

## **Record of Decision Regarding Closure of St. Michael's Episcopal Day School**

### **Background, Timing & Decision**

St. Michael's Episcopal Day School ("SMEDS" or the "School") has since its inception been an unincorporated ministry of the Church of St. Michael & St. George ("CSMSG" or the "Church"). The School suffered significant enrollment decline and reputational harm under prior School leadership. In May 2024, the Vestry approved hiring Dr. Beth Human as Head of School for the purpose of trying to save the School. Dr. Human agreed to a 5-year employment contract, with early termination upon written notice.

On April 8, 2026, the Finance Committee of the Church received a strategic plan document and financial information from the SMEDS school board indicating a much larger operating loss for SMEDS than previously anticipated. A copy of the strategic plan is attached hereto as Exhibit A. The Finance Committee then undertook a review of the SMEDS financials, and recommended closure of the School to the Vestry. This recommendation is set forth in a School Presentation document dated April 13, 2026, attached hereto as Exhibit B.

The Vestry held a phone conference on April 13, in which the recommendation of the Finance Committee was communicated. The Vestry then met on April 16, 2026 to consider that recommendation, which was accepted after a robust discussion including stakeholder impact. In making its decision, the Vestry relied upon the financial analysis performed by the Finance Committee and School board, and also considered one-time costs of School closure, the financial position of the parish as a whole, and the long-term viability of the School as a ministry of the Church. The Vestry then undertook to communicate the closure decision promptly in order to provide as much notice as possible to impacted students, teachers, staff and families. The minutes of this meeting are attached hereto as Exhibit C. The closure communication from the Vestry is attached hereto as Exhibit D.

In early 2026, the Vestry established an email address, [vestry@csmsg.org](mailto:vestry@csmsg.org), to provide a method for parishioners and others to send feedback to the Vestry regarding its activities. To date, the Vestry has received approximately 31 emails relating to its decision to close SMEDS via this communication channel. The Vestry has read every email received on this topic, and has carefully considered those comments.

In light of the passionate opposition to the Vestry's April 16 decision and concerns about the process and timing of the same, the Vestry attended a School Town Hall held at the Church on the evening of May 6, 2026. The Town Hall was well attended, and included remarks from School board chair Ashley Chapman, Head of School Beth Human, and more than 10 additional speakers representing School families, School staff, and Church

parishioners. The overwhelming sentiment at the Town Hall was to delay closure of SMEDS by one academic year to allow for a more equitable and orderly transition for stakeholders. The Canon to the Ordinary and Chancellor of the Episcopal Diocese of Missouri (the “Diocese”) also attended the Town Hall as observers.

In response to the Town Hall, the Vestry committed to meet again on May 11 to reconsider and re-deliberate its decision.

On the morning of May 11, the *St. Louis Post-Dispatch* published an article titled “Move to close private school in Clayton stuns parents, staff. They ask for more time.” The article further details both the impact of the Vestry decision on the families and staff, and also contains details regarding SMEDS leadership’s assessment of the projected enrollment and operating deficit for the 2026-27 academic year.

On the evening of May 11, the Vestry met with all members present to receive a presentation by School board chair Ashley Chapman and Head of School Beth Human, and to reconsider and re-deliberate the decision to close SMEDS. The School presentation focused its analysis on a complete accounting of the costs to achieve closure, impact on cost allocation to remaining programs, and reverse synergy costs relating to benefits and accreditation status. The presentation also included a discussion of fundraising efforts undertaken to offset the projected operating deficit for the 2026-27 academic year. Preliminary commitments total \$423,675 in pledges from 36 families, including a potential \$350,000 individual donor advised fund gift. A copy of the School Presentation is attached hereto as Exhibit E. The meeting was also attended by Fr. Peter Speropulous, the Canon to the Ordinary, and the Bishop of the Diocese who led a discussion among attendees prior to Vestry deliberations. In total, the meeting lasted approximately four and a half hours. Minutes of this meeting are attached hereto as Exhibit F.

As set forth in the minutes, at the conclusion of the meeting two motions were made, as follows:

*A motion was made and seconded to cease subsidizing operational expenses for SMEDS K-6, effective June 30, 2026. Additionally, the CSMSG will forgive the existing ~\$360,000 in SMEDS' operational expense advances that have made in the current SMEDS fiscal year (July 1, 2025, to June 30, 2026). As well, CSMSG will assume the 3rd party bank debt incurred by SMEDS. Discussion followed. The motion passed 11-5.*

*An alternative motion was made and seconded that the vestry offer SMEDS leadership a level of logistical and financial support to set up a school independent of CSMSG with a separate Tax ID and allow use of existing building space, rent free for 2 years. The intention is that all revenue and expenses (other than building rent) will become the responsibility of SMEDS. Discussion followed. The motion failed 1-15.*

## Factual Basis for Decision

The Vestry recites the following facts it has discerned regarding the relationship between the Church and School.

