES](#) page for additional information about Finance.

Fiscal Benefits:

- Through economies of scale, realize savings in the range of \$1.2 to \$1.8 million/year
- Central operations leading to increased coordination (staffing, professional development, back office, curriculum, grants, etc.)
- Build efficiencies through class size balancing
- Ensure no stark “winners” or “losers”
- Employ “smoothers” to guard against large and/or disparate swings in town assessments
- Apply capital methodology that results in fair distribution of costs while leveraging state aid



Nadine Hawver, Chair

Finance:

Apportionment of funding across the 8 towns as pertains to:

- **Operating expenses**
 - Operating, Transportation, Non-Debt Capital
- **Capital expenses**
 - New high school
 - Existing debt
 - Future debt

Monterey Questions

- What is the base year for the 5-year rolling average calculation of the cap?
 - How is each Town's assessment calculated moving forward (is the base fixed or rolls - on actual or estimated)?
 - Are there any scenario charts - what if expenses are greater/less - how will the base be reconfigured?
 - What is not included in the current calculations (special Ed costs, etc.)?
 - What if a town has a "major" population shift / how is population of each Town weighted in the assessment methodology?
 - Is there an articulated process in the agreement for the outyears re: closing of elementary schools? If old buildings that become owned by the merged district are sold, where will the money from the sale go?
 - What year and costs are the building costs calculated based on?
-

- What is the base year for the 5-year rolling average calculation of the cap?

The five-year rolling average of Required Minimum Contributions averages five consecutive years of Required Minimum Contributions for each town. The five years are the year for which assessments are being calculated and the four years prior.

In our model runs, we assume the first year of a merged district is FY 2026. For assessments for FY 2026, the five years averaged are FY 2022 to FY 2026.

- How is each Town's assessment calculated moving forward (is the base fixed or rolls - on actual or estimated)?

Illustration of methodology, next slides

Methodology for Operating (plus transportation and non—debt capital)

REQUIRED/STATUTORY

PART A:

- Allocates each town’s Required Local Contribution, as calculated by DESE.

+

ABOVE REQUIRED

PART B:

- The Amount to be Assessed above the Required Local Contributions, assessed using five-year rolling average of Required Local Contributions (as an Applicable Percentage).

↕ **WHEN NEEDED**

SMOOTHER

2% SAFETY VALVE/CAP:

- Ensures no Town's operating assessment (plus transportation and non-debt capital) increases more than 2% over the total assessment increase for the District in any given year.

OPERATING Budget...APPLIED, PROJECTED FY26

| | |
|---------------------------------|----------------------|
| GROSS OPERATING | \$55,713,943 |
| REVENUES (and SAVINGS) | (\$11,201,740) |
| NET ASSESSMENTS TO TOWNS | \$ 44,512,203 |

REQUIRED MINIMUM (STATE FORMULA)

PART A

| | |
|-------------------------|---------------------|
| ALFORD | \$183,255 |
| EGREMONT | \$1,137,938 |
| GREAT BARRINGTON | \$8,734,549 |
| MONTEREY | \$1,125,708 |
| NEW MARLBOROUGH | \$1,191,157 |
| SHEFFIELD | \$4,057,786 |
| STOCKBRIDGE | \$1,473,374 |
| <u>WEST STOCKBRIDGE</u> | <u>\$1,390,755</u> |
| TOTAL | \$19,294,522 |

| | |
|--------------------------------|---------------------|
| BALANCE, ABOVE REQUIRED | \$25,217,680 |
|--------------------------------|---------------------|

OPERATING Budget...APPLIED, PROJECTED FY26

| | |
|-------------------------|---------------------|
| BALANCE, ABOVE REQUIRED | \$25,217,680 |
|-------------------------|---------------------|

DETERMINE ALLOCATIONS (%/\$) USING
5 YEAR-AVERAGE REQUIRED MINIMUM

PART B

| | | |
|------------------|---------------------|-------------|
| ALFORD | \$272,144 | 1.1% |
| EGREMONT | \$1,414,225 | 5.6% |
| GREAT BARRINGTON | \$11,211,708 | 44.5% |
| MONTEREY | \$1,362,716 ← | 5.4% |
| NEW MARLBOROUGH | \$1,698,488 | 6.7% |
| SHEFFIELD | \$5,374,668 | 21.3% |
| STOCKBRIDGE | \$2,003,061 | 7.9% |
| WEST STOCKBRIDGE | \$1,880,670 | 7.5% |
| TOTAL | \$25,217,680 | 100% |

OPERATING Budget...APPLIED, PROJECTED FY26

APPLY SAFETY VALVE, WHEN NEEDED

| | |
|---|---------------------|
| TOTAL AMOUNT TO BE ASSESSED TO 8 TOWNS | \$44,512,202 |
| INCREASE OVER PRIOR YEAR | 1.2% |
| SAFETY VALVE INCREMENT | 2.0% |
| MAXIMUM INCREASES (%) IN TOWN ASSESSMENTS, CAP | 3.2% |

