

What are projected/potential Rehoboth K-8 withdrawal financial consequences?

There would be some one-time costs during the separation period. For example, we would have to hire a labor lawyer to facilitate moving employees from the jurisdiction of the DR Regional District to the Town of Rehoboth. There may also be other unforeseen legal expenses.

Rehoboth might have to hire more staff at the Town offices to handle the influx of new employees to the Town. We would also have to hire a Superintendent to oversee our K-8 as well as a Business Administrator and a Special Ed Coordinator. These decisions would be made by our new school committee.

All of the figures for the following analysis are from the District Business Office FY23 School Committee approved Assessment Sheet.

The financial benefit to our community could be substantial. As you may know, since the State’s implementation of the statutory method of calculating the assessment to Dighton and Rehoboth, Rehoboth has had to pay more than its share of the out-of-pocket expenses of the District.

Of the District’s FY23 minimum required contribution of \$21,814,425, Rehoboth must contribute \$14,610,032 and Dighton must contribute \$7,204,393.

Dividing \$14,610,032 by \$21,814,425 shows that Rehoboth’s contribution is 67% of the total minimum required by the State. Rehoboth has 1440 students enrolled out of 2546 total District students, or about 57% of the students. That extra 10% is the so-called ‘wealth factor’ which Rehoboth has to pay at a minimum.

When the District spends more than the required minimum (this year \$6,072,207), this extra amount is divided up in a different way.

The calculation for the above minimum is based on the percentage of the operating budget of each Town’s K-8 and the high school to the total operating budget. The high school percentage is then divided by the high school enrollment from each community. This is a more equitable way of dividing costs.

To Summarize:

Rehoboth’s required minimum:	\$14,610,032	67% of the total	Enrollment: 1440	57%
Dighton’s required minimum:	+ \$7,204,393	33% of the total	Enrollment: 1106	43%
Total District required minimum:	\$21,814,425			

District above minimum: \$6,072,207

Percentage of the District’s operating budget:

Rehoboth K-8 26.56% of \$6,072,207 = \$1,612,767

Dighton K-8 23.65% of \$6,072,207 = \$1,436,368

High School 49.79% of \$6,072,207 = \$3,023,072

High School portion of the above minimum (\$3,023,072) is then divided by enrollment.

Rehoboth high school enrollment 404 59.9% 59.9% of \$3,013,072 = \$1,812,049

Dighton high school enrollment + 270 40.1% 40.1% of \$3,013.072 = \$1,211,023
674

Transportation fees and capital are not part of the statutory assessment rules. The method of assessment described previously relates only to operational expenses.

Each Town pays its own transportation costs.

Each Town pays its own Capital costs for K-8 buildings. The high school's capital costs are divided by the average of both the enrollment percentage of each Town and the EQV (Property Value) percentage of each Town. Rehoboth's enrollment at the high school is 60% of the total and its EQV is 64% of the total of the EQV of both towns. Therefore, the average of 60% and 64% is 62%. Rehoboth pays 62% of the Capital costs at the high school. This formula is in our 1987 agreement (Section IV, D) as well as in our original 1958 agreement and would still be how we would determine our Capital costs at the high school.

Because Rehoboth is part of a Regional District, the so-called 'wealth formula' for calculating the operating assessments to each town is applied to our K-12. If we withdraw our K-8, it will be applied to the high school only.

This fact alone should save Rehoboth money.

An analysis separating Rehoboth's operating K-8 costs, minimum contribution, and Chapter 70 aid for FY23 shows that withdrawal of its K-8 would save about \$1.8 million. That means Rehoboth's minimum contribution, **which it would have to pay anyway**, would leave about \$1.8 million to spend on hiring additional Rehoboth K-8 administrative staff or on improving educational opportunities for its students.

For FY23, Rehoboth was also assessed about \$1.6 million for its K-8 portion of the 'above minimum' budgeted. For FY23 alone, separation would have saved Rehoboth about \$1.8M + \$1.6M for a total of \$3.4M.

Many District-Wide expenses, such as the FICA match and teachers' retirement health and life insurance contributions, are included in the high school budget. If Rehoboth withdraws its K-8, that portion of these expenses would transfer to Rehoboth (and Dighton). Both Towns are paying these expenses already through their District assessment. Thus, the high school budget should decrease accordingly. So it shouldn't cost any extra.

It is difficult to estimate the exact amount Rehoboth K-8 withdrawal would save annually, because every year our minimum required contribution changes, our enrollment changes, and our Chapter 70 aid changes.

Suffice it to say that, because Rehoboth would be utilizing the 'wealth formula' for just grades 9-12 instead of for the whole K-12, it should realize savings.

If you wish to **view** the complete analysis spreadsheet, showing how the \$1.8 M in savings was calculated or the FY23 DRRSD School Committee Approved Assessment sheet go to the Information page on this website.