Cazenovia CSD & Morrisville-Eaton CSD Merger Feasibility Study

Frequently Asked Questions:

1. **What is a Feasibility Study?**
   A Feasibility Study (FS) is an integral part of a comprehensive process designed to assess whether the consolidation of *two* school districts is advisable. This study primarily focuses on analyzing numerical data, factual information, and financial aspects to determine if a partnership between the districts is financially viable.

   Who will complete the Feasibility Study, and when will it start?
   The Feasibility Study will be conducted by an independent, neutral third party selected through a Request for Proposal Process. The contractor was jointly selected by both school districts and possessed educational expertise in areas such as optimization studies, small city school districts, financial planning, contractual negotiation, pupil services, instructional planning, and relevant educational metrics.

   How long will the Feasibility Study take to complete?
   The Feasibility Study is expected to take approximately six (6) months to gather, compile, and compare data from both districts. Once complete, the report will be submitted to the New York State Education Department for review before it is released to the community. Following this, community support will be solicited in both districts prior to a formal vote. This will be done through petitioning or an informal straw vote. If there is enough community support, a formal vote would take place in the both School Districts, potentially in Fall of 2026.

   What will the Feasibility Study (FS) entail?
   The FS will include on-site and remote meetings, data analysis, public forums, and presentations throughout the process. A Q&A document and other FS artifacts will be maintained on a Madison-Oneida BOCES website: https://www.moboces.org/336342_2

   Targeted public forums will also be convened to explore educational topics, including but not limited to financial, facility, staffing, pupil service, instruction, special education, transportation, food service and co-curricular needs.

   Will there be an opportunity for community input in the Feasibility Study?
   Yes, the proposal for services will include opportunities for community input through in-person, remote, and community engagement sessions with the contractor, allowing for the collection of additional information and data.

2. **What are the potential benefits of the merger for students?**

A merger could enhance educational opportunities by pooling resources from both districts. This could lead to expanded academic programs, broader course offerings, and increased extracurricular opportunities. Students may gain access to programs that are difficult for small districts to sustain independently.

3. **Would students have access to new programs?**

Yes. A merged district would likely be able to offer additional electives, specialized courses, and extracurricular activities. Smaller districts often face challenges maintaining courses with low enrollment, while larger districts can sustain more varied programming.

4. **Will students lose the small-school experience?**

The current concept being explored is "Merge but Stay the Same – Let Evolution Take Its Course." Under this model, students would continue attending their current buildings initially, preserving the existing school experience while allowing collaboration and program expansion over a several year timeframe as determined by the districts.

5. **Will students with disabilities continue receiving services?**

Yes. Individualized Education Programs (IEPs) remain legally binding regardless of district structure. Federal and state laws ensure that special education services continue to be delivered.

6. **Could the merger improve long-term student success?**

Research suggests small schools excel at student engagement and graduation rates, while larger districts often provide broader academic opportunities and college preparation resources. A merger could allow students to benefit from both strengths.

7. **How will the merger impact community identity?**

The proposed concept aims to preserve the identity and branding of each school building. Community traditions, mascots, and school culture are important and would be respected.

If buildings were ever closed in the future, the merged board and community of stakeholders would determine ways to honor the history and identity of those schools.

8. **How will students build relationships across communities?**

If a merger moves forward, the districts will intentionally create opportunities for collaboration between students, including shared activities, athletics, and academic programs. Student voice is an important part of every discussion and decision.

9. **What are the financial incentives for merging?**

A Morrisville-Eaton / Cazenovia merger is estimated to generate approximately $63 million in state incentive aid over 15 years, with roughly half of that aid provided in the first five years. Additional financial incentives for debt service recalculation, enhanced building aid and capital project support are provided in a reorganized district.

10. **What happens to the incentive aid after year 15?**

The incentive aid decreases gradually after the first five years and fully phases out after year fifteen. Districts would have:

- 5 years of full funding to invest and plan
- 10 additional years of gradual phase-down
- Time to implement efficiencies and sustainable financial planning

11. **Will there be any change to the STAR Exemptions?**

No. The STAR exemption is based on the individual homeowner's eligibility, which depends on income and whether the property is their primary residence. A merger should not affect this qualification. After reviewing a sample tax bill from the recently merged Rockland CSD, the property still displayed its Basic STAR exemption.

12. **Will annexation impact Title I awards?**

No. Title I awards are allocated per building. Under current federal guidelines, the merger would not reduce any anticipated Title I funding.

13. **Would the money go to Cazenovia or Morrisville-Eaton specifically?**

No. The funding goes to the newly merged district, not to either existing district individually.

14. **Would building projects receive additional state aid?**

Yes. If a merger occurs:

- Qualifying capital projects would receive at least 95% building aid (possibly 98%)
- This compares to approximately:
    - 88.6% for Morrisville-Eaton
    - ~67% for Cazenovia

Existing Cazenovia capital projects would also receive enhanced aid under the merged district.