- The total 2026 annual budget for the Church is approximately \$3.7M
- The operating deficit of the School for the 2025-26 academic year is approximately (\$518,436), net of one-time federal funding
- The School had two bank loans that were consolidated by the Church in 2024 at Commerce Bank. The current outstanding balance is \$155,754
- The Church has covered operating shortfalls for the school in a range of (\$500,000)-(\$250,000) for each of the past four school years
- The Church was able to cover the operating shortfall of the School for the 2025-26 academic year due largely to one-time federal funding and a parishioner bequest
- The Vestry projects an operating deficit of (\$400,000) for the 2026-27 academic year
- The School board projects an operating deficit of (\$436,000) for the 2026-27 academic year
- K-6 enrollment at the School has been as follows:

School Year Ended	K-6 Students Enrolled
2018-19	118
2019-20	129
2020-21	75
2021-22	110
2022-23	106
2023-24	91
2024-25	61
2025-26 (current)	28
2026-27 (signed contracts as of May*)	15

\* The School had projected 21-24 enrolled students

## **Decision Context, Sentiment & Next Steps**

In making its decision, the Vestry is cognizant of broader, long-term demographic trends that do not indicate increasing enrollment in the future, as declining birthrates result in fewer enrolled students nationally. See, e.g., “U.S. Schools Face a Crisis as the Number of Children Drops,” the *New York Times* (May 8, 2026).

Nevertheless, this decision has been painful for the Vestry and the Church, which has a long and proud history of supporting the mission of the School. The Vestry is saddened by the decision and in particular its effect on students, families, and teachers directly impacted. This hurt should have been acknowledged more directly in prior Vestry communications.

In recognition of the pain caused by this decision and the limited time available for families and staff to find other placements, the Vestry reaffirms its commitment to:

- Negotiating appropriate severance packages for SMEDS staff
- Offering bridge scholarships to assist students enrolled for the 2026-27 academic year with financial needs impacting alternative placement
- Working with School leadership to help establish SMEDS as an independent school separate from the Church, if desired. This option was offered to School leadership. However, School leadership believes this is not logistically possible nor feasible in light of the prior decision to close the School.

Discussions regarding the first two commitments are underway or will begin shortly.

**Dated as of May 15, 2026**

# St. Michael's Episcopal Day School

## Strategic Enrollment, Tuition, and Operating Model Review

### Positioning the School for Long-Term Sustainability

#### Executive Summary

St. Michael's Episcopal Day School has a strong mission, a distinctive educational identity, and a deeply valued small-school culture. Those strengths are real and worth preserving. At the same time, the school's current operating model creates structural pressures that make long-term sustainability increasingly difficult.

The core issue is not mission, leadership, or program quality. The core issue is alignment. The school is currently trying to sustain a full Infant through 6th grade program with an organizational structure, tuition model, and enrollment pattern that have evolved over time but are no longer fully aligned with the school's financial realities or with the strategic direction outlined in the 2024–2030 strategic plan.

The most visible example of this challenge is the K–6 program. Based on current projections, K–6 enrollment for the upcoming year is expected to be 24 students across seven grade levels. Tuition commitments vary significantly across families, ranging from \$0 to \$24,900 per student, with average tuition revenue of approximately \$9,490 per student. At the same time, the school is currently spending approximately \$30,000 per student annually across the program. This creates a substantial structural gap between the cost of operating the program and the revenue generated by tuition.

This report concludes that St. Michael's should retain its identity as one unified school while adopting a clearer program model, a simpler financial structure, and a more coherent leadership framework. Specifically, the school should organize itself into two learning communities: Little Dragons, serving Infant through Junior Kindergarten, and Big Dragons, serving Kindergarten through 6th grade. It should operate under a single unified budget, eliminate artificial cross-charging between internal programs, clarify leadership accountability, and adopt a more transparent tuition framework for the K–6 program.

The purpose of these changes is not to make the school larger or more impersonal. The purpose is to create an operating model that allows St. Michael's to remain small, relational, and mission-driven in a way that is sustainable over time.

# 1. Why This Review Is Necessary

St. Michael's Episcopal Day School serves students from infant through 6th grade and offers a small, relationship-centered learning environment rooted in its Episcopal identity. The school's mission and educational philosophy emphasize curiosity, community, and individualized learning. These qualities have shaped the school's culture and remain among its greatest strengths.

In 2024, the school adopted the "Grow, Partner, and Lead" Strategic Plan for 2024–2030. That plan calls for stronger mission clarity, sustainable enrollment growth, and improved systems that support long-term institutional health. At its core, the strategic plan recognizes that the school's ability to thrive depends on maintaining an appropriate balance between enrollment, staffing, program quality, and financial sustainability.

A central premise of the strategic plan is that enrollment growth must support both thriving classrooms and sustainable revenue. This review is therefore not an argument for changing the mission of the school. It is an effort to ensure that the school's operating model is capable of supporting the mission already articulated in the strategic plan.

To plan responsibly for the future, the school must examine its current enrollment structure, tuition model, financial organization, and program design.

## 2. The Structural Challenge Facing the School

St. Michael's is intentionally small, and that smallness is one of its defining advantages. Small schools can provide an exceptional educational experience. They allow teachers to know students well, make individualized learning possible, and build strong relationships among students, families, and faculty.

However, small schools are also structurally less forgiving than larger institutions. They require stable enrollment, a clear tuition model, and reasonably predictable revenue in order to support staffing, scheduling, and program planning. When those conditions are not in place, even a strong educational program can become financially fragile.

At St. Michael's, the challenge is not simply that enrollment is small. The challenge is that the school is operating with multiple program structures, different family expectations across age groups, and a tuition system that has become increasingly individualized over time.

### Small School Dynamics

In a small school environment, even modest fluctuations in enrollment or tuition yield can have outsized effects. Staffing levels, classroom groupings, student experience, and long-term planning all depend on having a reasonably stable understanding of how many students will enroll and what tuition revenue those students will generate.

Without that stability, school leadership is forced to balance educational goals and financial realities with very little margin for error.