OPERATING Budget...APPLIED, PROJECTED FY26

TOTAL OPERATING ASSESSMENTS, BEFORE CAP IS APPLIED

| <u>TOTAL (A+B) OPERATING ASSESSMENTS</u> | | <u>%CHANGE</u> |
|--|----------------------------|----------------|
| ALFORD | \$455,398 | 5.9% |
| EGREMONT | \$2,552,163 | 17.5% |
| GREAT BARRINGTON | \$19,446,258 | -5.8% |
| MONTEREY | \$2,488,424 | 17.6% |
| NEW MARLBOROUGH | \$2,889,644 | 8.0% |
| SHEFFIELD | \$9,432,455 | 12.6% |
| STOCKBRIDGE | \$3,476,435 | -3.3% |
| WEST STOCKBRIDGE | \$3,271,425 | -4.4% |
| <u>TOTAL</u> | <u>\$44,512,202</u> | |

**AMOUNT OVER 3.2%
=\$1,538,842**

Redistribute
OVER
To
UNDER

OPERATING Budget...APPLIED, PROJECTED FY26

TOTAL OPERATING ASSESSMENTS, APPLY CAP (3.2%)

| TOTAL OPERATING ASSESSMENTS | | Adjusted by | %CHG |
|-----------------------------|---------------------|--------------|---------|
| ALFORD | \$444,013 | (\$11,385) | ↓ 3.2% |
| EGREMONT | \$2,242,931 | (\$309,233) | ↓ 3.2% |
| GREAT BARRINGTON | \$21,089,189 | \$1,142,931. | ↑ -0.5% |
| MONTEREY | \$2,184,809 | (\$303,615) | ↓ 3.2% |
| NEW MARLBOROUGH | \$2,763,064 | (\$126,580) | ↓ 3.2% |
| SHEFFIELD | \$8,644,426 | (\$788,029) | ↓ 3.2% |
| STOCKBRIDGE | \$3,680,629 | \$204,194 | ↑ 2.4% |
| WEST STOCKBRIDGE | \$3,463,142 | \$191,717 | ↑ 1.2% |
| TOTAL | \$44,512,202 | \$0 | |