15. **Could the state change its funding promises later?**

While no funding can be absolutely guaranteed, the merger plan must be approved by the New York State Education Department (SED) and the Commissioner of Education before implementation.

16. **What happens if Cazenovia and Morrisville-Eaton do nothing?**

Preliminary projections suggest the district could face significant budget gaps simply to maintain current programs and staffing levels. This could lead to a reduction in staffing and programs in the near future.

17. **What programs could be impacted without new revenue?**

Because mandated services must be maintained, reductions would likely occur in:

- electives
- arts programs
- athletics
- clubs and extracurricular activities
- some enrichment programs

These areas are typically the first affected when districts must reduce spending.

18. **Will teachers or staff lose their jobs?**

The proposed model assumes no job losses for teachers or staff. Personnel reductions would occur through attrition over time, not layoffs.

The only position expected to be eliminated immediately would be one superintendent position, since the merged district would operate under a single leader per state statute

19. **How would teacher assignments be determined?**

Teacher placement and assignments would be determined through negotiations of a new collective bargaining agreement. Seniority and existing collective bargaining agreements often play a role in assignment decisions and benefits.

20. **Could the merger improve teacher compensation?**

Yes. Incentive aid could potentially be used to:

- address teacher pay disparities
- improve recruitment and retention
- support professional growth

21. **How will transportation work?**

Transportation planning would be part of the merger study. While the merged district would be geographically larger, it would still be comparable to other existing districts such as Camden or Holland Patent.

Transportation routes, safety considerations, and scheduling efficiencies would all be evaluated during the study.

22. **Is Cazenovia or Morrisville-Eaton prepared for the EV bus mandate?**

No. The EV bus mandate would pose a significant financial strain on both districts as they are currently unable to implement the requirements due to substantial fiscal challenges.

23. **What curricular needs will a reorganized district have?**

The reorganized district will use a transition period to review all curriculum resources and evaluate best practices. This process will focus on identifying the most effective instructional materials and teaching methods for each school and grade level, with input from all stakeholders.

24. **How would the merged district be governed?**

A new combined Board of Education would be created to represent the communities of the merged district.

Representation and board structure would be determined as part of the merger plan.

25. **What is the timeline for a potential merger?**

The process typically includes:

1. Community engagement and information sessions
2. Selection of a merger study consultant
3. Completion of a feasibility study (6–9 months)
4. Community discussion of findings
5. Public vote in both districts

If approved, merged districts typically begin operating on July 1 of the implementation year.
At this juncture, July 1, 2027, is theoretically possible.

26. **Do merger proposals usually pass?**

Historically, under the old process, consolidations were a high bar to achieve. However, the process was revised and resources increased to incentivize the merger process.

27. **Could Morrisville-Eaton or Cazenovia merge with other districts?**

Other nearby districts have been considered. However:

- incentive aid caps reduce the financial benefit of some mergers
- tax rates and district characteristics also affect feasibility

Cazenovia and M-E currently appear to offer the most viable partnership under existing formulas.

28. **Could Morrisville-Eaton or Cazenovia tuition students to another district?**

Some districts use tuition agreements for secondary education. In those cases, students typically receive their diploma from the district they attend, not their home district.

29. **How can community members share their thoughts?**

Community members are encouraged to participate in:

- ThoughtExchange feedback
- Coffee with the Superintendents events
- Town hall discussions
- Board of Education meetings

Community voice will play a critical role in determining whether this concept moves forward.

Questions generated from the March 19th Public Forum:

Cazenovia food service outsourced-are meals made in kitchen or brought in? **Made in kitchen**

What were the unusual expenses referenced in the presentation? **Health matters of personnel**

Does Chartwells cover employee benefits? **Yes. M-E-Cafeteria staff are paid from budget.**

Did the food service provider come in recently or have they been there a while? **1990 Caz brought in an outside agency.**

If we merge does it mean we will get Chartwells or keep our staff? Will be determined by the new board and leadership. If we were to merge, the concept is that when the merger occurs it is more of an administrative merger and savings will come later on. **This is a value-add merger model, and savings will come over time. This is not a merger where the food service department will be wiped out. What does it look like 15-20 years from now is up to future boards.**

M-E In-house food service program offers local options.