## **Two Program Structures**

St. Michael's currently operates with two distinct program groupings: the Infant/Toddler program and the School serving Pre-K through 6th grade. These parts of the institution function differently. They have different enrollment patterns, different staffing requirements, different family expectations, and different operational rhythms.

This distinction matters. Three- and four-year-old children, and their parents, have fundamentally different needs from those of older elementary students. Families with younger children are often seeking reliable care in addition to early learning. They tend to expect extended hours, year-round coverage, and a structure closer to childcare or preschool. Families with older elementary students generally have different expectations about schedule, supervision, and program design.

Under the current structure, however, younger early childhood students are operating under a broader school structure that is more closely aligned to the needs of older students than to the expectations of families seeking early childhood care. Because of the current structure, three-year-old students operate on the same school schedule as twelve-year-old students rather than on an early childhood schedule designed for younger learners.

Although these programs function differently, they sit within the same institution and the same financial ecosystem. Decisions about enrollment, tuition, staffing, and program design in one part of the school inevitably affect the sustainability of the whole.

## **Tuition Variability**

Across the school, tuition varies widely due to individualized financial aid decisions, staff tuition arrangements, and clergy family considerations. Financial aid is an important part of the school's mission and should remain so. Accessibility is not a problem to be solved away. It is part of the school's identity.

At the same time, the current degree of variation makes revenue difficult to predict and long-term planning more difficult to manage. Over time, the school has developed a pattern of highly individualized tuition outcomes rather than a clearly communicated tuition framework. That reality contributes to broader structural uncertainty.

## **3. The K–6 Enrollment Reality**

The structural challenges described above become especially clear in the Kindergarten through 6th grade program.

Unlike the early childhood program, which operates in broader age-based groupings, the K–6 program is divided across seven grade levels. When enrollment is spread thinly across seven separate cohorts, it becomes difficult to maintain strong peer groups and sustainable classroom structures while still supporting the staffing and instructional resources required to operate the full program.

Based on the best information currently available, projected K–6 enrollment for the upcoming year is as follows:

Kindergarten: 4 students

1st Grade: 2 students

2nd Grade: 4 students

3rd Grade: 1 student

4th Grade: 7 students

5th Grade: 4 students

6th Grade: 2 students

This results in total projected K–6 enrollment of 24 students. Average grade size falls between two and four students, with several grades containing only one or two students.

Small class sizes can be a strength. But when grade-level cohorts become this small across multiple grades, the school is no longer simply offering a personalized program. It is operating a full K–6 structure at a scale that significantly increases the effective cost per student and makes it difficult to sustain healthy peer dynamics across the program.

### **Tuition Variability Within the K–6 Program**

The K–6 program also reflects the broader tuition variability described above. Based on current commitments, tuition payments range from \$0 to \$24,900 per student. Current arrangements include staff tuition levels between \$0 and \$2,390, clergy family tuition around \$2,000, several aided tuition levels between roughly \$3,700 and \$10,000, mid-range tuition amounts such as \$16,640 and \$17,000, and full or near-full tuition levels between approximately \$18,000 and \$24,900.

Based on these commitments, projected K–6 tuition revenue is approximately \$227,749. Across 24 students, that yields average tuition revenue of approximately \$9,490 per student.

### **Cost of Education**

The school is currently spending approximately \$30,000 per student annually across the program. On that basis, the cost of educating the projected 24 K–6 students is approximately \$720,000 per year.

Against projected tuition revenue of approximately \$227,749, this produces a gap of roughly \$492,000.

Many of the tuition arrangements currently in place were inherited from prior administrative decisions. This review is not intended as a critique of current leadership or of individual aid decisions. Beth and the current administration have continued to honor commitments that had already been made to families.

The issue is not one of bad faith or poor intent. The issue is that very small grade cohorts combined with highly variable tuition outcomes create a program model that is difficult to sustain over time.

## **4. What the Numbers Indicate**

The data do not suggest a problem with mission, faculty quality, or educational philosophy. They indicate a structural misalignment between enrollment scale, tuition yield, and operating cost.

The K–6 program currently operates with 24 projected students across seven grade levels, average tuition revenue of approximately \$9,490 per student, and cost of education estimated at approximately \$30,000 per student. This produces a substantial gap between what the program costs and what it generates in tuition revenue.

That gap is currently being supported through parish support, fundraising, and other institutional resources. Many schools rely on philanthropy. That alone is not unusual. What is unusual is the extent to which the current K–6 structure relies on subsidy while also operating at a cohort size that is educationally and operationally fragile.

The conclusion is straightforward: the school's challenge is not simply low enrollment. It is the combination of small cohorts, highly individualized tuition outcomes, and an operating model that lacks sufficient structural clarity.

## **5. Strategic Principles for Moving Forward**

Any redesign of the school's operating model should be guided by a small number of clear principles.

First, any change should reinforce the mission and identity of St. Michael's Episcopal Day School. The school's distinctive value lies in its small, relationship-centered environment. The goal is not scale for its own sake. The goal is sustainability in service of mission.

Second, accessibility should remain a core commitment. Financial aid is not an exception to the mission; it is part of the mission. But aid should operate within a clearer framework so that the school can remain accessible while improving predictability and transparency.

Third, sustainable enrollment matters. Healthy classrooms require more than simply filling seats. They require cohorts large enough to support peer interaction, collaborative learning, and stable classroom structures.

Fourth, the school needs a more predictable tuition structure. Families benefit when tuition expectations are clear, and the school benefits when revenue planning becomes more consistent.