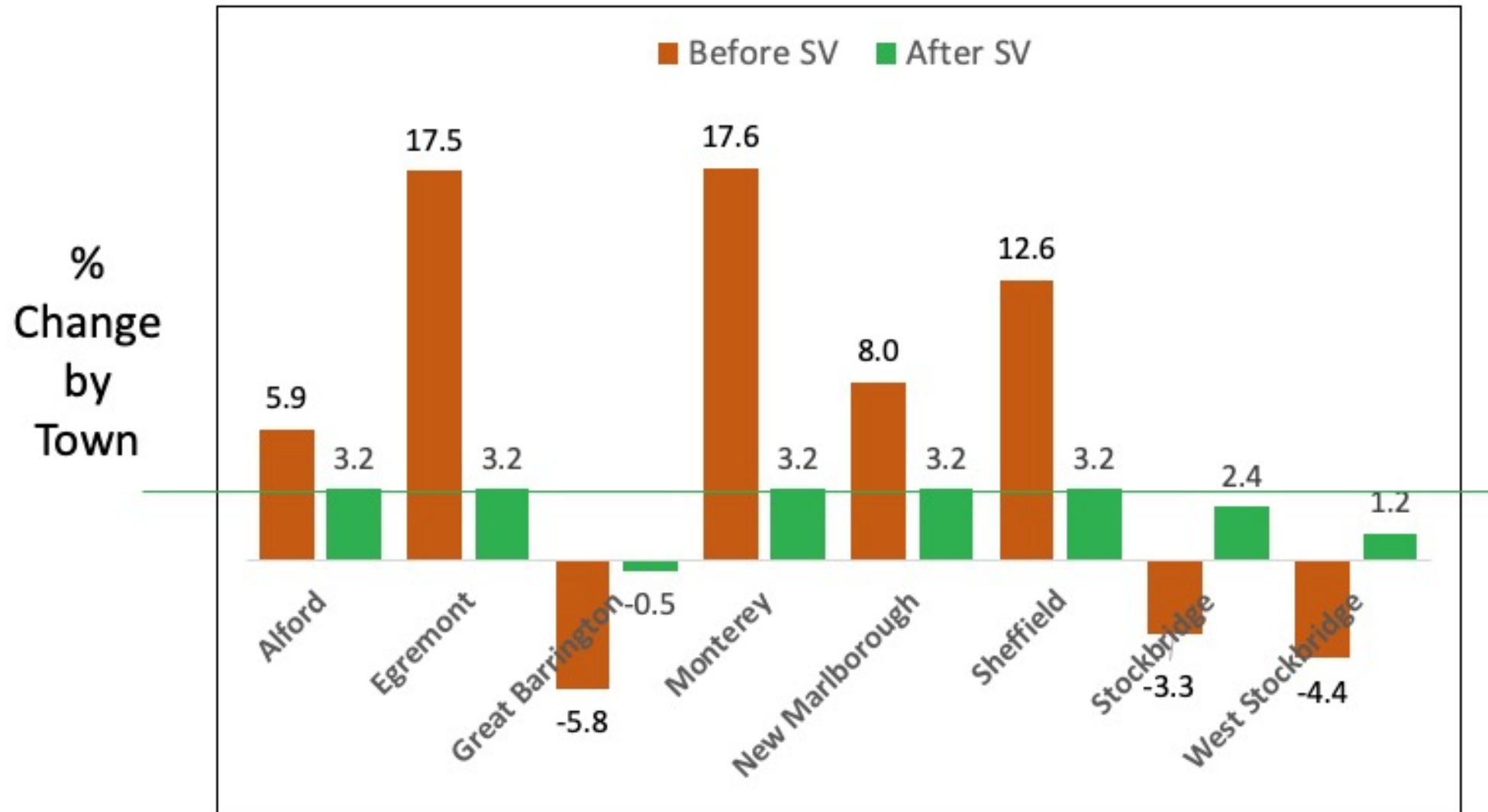
ALL NOW
AT OR
BELOW
3.2%

OPERATING Budget...APPLIED, PROJECTED FY26

| |
|--|
| TOTAL OPERATING ASSESSMENTS, BEFORE AND AFTER SAFETY VALVE/CAP |
|--|

| <u>TOTAL OPERATING</u> | <u>BEFORE SV</u> | | <u>AFTER SV</u> | |
|------------------------|---------------------|-------|---------------------|-------|
| ALFORD | \$455,398 | 5.9% | \$444,013 | 3.2% |
| EGREMONT | \$2,552,163 | 17.5% | \$2,242,931 | 3.2% |
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| WEST STOCKBRIDGE | \$3,271,425 | -4.4% | \$3,463,142 | 1.2% |
| <u>TOTAL</u> | <u>\$44,512,202</u> | | <u>\$44,512,202</u> | |

OPERATING Budget...APPLIED, PROJECTED FY26



Note: Anticipates 1.2% increase (with savings applied) plus 2% cap

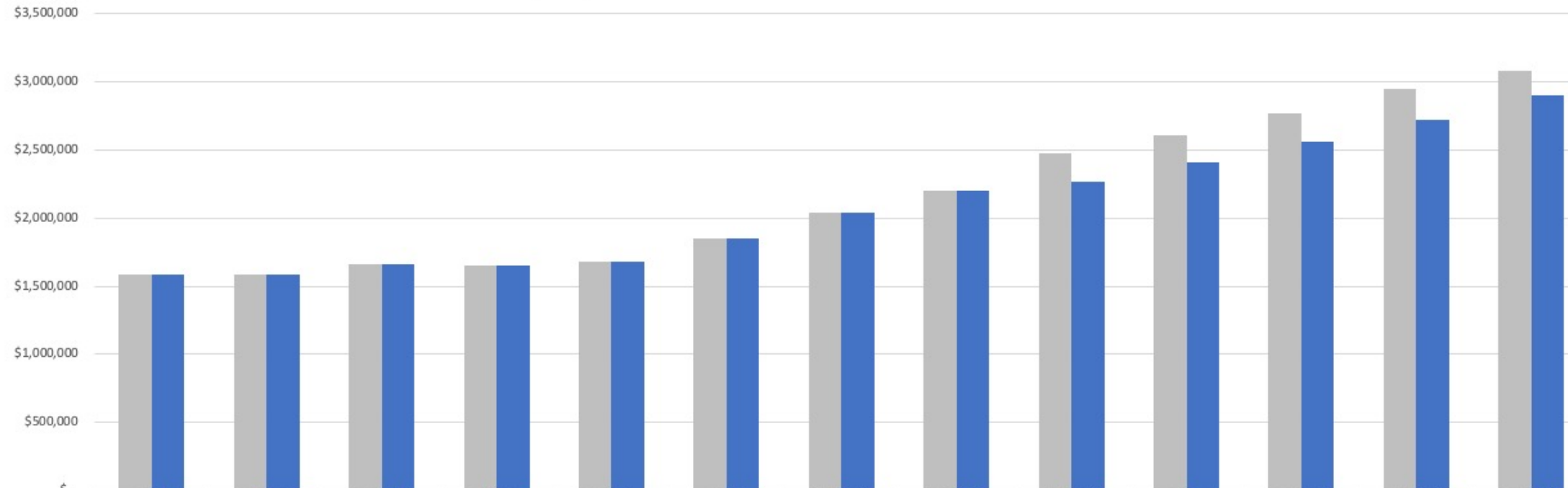
Monterey Finance Snapshot



| MONTEREY: QUICK FACTS | |
|--|--------------------------------------|
| Population | 1,095 |
| Student Foundation Enrollment (projected for FY26) | 86 (5.9% of 8 Town Total Enrollment) |
| Tax rate (2023) | \$6.09 |
| Average Single Family Tax Bill (2023) | \$3,995 |
| Average Single Home Value (2023) | \$655,955 |
| Total taxable property (2023) | \$607,342,608 |
| Tax levy (2023) | \$3,698,716 |

The next several pages can be found on Monterey worksheets, [HERE](#)

Total Assessments - Monterey
 * = Projected, Includes Vocational Tuition for FY 2026 and on



| | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 * | FY 2025 * | FY 2026 * | FY 2027 * | FY 2028 * | FY 2029 * | FY 2030 * |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| No Merger | \$1,589,739 | \$1,588,188 | \$1,658,098 | \$1,650,731 | \$1,678,894 | \$1,854,451 | \$2,037,201 | \$2,202,148 | \$2,477,453 | \$2,610,684 | \$2,768,841 | \$2,950,092 | \$3,081,062 |
| Merger - with 2.0% Safety Valve | \$1,589,739 | \$1,588,188 | \$1,658,098 | \$1,650,731 | \$1,678,894 | \$1,854,451 | \$2,037,201 | \$2,202,148 | \$2,270,738 | \$2,413,402 | \$2,564,102 | \$2,726,319 | \$2,898,402 |

This graph represents comparisons of MERGER versus NO MERGER both pre- and post-merger (2026) with a 2% Safety Valve applied.