We grow some food locally and include it in the district. Is that available with Chartwells? **Yes.**

Is it more economical to have a company like Chartwells or do in-house? How do we get the outside agency to expedite a change that students want? **M-E cafeteria fund operates separately from the general fund. If the service operates in the red, the district uses the general fund to cover the deficit. Cafeteria staff currently operate in the positive. Caz-similar model-we pay per meal and have the Cafeteria fund. Last few years we drew the fund balance down because of some of the changes and amount of student a la cart purchases. It is not difficult to affect change. Menus are out a month in advance. Chartwells have been very amenable to making changes.**

Does Cazenovia currently have a summer lunch program like M-E? **Not like M-E but there is a community organization called Caz Cares supports summer lunches.**

Would Caz be interested in adding this? **Yes. Caz Cares supports students' food needs year around.**

Is there a thought to build a centralized school? **No because we won't get the building aid to fund a new school due to the amount of space the districts currently have.**

It appears that Cazenovia is significantly larger, is there room to expand parking? **No, not really. Caz currently has a lot more students driving than before.**

If the town doesn't do anything with the property ME could it be sold back to the town? **We sold it for $1, we can take it back if they don't take care of it or if school population increases.**

Is there a planned expansion of programs at both districts? What would the stressors be on the interiors of the buildings if districts merge and programs expand? **When M-E hosted All County, there was a lot of stress on the space. When looking at a merger, we are looking at more spaces to have increased programs. The functionality would not be that different. There may be some stress if we have to close a building and move programs or students to another building. I don't anticipate stress because we would have more space for functions.**

If high school consolidation occurs, what are some of the options for the closed high school? **BOCES could possibly use the space (repurpose, purchase, or rent space). You want to keep students in the building as long as there is debt on the building. M-E is currently leasing space in the elementary building (4 spaces) to BOCES, and current conversations are occurring about the possibility of using the middle / high school?**

Caz-Do you employ your own mechanics? **All employees are Caz employees.**

If all high school students go to Cazenovia, is it better to have students further away from the college? Is this something you would think about? **It is certainly something that would be included in future conversations. We gave one hypothetical solution based upon what we anticipated to be one of the greatest obstacles. We know that the Caz brand and geography are very important. How do we merge two distinct cultures with significant disruptions? We could be really off on where people want schools to be. People may desire to move the school into the middle of nowhere. We don't know what the joint board will decide. Could the elementary school be in the middle high school? Sure. There was a desire from some in the village to keep the elementary school there.**

Could current driving permissions be modified? **Students are not allowed to drive in some districts and have to meet criteria.**

Would a transportation center be aided at a higher level? **Caz transportation aid is roughly 64%, M-E is 90%. Aid would be at the higher level.**

Is there enough land to build a new transportation center? If not, have you considered the old Cazenovia equipment site as a location? **Yes we have looked at all potential possibilities. Current site is 8 acres and half is wetland. Caz took a tour of a different style of bus garage and looked at other potential sites including Fenner Field as a potential solution. There are many challenges and want to be debt neutral. We have projects that come off the books in 2031, and we have to move forward.**

<u>Questions generated following public forums:</u>

What is the guarantee the state will follow through with the money?

From NYSED: there is always a non-zero chance that the legislature can suspend things. Governor made it clear years ago that safe harmless is in the crosshairs. The laws are the laws and we follow them. Right now, there is a major incentive to merge. Over the 14 years it appears to be $63 million dollars.

What happens to the maximum cost allowance (MCA) post-merger?

From NYSED: the policy is the MCA remain grandfathered and doesn't necessarily get revised based upon actual enrollment if the proposed project does not increase the square footage of the building. If you're building new or adding square footage, it will then be recalculated. There is a lot of aid that comes

with the merger. Facilities planning will conduct their review of the project if they deem it unreasonable, it will not be approved. They have their practices and policies that won't change simply for the merger.

Statutory Cap Analysis: Has the study explicitly calculated the "long-dormant limit" (the 40% cap of the Total Foundation Aid Base) for the proposed merged entity?

No. The study does not explicitly calculate the long-dormant limit.

Comparative Projections: Will the final feasibility report include two distinct financial models: one showing the maximum theoretical RIOA, and a second showing the actual aid if the "dormant limit" ceiling is triggered?

No.

Long-term Sustainability: Given that RIOA is phased out over 14 years, how does hitting the statutory limit early in the merger impact the "funding cliff" districts often face in years 10 through 15?

Both districts have demonstrated responsible fiscal stewardship and the additional RIOA funds will help relieve tax burdens, escalating benefits costs, and other fiscal factors that impact school districts.

Sensitivity to Foundation Aid Fluctuations: Since the "dormant limit" is tied to the Foundation Aid Base, how would a reduction or flattening of state Foundation Aid in future budget cycles impact the total merger incentive payout?

Future adjustments to foundation aid fall under the jurisdiction of all three branches of NYS government. The study does not predict the impact of budget cycles that have yet to be enacted. This is why the study recommends the districts pursue centralization because the RIOA funds are a stabilizing factor in an unpredictable and outdated foundation aid formula model as referenced by the Rockefeller Institute Study.

Will the school board members receive a complete copy of the written report? If not, why not?

Yes.