Finally, the school needs greater program clarity. The structure of the institution should reflect the developmental realities of students and the practical expectations of families. Programs serving very young children should be designed like early childhood programs. Programs serving elementary students should be designed like elementary programs.

These principles create the foundation for the recommended future-state model.

## **6. Recommended Future-State Program Structure**

St. Michael's should continue to operate as one unified school serving students from infancy through 6th grade. However, within that unified school, it should organize its work into two learning communities that better reflect developmental reality and operational need.

The first learning community should be Little Dragons, serving students from Infant through Junior Kindergarten. This program should operate as a true early childhood model, with a schedule, structure, and family experience aligned to early childhood education and care expectations. Organizing Infant through Junior Kindergarten together allows the school to provide developmentally appropriate programming for younger students while better meeting the needs of families seeking reliable care and early learning.

The second learning community should be Big Dragons, serving students from Kindergarten through 6th grade. This program should operate as the school's elementary division, focused on academic progression, peer learning, and preparation for middle school. Within this structure, the school can preserve the small, relational culture that defines St. Michael's while establishing a more sustainable instructional model.

This is not a proposal to create two separate schools. It is a proposal to create two program groupings within one school so that the operating model better reflects the needs of students, families, and the institution.

## **7. Recommended Financial Structure**

St. Michael's should operate under one unified budget covering the full school program from Infant through 6th grade.

The school already functions as one institution with shared mission, shared facilities, shared governance, and parish-backed financial responsibility. In that context, maintaining separate internal budgets with cross-charges between program groupings creates complexity without producing corresponding strategic value.

Under the recommended model, the school would manage all revenues and expenses through a single unified budget. Leadership would continue to categorize expenses and monitor financial performance, but the school would no longer devote time and administrative energy to artificial internal allocations between the Infant/Toddler program and the rest of the school.

This shift would simplify financial management, strengthen institutional cohesion, and reduce the perception that parts of the school are competing with one another internally. It would also reinforce a simple truth: the school's sustainability must be achieved collectively, not through internal cost-transfer mechanisms.

Importantly, the school should continue tracking enrollment and revenue trends by program area. Doing so will allow leadership and the board to monitor the path toward sustainability without recreating unnecessary accounting complexity.

## **8. Recommended Leadership and Governance Model**

As St. Michael's clarifies its program structure and financial model, it should also clarify leadership responsibilities.

The recommended leadership model preserves unified governance while assigning clear accountability within each learning community.

The Director of Little Dragons should oversee the early childhood program serving Infant through Junior Kindergarten. This role should be responsible for early childhood curriculum, classroom implementation, teacher coaching, instructional feedback, and alignment with early childhood best practices. It should also support the practical needs of families with younger children.

The Head of School should remain the visible leader and public face of St. Michael's Episcopal Day School. This role should continue to represent the school to the parish, the broader community, and prospective families. At the same time, the Head of School should hold executive responsibility for the implementation of the Kindergarten through 6th grade program, including curriculum oversight, teacher support, instructional feedback, and execution of the elementary academic model.

The Director of Big Dragons should be filled from the current school administration and should support the Head of School in the operation of the K–6 program. This role should provide additional capacity in curriculum implementation, classroom coordination, instructional support, and continuity across the elementary grades.

Both the Director of Little Dragons and the Head of School should report to the School Board. The School Board should continue to report to the Vestry, which retains ultimate responsibility for the school as a ministry of the parish.

This leadership model does not add complexity for its own sake. It aligns leadership responsibility with developmental stages, program needs, and institutional accountability.

## **9. Sustainable K–6 Program Model**

A healthy and sustainable K–6 program at St. Michael’s is one that is large enough to support peer learning, stable classrooms, and predictable tuition revenue, while still remaining small enough to preserve the individualized attention and relationship-centered culture that define the school.

The recommended long-term target is a K–6 program of approximately 40–45 students. At this scale, the school can sustain healthy peer cohorts, maintain manageable class sizes, and improve financial viability without losing its essential character.

Target enrollment by grade should be approximately as follows:

- Kindergarten: 6–8 students
- 1st Grade: 4–6 students
- 2nd Grade: 5–6 students
- 3rd Grade: 5–6 students
- 4th Grade: 6–8 students
- 5th Grade: 6–8 students
- 6th Grade: 5–7 students

At this level, the K–6 program can be organized into four classroom learning communities:

- Classroom 1: Kindergarten and 1st Grade
- Classroom 2: 2nd Grade and 3rd Grade
- Classroom 3: 4th Grade and 5th Grade
- Classroom 4: 6th Grade

This structure supports classroom groupings of approximately 10–12 students and allows for flexible instruction, mixed-age learning, peer mentorship, and efficient staffing.

A sustainable K–6 program at this scale can operate with four certified teachers and three non-certified instructional aides. That model supports a student-to-teacher ratio of approximately 11:1 and a student-to-educator ratio of approximately 6:1. Importantly, this preserves the individualized learning experience that is central to St. Michael’s identity.

## **10. Tuition Model**

The school should establish a published K–6 tuition rate of \$15,600 per student.

At full K–6 enrollment of 45 students, this would produce projected tuition revenue of approximately \$702,000. This published rate creates a clearer revenue base for the school while positioning St. Michael’s as an accessible independent school.

A published tuition level matters because it creates predictable revenue, clearer expectations for families, more straightforward admissions conversations, and more transparent financial aid policies. The current system of wide variation from family to family makes planning difficult and creates unnecessary ambiguity.