ESTIMATED ASSESSMENTS PROJECTED (MERGER V. NO-MERGER, FY26,28,30)

| | FY2026 | | | FY2028 | | | FY2030 | | |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | New High School | Operating | Total | New High School | Operating | Total | New High School | Operating | Total |
| Monterey - MERGER | \$ 85,929.00 | \$ 2,184,809.00 | \$ 2,270,738.00 | \$ 85,339.00 | \$ 2,478,764.00 | \$ 2,564,102.00 | \$ 83,494.00 | \$ 2,814,908.00 | \$ 2,898,402.00 |
| Monterey - NO MERGER | \$ 87,783.00 | \$ 2,389,670.00 | \$ 2,477,453.00 | \$ 91,333.00 | \$ 2,677,508.00 | \$ 2,768,841.00 | \$ 92,398.00 | \$ 2,988,663.00 | \$ 3,081,062.00 |
| MERGER v . NO MERGER | \$ (1,854.00) | \$ (204,861.00) | \$ (206,715.00) | \$ (5,994.00) | \$ (198,744.00) | \$ (204,739.00) | \$ (8,904.00) | \$ (173,755.00) | \$ (182,660.00) |

This table represents comparisons of MERGER versus NO MERGER in each of the three selected years. Percentages reflect the comparison of Merger versus No Merger in a single fiscal year based on projections. Overall operating and costs associated with construction of a new high school are displayed. Non-debt capital appears under the capital column in the NO MERGER scenario and the operating column in the MERGER scenario.

ESTIMATED ASSESSMENTS PROJECTED (MERGER V. NO-MERGER, FY25-FY30)

| | FY2025 | | FY2026 | | FY2027 | | FY2028 | | FY2029 | | FY2030 | |
|--|-----------|--------------|-----------|--------------|-----------|-------------|-----------|--------------|-----------|--------------|-----------|--------------|
| | Capital | Total | Capital | Total | Capital | Total | Capital | Total | Capital | Total | Capital | Total |
| Monterey MERGER (\$) | \$ 85,495 | \$ 2,202,148 | \$ 85,929 | \$ 2,270,738 | \$ 86,580 | \$2,413,402 | \$ 85,339 | \$ 2,564,102 | \$ 85,196 | \$ 2,726,319 | \$ 83,494 | \$ 2,898,402 |
| Monterey- MERGER (% change from prior year) | \$ - | \$ - | | 3.11% | | 6.28% | | 6.24% | | 6.33% | | 6.31% |
| Monterey - NO MERGER (\$) | \$ 85,495 | \$ 2,202,148 | \$ 87,783 | \$ 2,477,453 | \$ 90,324 | \$2,610,684 | \$ 91,333 | \$ 2,768,841 | \$ 92,224 | \$ 2,950,092 | \$ 92,398 | \$ 3,081,062 |
| Monterey - NO MERGER (%) | \$ - | \$ - | | 12.50% | | 5.38% | | 6.06% | | 6.55% | | 4.44% |

This table represents comparisons of MERGER versus NO MERGER across six fiscal years. The percentage change represents the increase from one fiscal year to the next, with a comparison of how that change is projected in both a MERGER and NO MERGER scenario.

COST OF CVTE V. NEW HIGH SCHOOL (MERCER V. NO-MERCER, FY26)

| <u>Summary</u> | HS Contribution (FY26) OR CVTE COSTS | <u>Cost per \$100,000</u> | <u>Average Home</u> | <u>Additional Cost for Average Home*</u> |
|--|---|---------------------------|---------------------|--|
| Monterey - NO MERCER | \$ 83,942.00 | \$ 15.37 | \$ 587,402.00 | \$ 90.26 |
| Monterey - MERCER | \$ 44,390.00 | \$ 8.13 | \$ 587,402.00 | \$ 47.73 |
| SAVINGS REALIZED BY BUILDING 8 TOWN HIGH SCHOOL V. 3 TOWN HIGH SCHOOL | | | | \$ 42.53 |

*This table represents comparisons of MERCER versus NO MERCER as related to the construction of a new high school as an 8 Town effort or a 3 Town effort. *Estimates reflect a five year average for taxable property, tax levy, tax rates, and average home prices. The amount noted in "cost for average home" would be added to existing property taxes. CVTE costs (estimated at 3 students in FY26) associated with tuitioning into a 3 town high school are considered in the NO MERCER scenario.*

- Are there any scenario charts - what if expenses are greater/less - how will the base be reconfigured?

We did many modeling runs. The run that led to the approval of the Operating Assessments Methodology that is based on assumptions, including what a merged district's budget would look like in FY 2026 and what each town's Required Minimum Contribution would be in FY 2026. If these assumptions don't materialize, then actual assessments could be different than what was projected. However, in theory, if expenses are higher than projected, then more costs would shift from the towns over the cap to those under the cap. If expenses are lower than projected, then less costs would shift from the towns over the cap to those under the cap and it's possible that towns projected to be over the cap stay under the cap and don't have any costs shifted away from them.

- What is not included in the current calculations (special Ed costs, etc.)?

Everything is included as we used the current districts' budgets.

•What if a town has a "major" population shift / how is population of each Town weighted in the assessment methodology?