If a merger takes place, will additional student spots be available for AP classes? Or will there be a class size limit that could result in students that otherwise may have been able to take the class, not being able to take the class?

This will be determined by the future BOE and school leadership, however the study recommends expanding access to students in both districts for AP classes.

Cazenovia, and I assume Morrisville, enjoy a great deal of community and alumni support, partly due to how close people feel to the school, even if they don't have children at the school. This could be from the size of the schools (small), the many connections alumni still feel based on everything from team names to tradition to culture, and the way the schools can interact with what are truly tight communities, where everyone seems to know each other. Did the study take a look at the potential impact on community support and, more importantly, on strategies to preserve it post-merger if this moves ahead? My suspicion is small decisions -- like on how team names are chosen -- could have an oversized impact.

The study did not review the specific alumni connections; however it makes many recommendations to include stakeholders in future decision making. If school branding occurs in the future, it is strongly recommended to follow similar processes to those used recently when mascots were changed.

Dear Members of the Cazenovia and Morrisville-Eaton Boards of Education and Merger Study Consultants

As our communities come together to evaluate a potential merger, understanding our distinct historical baseline financial liabilities is critical for a transparent public evaluation. To help the public accurately assess the financial trends of both districts leading up to this point, please provide the specific dollar figures and final audited accounting breakdowns for Cazenovia Central School District and Morrisville-Eaton Central School District regarding the following exact items from the past three completed fiscal years (FY 2023-2024, FY 2024-2025, and FY 2025-2026):

1) Retiree Healthcare Costs: What were the exact total dollar amounts expended by each district exclusively for retiree health insurance premiums and medical benefit upkeep (including any Medicare Part B reimbursements), isolated entirely from active employee healthcare spending?

2) Total Pension Obligations: What were the total finalized annual contributions paid by each district into the New York State Teachers' Retirement System (TRS) and the New York State Employees' Retirement System (ERS)?

3) Budgetary Percentage Baseline: When combining these specific retiree healthcare and pension expenditures, what exact percentage of the overall Total General Fund Expenditures did they consume individually for each district in each of those three fiscal years?

Annually each district is required to provide a detailed accounting of expenditures such as retirement contributions. This varies annually based upon rate setting by TRS and ERS and We identified the total amount but not the percentage of budget.

How much money will it take to bring the employees of Morrisville-Eaton school district up to the same level of Cazenovia in salaries and benefits ?

Approximately $600,000. The newly formed BOE in consultation with the respective parties would determine the timeline to level up each district.

As a family new to Cazenovia and experiencing public school for the first time, we are learning the ways in which the public school system must serve students with a wide range of needs and abilities within a shared curriculum. With two school systems that have had unequal financial resources, significant socioeconomic differences, and differing measures of student achievement, how would a merged district ensure that academic expectations and rigor remain high for all students?

More specifically, how would the district support students who may need additional resources to meet those expectations while also ensuring that students who are already meeting or exceeding them continue to be challenged, advanced, and given the attention they need to reach their full potential? What safeguards, programming, or commitments would be put in place to ensure that bringing together two different student populations raises opportunities and outcomes for all students rather than requiring teachers to recalibrate

expectations toward a new, common middle? On one hand, the middle ground could be aspirational for some, but on the other, it could result in a lesser challenge.

The study supports and finds that both districts are fiscally responsible and are achieving at high levels. Stakeholder input and community engagement would be critical to ensure a smooth transition and aligned curriculum.

Please explain what the combined district structure look like after the state incentive funds have been exhausted, how will we be set up for long term financial success and independence? What buildings will be the first to be closed/sold? Will a new campus be built at the center of the geographical footprint?

The above decisions are all local decisions that will be determined by the future district leadership, BOE, and stakeholder input. The study does not recommend any district structure, grade configuration, or alignment.

Who determines which BOCES a reorganized district would be part of?

The Commissioner of Education (Dr. Rosa) has the full authority to make this determination.

Will a BOCES determination be known prior to a Straw Poll Vote?

The consultants, district and BOCES superintendents would pose this question to the Commissioner and seek guidance. It is probable the Commissioner would want to see if there is community support (straw poll or petition process) prior to making an indication where she would land. BOCES superintendents would also have a roll to provide input to NYSED prior to a final determination and potential timeline to transition. We have been advised that abrupt changes that would impact student would be unlikely.

What is the debt burden of each district?

Please review table tables 8.16 and table 8.17 from the study.

Is there a debt limit available?

No- existing debt of Cazenovia will immediately be able to be "refinanced" at the better "Morrisville-Eaton" rate.

What will foundation aid be in a merged district?

Short answer this is very complicated and based on several factors including enrollment, wealth ratio, economically disadvantaged designations, English Language learner designations, disability categories, etc. But it is based on student counts and in a merged district, the student count is higher and the factors mentioned above plus a higher student count will be favorable to a reorganized district.