Financial aid should continue under the new model, but within a clearer framework. Full tuition should remain \$15,600. Moderate financial aid should typically place tuition in the \$10,000 to \$13,000 range. Higher levels of aid should be reserved primarily for Episcopal clergy families and school staff who are not already covered by grandfathered arrangements.

The goal is not to eliminate aid. It is to move from a pattern of individualized exception-making to a framework that is accessible, principled, and financially understandable.

## **11. Enrollment Growth Path**

The move from the current K–6 enrollment base to a sustainable model should occur gradually over five years.

Current projected K–6 enrollment is 24 students. A reasonable growth path would be:

Year 1: 30 students

Year 2: 34 students

Year 3: 38 students

Year 4: 42 students

Year 5: 45 students

Growth should focus primarily on Kindergarten and the early elementary grades. Building stronger incoming cohorts allows the program to grow organically as those students progress through the school. This is a more stable strategy than trying to backfill upper grades in isolation.

The intent is not rapid expansion. The intent is steady, mission-aligned growth that strengthens classroom communities over time.

## **12. Philanthropic Support and Long-Term Outcome**

Even under a stronger tuition model and healthier enrollment structure, tuition alone will not fully cover the cost of education. That is true at many independent schools and should be acknowledged plainly.

For that reason, St. Michael's should continue to invite philanthropic support through a clearly named St. Michael's Scholarship and Sustainability Fund. Contributions to that fund should support financial aid, program development, and long-term institutional stability.

By 2030, if the recommendations in this report are implemented successfully, St. Michael's should be operating with a K–6 program of 40–45 students, four classroom learning communities, a clear tuition framework, stronger teacher support, and a more sustainable financial model.

The objective is not to make the school bigger for its own sake. The objective is to make the school stable enough to remain what it already aspires to be: a small, distinctive, relationship-centered Episcopal school that can sustain its mission over time.

## **Conclusion**

St. Michael's does not need a new mission. It needs an operating model that can support the mission it already has.

The school's current structure reflects a set of real strengths, but it also reflects a pattern of incremental decisions that have created complexity, ambiguity, and financial fragility. The recommendations in this report are designed to simplify where simplification is needed, clarify where clarity is lacking, and strengthen the institution without changing its essential character.

The path forward is not radical. It is disciplined. It recognizes that the school is one institution, that different age groups require different program structures, that financial sustainability requires clearer tuition and enrollment planning, and that governance works best when accountability is aligned to the actual shape of the program.

With a unified operating model, clearer program structure, more transparent tuition framework, and deliberate enrollment strategy, St. Michael's can position itself not only to survive, but to thrive.