Towns' operating assessments are based on their Required Minimum Contributions, which are based heavily on foundation enrollment. Assuming any "major" population shift heavily impacts enrollment, then this shift would be seen in towns' foundation enrollment and ultimately in their Required Minimum Contributions. Part A of the Operating Assessment Methodology is that year's Required Minimum Contribution. Part B of the Operating Assessment Methodology is based on a five-year average of Required Minimum Contributions. The impact would be seen in Part A immediately but would take longer for the impact to be seen in Part B because of averaging over five years. Also in play is the cap part of the Operating Assessment Methodology. If a "major" population shift greatly increases a town's share of operating costs, then the possibility the town is above the cap increases and, subsequently, the possibility costs are shifted to other towns increases. If a "major" population shift greatly decreases a town's share of operating costs, then the possibility the town is below the cap increases and, subsequently, the possibility costs are shifted from other towns increases.

•Is there an articulated process in the agreement for the outyears re: closing of elementary schools? If old buildings that become owned by the merged district are sold, where will the money from the sale go?

That is described in the regional agreement, Section IV, F, 5. If the “old buildings” are owned by the towns and closed, the town as landlord is free to do with the building what it wants. If the “old building” is owned by District, proceeds from any sale would be returned pro rata to Member Towns who contributed to cost of improvements.

•What year and costs are the building costs calculated based on?

The run that led to approval of the Capital Assessment Methodology had the total project costs of the high school as \$100 million, with the first debt payment on the loan for the high school to be in FY 2026.

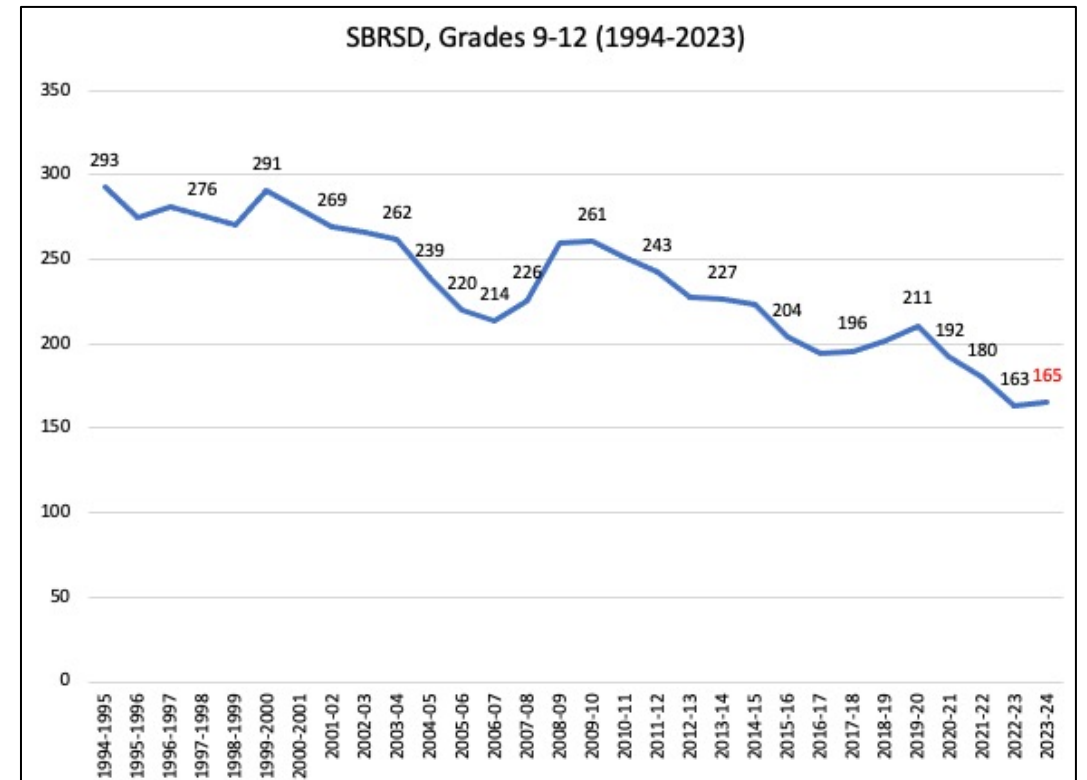
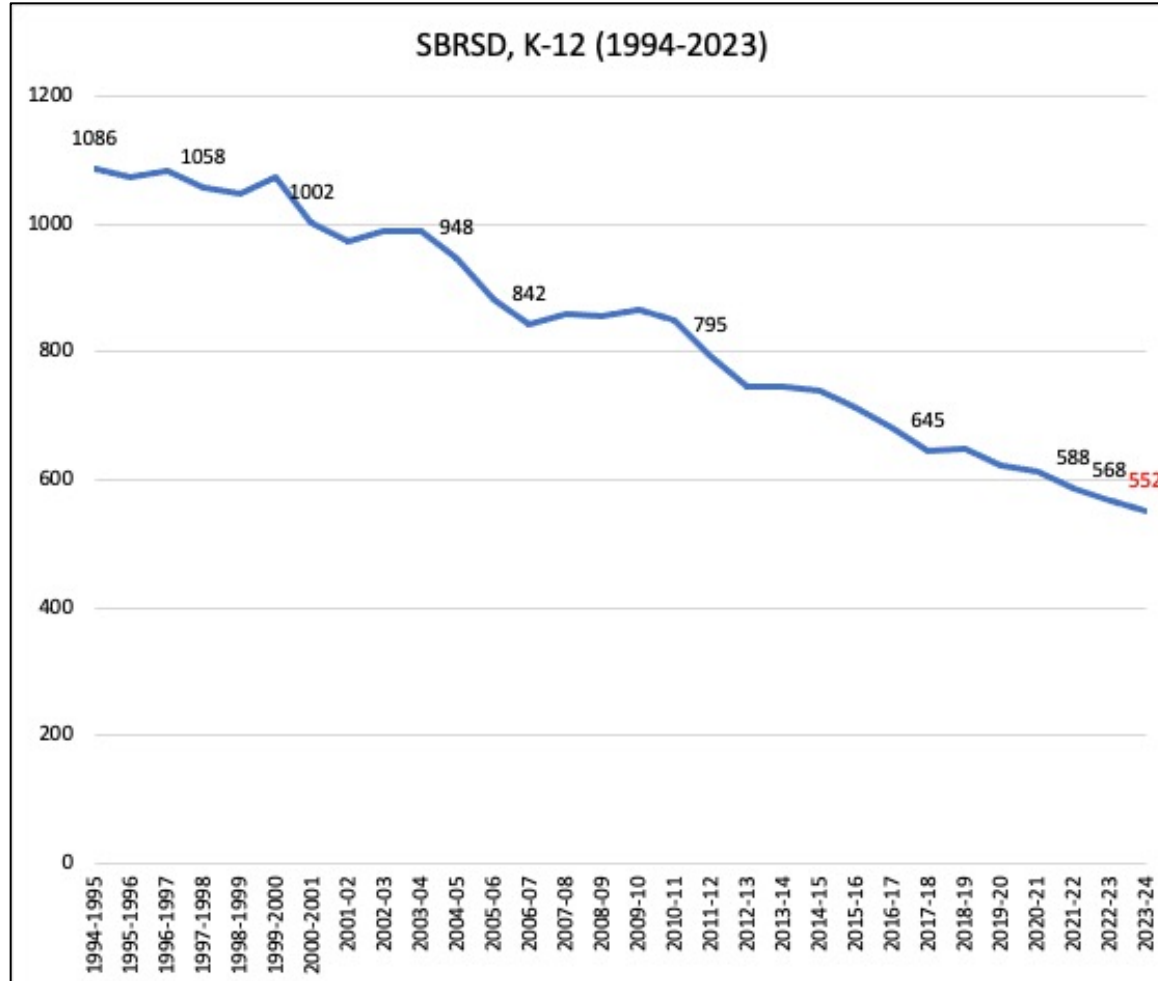
If, for example, a 50% increase in debt service occurred (due to higher building costs or interest rates) the total debt liability in Monterey would increase from \$44,390 to \$66,626. This difference of \$22,236 would increase property tax cost from \$47.73 to \$71.64 per average home value of \$587,402.

