

An Overview of School District Mergers



Schenevus Central School
Worcester Central School
July 24, 2019

Alan D. Pole

4514 Whistler Circle, Manlius, NY 13104

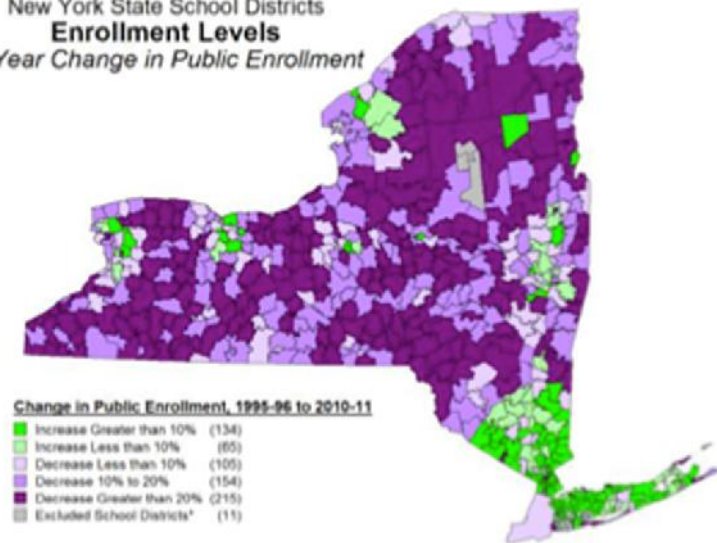
polead@yahoo.com...607.427.9681

The Perfect Storm

- ❖ There are greater expectations for student performance
- ❖ School districts in New York State are facing significant financial challenges
- ❖ Most school districts across New York State are experiencing student enrollment declines

	2006-07	2017-18	Difference
Schenevus	390	357	-33 (-8.5%)
Worcester	440	332	-108 (-24.5%)

New York State School Districts
Enrollment Levels
15-Year Change in Public Enrollment



*May does not include data for the three Central High School Districts, the six school districts with less than eight teachers, or the five Non-Operating School Districts.
Source: 2014 Enrollment file produced by the State Education Department.

School District Mergers



Why Consider Merger?

- ❖ Increase course offerings for students
- ❖ Teachers teach only in their area of specialization
- ❖ Upgrade facilities and equipment
- ❖ More cost effective administrative structure
- ❖ Eliminate duplication of facilities, equipment, support functions and staff
- ❖ Reduce taxes



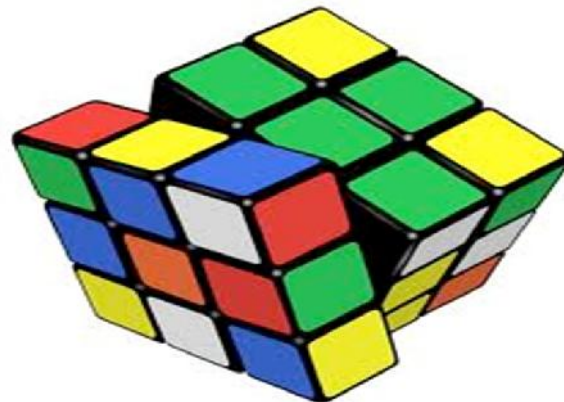
Why Merger May be Difficult

- ❖ Fear of losing local identity
- ❖ Perception that the communities are incompatible
- ❖ Uncertainty over board representation
- ❖ Less personal attention for students
- ❖ Busing time for students will be increased
- ❖ Fear of losing job security by staff
- ❖ Natural resistance to change



Types of Reorganization

- ❖ Centralization-New district created with a new name and a new board of education
- ❖ Annexation-One district takes over the other district with the annexing board of education, administration, policies, CBA's etc. remaining in place



The Merger Study

- ❖ Provides information for school district officials, the communities, and the Commissioner on enrollment projections, student programs, facilities, transportation, staffing, and finances
- ❖ Facilitated by consultants
- ❖ Overseen by school/community advisory committee of 14-18 people
- ❖ Report is the responsibility of the consultants
- ❖ Both Boards of Education decide how to proceed with the final study
- ❖ State funding for studies is uncertain



Mergers-What Research Tells Us

- ❖ Curriculum opportunities for students will be enhanced
- ❖ Extra-curricular opportunities for students will be enhanced
- ❖ School buildings will be enhanced
- ❖ Some students will have a longer bus ride
- ❖ Class sizes tend to get larger
- ❖ Tax rates on true value decline
- ❖ School district spending may increase