## THE CHURCH

OF ST. MICHAEL & ST. GEORGE

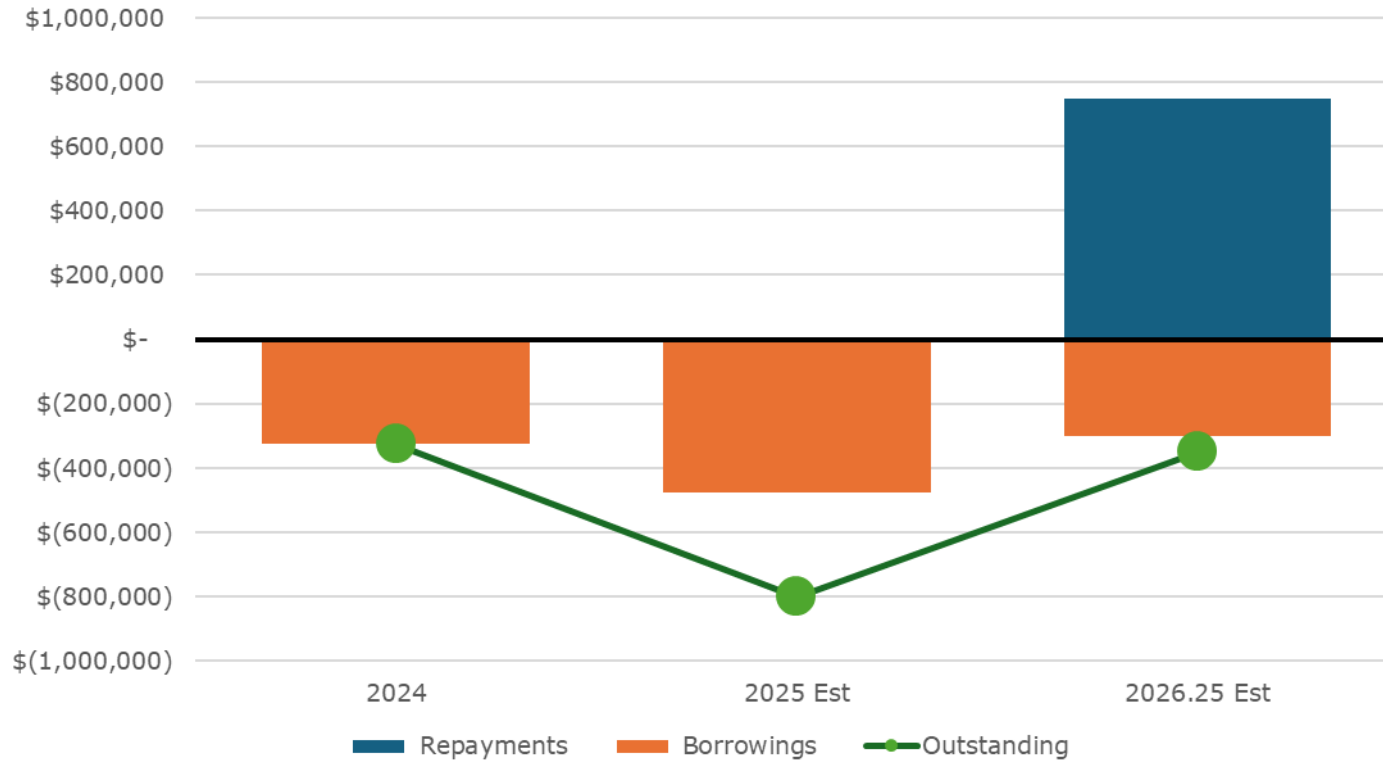
## Exhibit B

- The school's financials are a mess.
  - They are generally unreliable with very intermittent reporting (months of non-reporting at a time).
  - In 3-5 years, here is the list of accountants:
    - Thurmond (9 months)
    - Derick (8 months)
    - Heather (6 months)
    - Lindsay (4-5 months)
    - Mary (5 months)
    - Kayla (current)
    - Terry filled in.
- The financials are complicated because there are some shared expenses with the Infant-Toddler program.
- The school financials don't match the church because the school is June-to-June to match the school year, and the church and Infant-Toddler are December-to-December.
- The BEST ESTIMATE for the school year ending in June is a loss of \$425k. As of March 31<sup>st</sup>, the loss was \$235k after removing the ERC credit and CSMSG loan forgiveness.



**THE CHURCH**  
OF ST. MICHAEL & ST. GEORGE

### School Borrowing from Church

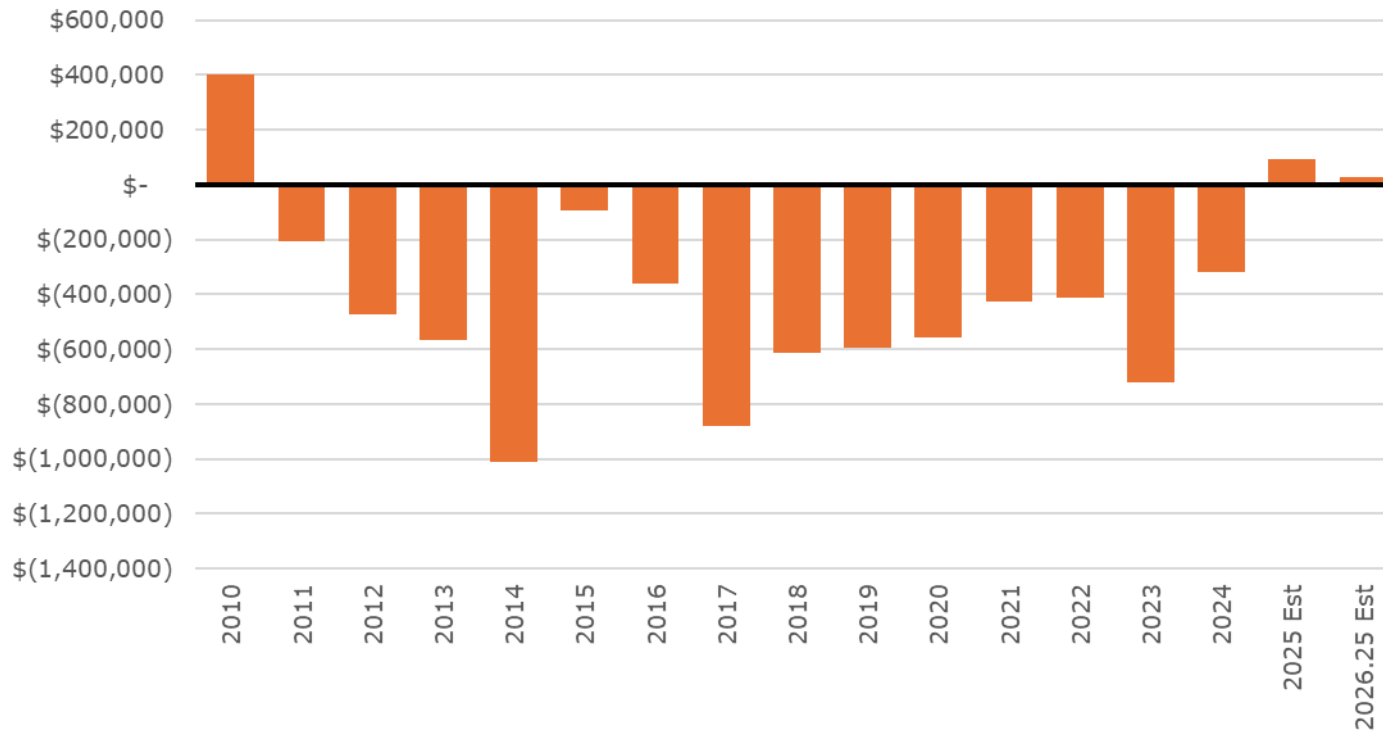


- We do know how much the church is lending to the school. The school also has bank debt that it is paying down. It was \$190k in 2024 and is now \$157k. Data is in nominal terms.