A memo related to how we derived the cost of the new high school can be found [HERE](#). A debt approval contingency has been included as part of the regional agreement.

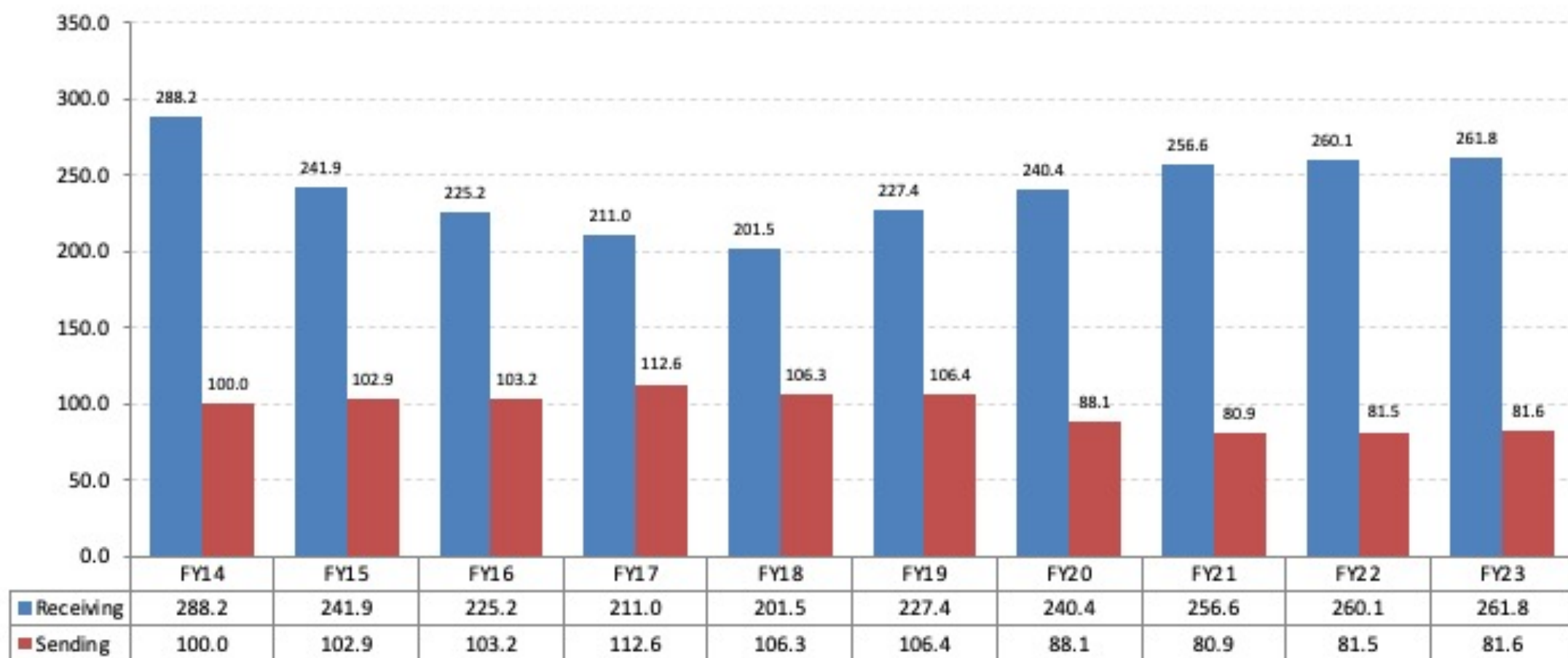
Enrollment

Question (Monterey Times): What % of Monterey students choice to BHRSD?