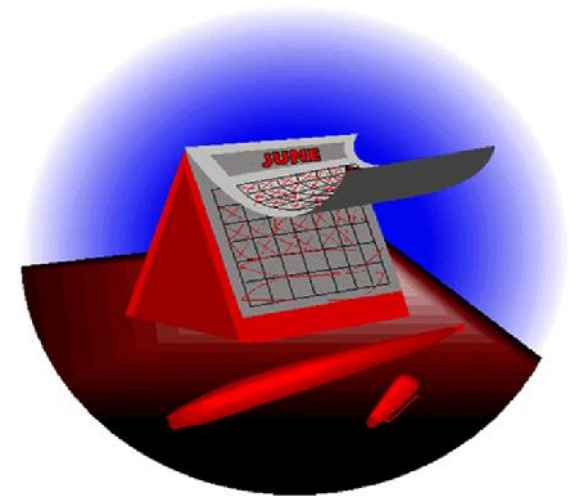
Two Steps in the Merger Process

- ❖ **The Study**-Conducted by consultants with oversight by a local committee to provide information to the boards, the administration, SED, and the communities
- ❖ **The Vote**-Overseen by the State Education Department and the District Superintendent, boards sanction an advisory public referendum which, if successful, is followed by a final referendum



Potential Time Line

- ❖ September (Year 1)-Boards meet to discuss study
- ❖ November-Committee appointed
- ❖ June-Study completed
- ❖ July-Study reviewed by S.E.D.
- ❖ August-Study presented to boards
- ❖ September (Year 2)-Public information and discussion
- ❖ November-Boards decide to go forward
- ❖ December-Advisory referendum
- ❖ January-Final referendum
- ❖ April-Vote for new board members
- ❖ May-Budget vote
- ❖ July 1-New district begins operation with the new board of education



The Finances of Merger-Part 1

Incentive Operating Aid

Combined operating/foundation aid (GEN Report-Line 75 for 2006-07 data) for both districts is increased as follows:

Year 1-40%

Year 2-40%

Year 3-40%

Year 4-40%

Year 5-40%

Year 6-36%

Year 7-32%

Year 8-28%

Year 9- 24%

Year 10-20%

Year 11-16%

Year 12-12%

Year 13-8%

Year 14-4%

Year 15-0%



Incentive Operating Aid for Schenevus and Worcester Merged District					
Year	Schenevus 2006-07 Operating Aid (.490)	Worcester 2006-07 Operating Aid (.544)	Combined 2006-07 Operating Aid	Incentive Operating Aid %	Incentive Operating Aid
2021-22 (1)	1,312,035	1,535,020	2,847,055	40%	1,138,822
2022-23 (2)	1,312,035	1,535,020	2,847,055	40%	1,138,822
2023-24 (3)	1,312,035	1,535,020	2,847,055	40%	1,138,822
2024-25 (4)	1,312,035	1,535,020	2,847,055	40%	1,138,822
2025-26 (5)	1,312,035	1,535,020	2,847,055	40%	1,138,822
2026-27 (6)	1,312,035	1,535,020	2,847,055	36%	1,024,940
2027-28 (7)	1,312,035	1,535,020	2,847,055	32%	911,058
2028-29 (8)	1,312,035	1,535,020	2,847,055	28%	797,175
2029-30 (9)	1,312,035	1,535,020	2,847,055	24%	683,293
2030-31 (10)	1,312,035	1,535,020	2,847,055	20%	569,411
2031-32 (11)	1,312,035	1,535,020	2,847,055	16%	455,529
2032-33 (12)	1,312,035	1,535,020	2,847,055	12%	341,647
2033-34 (13)	1,312,035	1,535,020	2,847,055	8%	227,764
2034-35 (14)	1,312,035	1,535,020	2,847,055	4%	113,882
2035-36 (15)	1,312,035	1,535,020	2,847,055	0	-
				TOTAL	10,818,809



The Finances of Merger-Part 2

Incentive Building Aid

- ❖ Additional 30% on top of the higher district's selected building aid ratio up to 95% (98% for high needs districts) for 10 years for any new construction
- ❖ Existing debt is aided at the higher of the previous districts' selected building aid ratios

Selected Building Aid Ratios	
Schenevus	.804
Worcester	.808



The 1/3, 1/3, 1/3 Guideline for Incentive Operating Aid

- ❖ 1/3 to finance transition costs to the merged district
- ❖ 1/3 in reserves for long term fiscal stability
- ❖ 1/3 to reduce taxes

Tax Rates on True Value-2018-19	
Schenevus	\$17.91
Worcester	\$19.86



History of School District Reorganization in New York State

<u>Year</u>	<u>Number of Districts</u>	<u>Decrease</u>
1870	11,372	
1890	11,216	156
1910	10,565	651
1930	9,118	1,447
1940	6,397	2,721
1950	3,189	3,208
1960	1,293	1,896
1970	760	533
1980	739	21
1990	720	19
2000	704	16
2010	697	7



Questions???