**THE CHURCH**  
OF ST. MICHAEL & ST. GEORGE

### Cash Minus Liabilities (Liquidity) 2025 Dollars

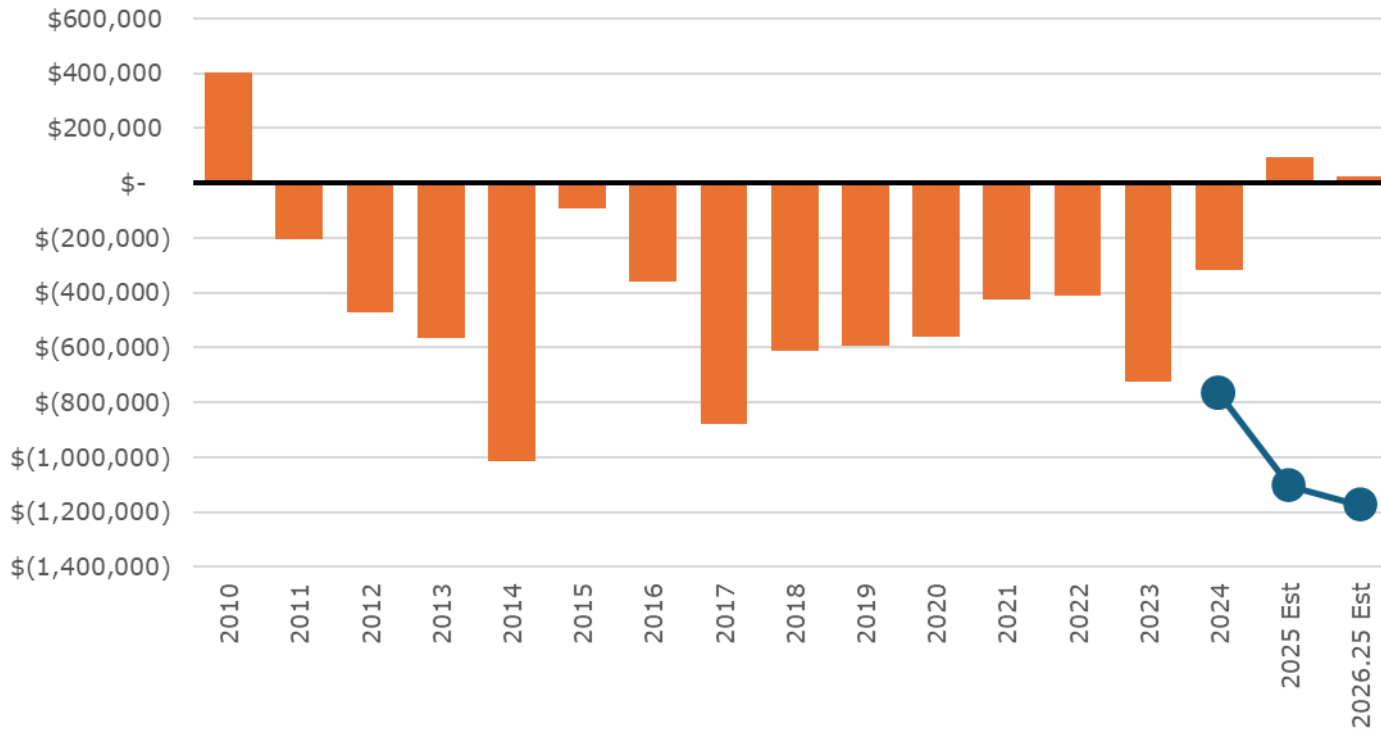


- This is the church's liquidity position, cash minus line of credit for the past 16 years. It is in inflation-adjusted, or 'real' terms. It excludes organ-related funds.



**THE CHURCH**  
OF ST. MICHAEL & ST. GEORGE

**ESTIMATED Cash Minus Liabilities Without Special Income**  
2025 Dollars



- This is David Ott's estimate of where we would be without the undesignated gift when a parishioner passed away and the government ERC funds. Note, our credit line is \$1 million.