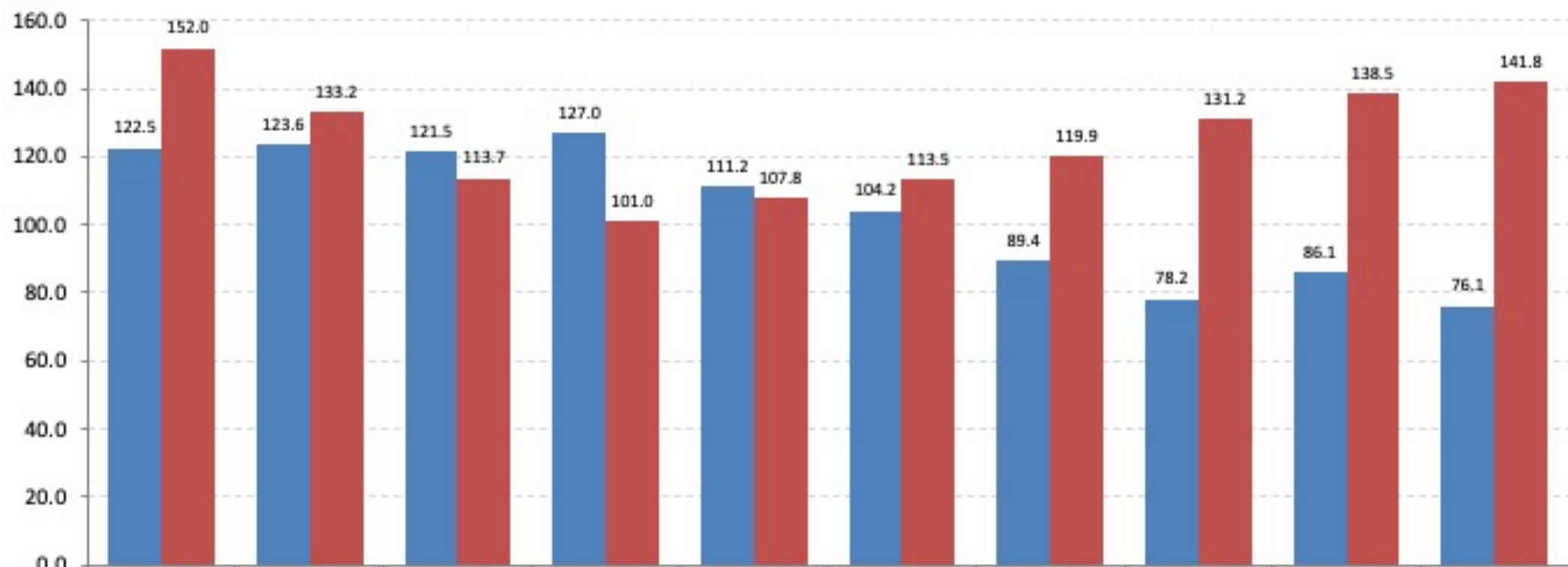
SBRSD enrollment



Berkshire Hills school choice enrollment trends



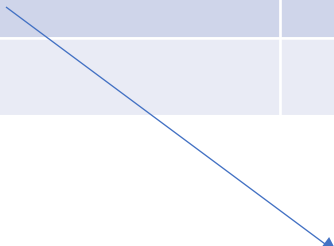
Southern Berkshire school choice enrollment trends



| | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ■ Receiving | 122.5 | 123.6 | 121.5 | 127.0 | 111.2 | 104.2 | 89.4 | 78.2 | 86.1 | 76.1 |
| ■ Sending | 152.0 | 133.2 | 113.7 | 101.0 | 107.8 | 113.5 | 119.9 | 131.2 | 138.5 | 141.8 |

School Choice: Monterey Snapshot

| Year | Attend SBRSD | Attend BHRSD | % Attend BHRSD |
|------|--------------|--------------|----------------|
| 2017 | 53 | 26 | 33% |
| 2019 | 53 | 24 | 31% |
| 2021 | 49 | 25 | 34% |
| 2023 | 40 | 31 | 44% |



In 2021, of 25 students Grades 9-12

- 12 attended BHRSD (48%)
- 13 attended SBRSD (52%)

FY24 Foundation enrollment - 83

Additional Questions, Monterey News:

Where are students staged during the construction of a new high school?



FAQ B4

This would depend on the final project design and footprint. If a new school were constructed next to the existing structure (as happened with Wahconah and Taconic), or a significant renovation allows for occupancy of the building during the construction (as happened at Mt. Greylock), students would remain in their existing schools. If construction were to require “staging” of students into off-site facilities (as happened with Reid and Herberg Middle Schools), temporary use of spaces such as Mt. Everett could be considered. (added 4.27.2022)

How has environmental/climate impacted for new construction been considered?



