

## Finance Implications of merging Litchfield and Region 6 to form Region 20

The Temporary Regional School Study Committee (TRSSC) was required by statute to produce a pro-forma budget of the combined school for the first five years of operation. Because it was estimated by the TRSSC that it will take two years for the passing of a referendum authorizing the formation of Region 20 before the school would be in a position to operate, the five-year budget would start in the school year beginning July 1, 2024 and continue through June 30, 2029.

Suffice it to say that a 5-year projection that doesn't begin for two years must contain numerous assumptions that might be better-called guesswork. That said, the TRSSC Report contains the required 5-year projection and compares the 5-year projection to the current FY 21/22 budgets for each town. The current year and the projections are as follows:

Town	Current Year	Projections				
	2021/2022	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
Goshen	\$8,316,201	\$7,298,758	\$7,313,866	\$7,402,619	\$7,486,237	\$7,571,548
Morris	\$5,535,134	\$4,797,880	\$4,807,812	\$4,866,154	\$4,921,120	\$4,977,200
Warren	\$3,456,084	\$2,861,059	\$2,866,981	\$2,901,771	\$2,934,549	\$2,967,990
Subtotal	\$17,307,419	\$14,957,697	\$14,988,659	\$15,170,544	\$15,341,906	\$15,516,738
Litchfield	\$19,277,500	\$19,021,625	\$19,060,998	\$19,282,300	\$19,510,220	\$19,732,554
<b>Total</b>	<b>\$36,584,919</b>	<b>\$33,979,322</b>	<b>\$34,049,657</b>	<b>\$34,452,844</b>	<b>\$34,852,126</b>	<b>\$35,249,292</b>

	Enrollment	2021/2022 Total Cost	Cost/student	Region 20 Enrollment	2024/2025 Total Cost	Cost/Student
Region 6	641	\$17,307,419	\$27,000			
Litchfield	811	\$19,277,500	\$23,779	1452	\$33,979,322	\$23,401

The initial reduction in the overall combined cost for both districts from \$36,584,919 in FY 2021/2022 to the Region 20 cost of \$33,979,322 is testament to the cost savings achievable by combining the two school districts. These savings arise from the reduction in teaching staff made possible by a more efficient allocation as a result of a larger middle and high school, fewer administrators as a result of the consolidation of two middle schools and two high schools into one middle school and one high school, transportation efficiencies due to a combination of bus routes, efficiencies in consolidating two athletic departments and in consolidating after school offerings.

### Perceived Concern:

*Why is Litchfield subsidizing the other three towns?*

Answer: It's not. The initial combined budget for Region 20 is a \$2,605,597 reduction when compared to the combined 2021-2022 level, a 7.1% decrease. The reason that the original Region 6 towns achieve more of a reduction than Litchfield is because their initial cost/student is much higher than Litchfield's--\$27,000 vs Litchfield's \$23,779. Also, Litchfield receives significantly higher support from the State of Connecticut in the form of Educational Cost Sharing (ECS).

For the subsidizing charge to be accurate, Litchfield's cost per student would have to rise, but it declines from \$23,779 pre-merger to \$23,401 post-merger.