The MSBA has established several sustainable green programs for all MSBA-funded projects, with an increased emphasis on reducing energy consumption and improving indoor air quality. These programs include updated standards for new and major renovation/addition projects. The MSBA also requires and pays for the entire cost of building commissioning for all MSBA-funded projects to ensure that these buildings operate efficiently and as designed. MSBA Green School info [HERE](#).

How does the state’s “safety valve” rule smooth out tax burdens among towns?



The state calculates Foundation budgets and Required Local Contributions examining annual conditions (enrollment and wealth factors) of a town. Within the worksheet (see [HERE](#)), a town’s preliminary contribution may exceed its target share and, if such, the full shortfall may be relieved or incrementally worked towards. Additionally, the state holds harmless towns on Chapter 70 aid. While these state level strategies help, the amount over required necessitated additional smoothing mechanisms achieved through our proposed methodology including 5 year rolling average and safety valve/cap.



We Are Better Together

The 8 Town Regional School District Planning Board's (RSDPB) goal is to find solutions that build brighter futures for students and communities in our region. We understand the importance of quality education and the positive impact it can have on the lives of our children. We believe that by coming together as one coalition, we can provide enhanced educational opportunities and resources that will empower our students to thrive and succeed. Follow the links below to learn about our vision for our youth and how combining districts could impact your community. Visit our [FAQ page](#) for even more facts!

- FAST FACTS
- ENROLLMENT
- TRANSPORTATION
- EDUCATION
- FINANCIAL FACTS

8 TOWN RSDPB NEWS & UPDATES

Read the most up-to-date information about the work of the 8 Town Board and the benefits of a school merger. Follow the link to access [MORE NEWS](#).



Upcoming Events & Meetings

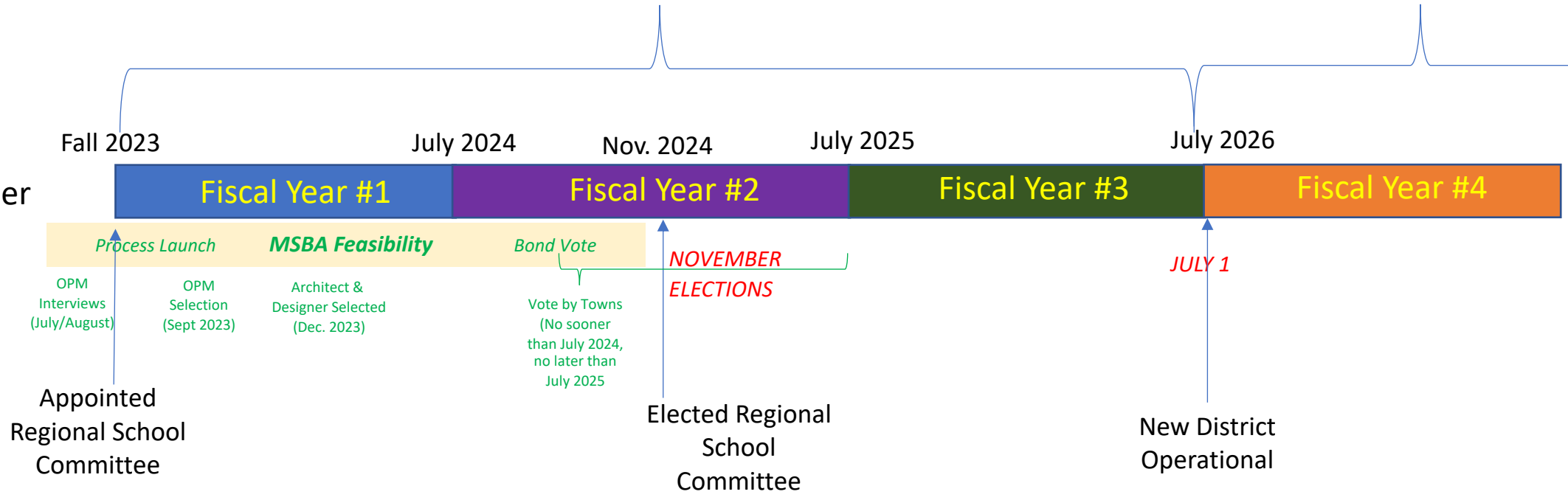
| | | |
|--------|---|--|
| AUG 25 | RSDPB Community Outreach Subcommittee Meeting Aug 25, 2023 | Joint Selection Meeting v RSDPB Aug 28, 2023 Sheffield School Citizens Center |
|--------|---|--|

Resources: 8towns.org

TRANSITION PERIOD

NEW DISTRICT OPERATIONAL

Voters & Commissioner Approve



SBRSD is OPERATIONAL WITH EXISTING COMMITTEE

BHRSD is OPERATIONAL WITH EXISTING COMMITTEE

NEW DISTRICT IS IN A TRANSITION PERIOD

NEW DISTRICT IS OPERATIONAL

Appointed Committee

Elected Committee



Looking Ahead:

- Ongoing vetting with DESE and legal
- Warrant language
- Special legislation
- Late September final review/report/referral to Towns
- Ongoing community education ((October 4, 11, 18...and town/organizational meetings ongoing)
- Late October, Towns vote



OUR SCHOOLS



BETTER TOGETHER

8TOWNS.ORG FOR THE FACTS