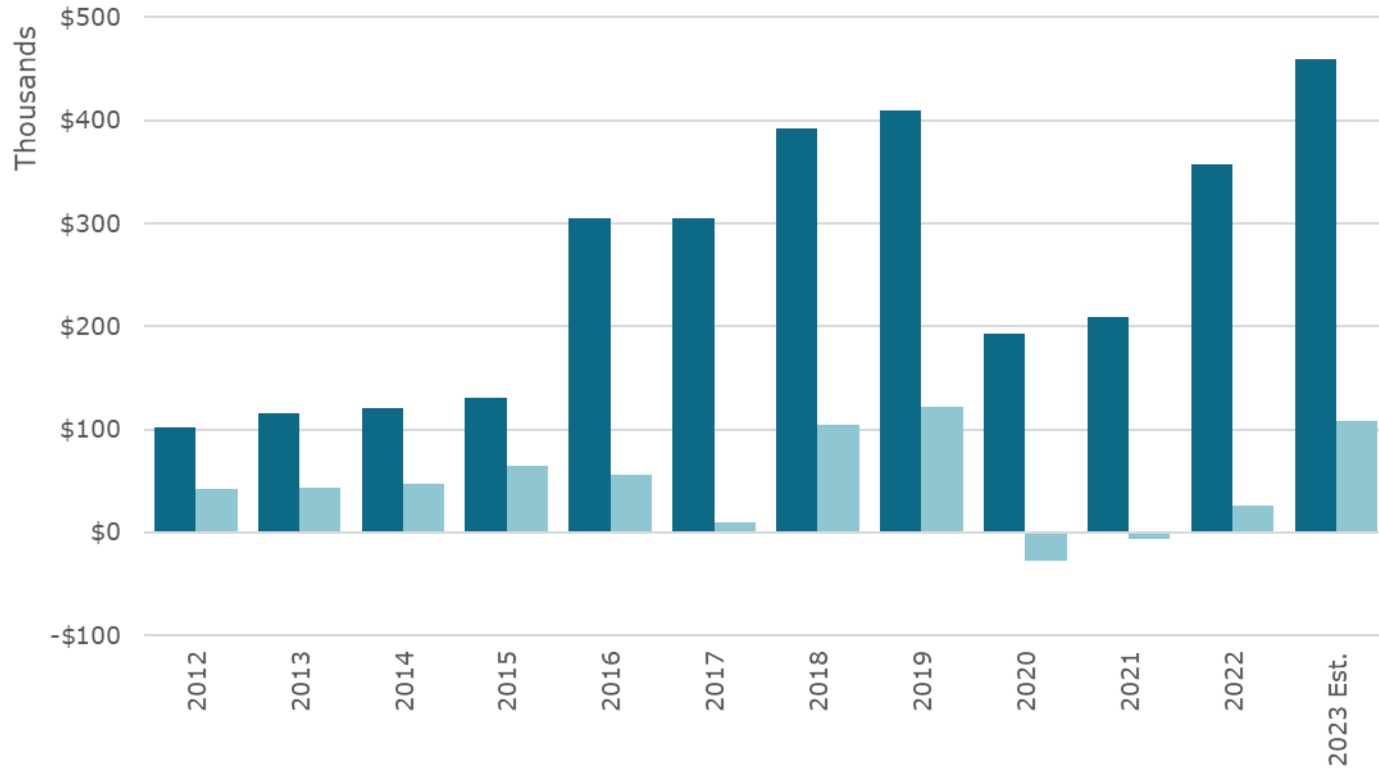


Year	9Mo to 3/31		12 Mo Est		1	2	3	4	5	Drivers	Year 1 Change
	2025-26	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31				
School Year											
Enrollment			24	32	40	48	56		8		
Pay Per Student			\$ 10,000	\$ 11,000	\$ 12,000	\$ 13,000	\$ 14,000		\$ 1,000		
Enrollment Income	\$ 386,772	\$ 386,772	\$ 240,000	\$ 352,000	\$ 480,000	\$ 624,000	\$ 784,000				-37.9%
Before/After Care	\$ 68,891	\$ 91,855	\$ 60,000	\$ 80,000	\$ 100,000	\$ 120,000	\$ 140,000		\$ 2,500		-34.7%
Donations	\$ 4,898	\$ 4,898	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000	\$ 30,000		\$ 5,000		104.1%
Special Events	\$ 10,014	\$ 10,014	\$ 5,000	\$ 10,000	\$ 15,000	\$ 20,000	\$ 25,000		\$ 5,000		-50.1%
Camp	\$ 9,971	\$ 13,295	\$ 10,968	\$ 12,065	\$ 13,271	\$ 14,599	\$ 16,058		10.0%		-17.5%
<b>Total Income</b>	<b>\$ 480,547</b>	<b>\$ 506,834</b>	<b>\$ 325,968</b>	<b>\$ 469,065</b>	<b>\$ 628,271</b>	<b>\$ 803,599</b>	<b>\$ 995,058</b>				-35.7%
Teachers			3	3	4	4	4				
Aids			-	1	2	2	3				
Specials			2	2	2	2	2				
Teacher All In Salary			\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000				
Aid All In Salary			\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000				
Special All In Salary			\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000	\$ 45,000				
Teacher All In Salary			\$ 180,000	\$ 180,000	\$ 240,000	\$ 240,000	\$ 240,000				
Aid All In Salary			\$ -	\$ 35,000	\$ 70,000	\$ 70,000	\$ 105,000				
Special All In Salary			\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000	\$ 90,000				
<b>Educators All In</b>	<b>\$ 370,539</b>	<b>\$ 494,052</b>	<b>\$ 270,000</b>	<b>\$ 305,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>	<b>\$ 435,000</b>				-45.3%
<b>Administration</b>	<b>\$ 198,331</b>	<b>\$ 264,441</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>	<b>\$ 170,000</b>	<b>\$ 170,000</b>	<b>\$ 170,000</b>		<b>\$ 110,000</b>		-77.3%
<b>Other Costs</b>	<b>\$ 148,042</b>	<b>\$ 197,389</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>	<b>\$ 100,000</b>		<b>\$ 100,000</b>		-49.3%
<b>Building/Vehicle</b>	<b>\$ 49,899</b>	<b>\$ 49,899</b>									-100.0%
<b>Total Expenses</b>	<b>\$ 766,811</b>	<b>\$ 1,005,782</b>	<b>\$ 430,000</b>	<b>\$ 465,000</b>	<b>\$ 670,000</b>	<b>\$ 670,000</b>	<b>\$ 705,000</b>				-57.2%
<b>Net Income (Best)</b>	<b>\$ (286,265)</b>	<b>\$ (498,948)</b>	<b>\$ (104,032)</b>	<b>\$ 4,065</b>	<b>\$ (41,729)</b>	<b>\$ 133,599</b>	<b>\$ 290,058</b>				
<b>Net Income (Worst)</b>			<b>\$ (208,064)</b>	<b>\$ 4,065</b>	<b>\$ (83,457)</b>	<b>\$ 133,599</b>	<b>\$ 290,058</b>				
<b>Cume (Best)</b>			<b>\$ (104,032)</b>	<b>\$ (99,967)</b>	<b>\$ (141,696)</b>	<b>\$ (8,097)</b>	<b>\$ 281,961</b>				
<b>Cume (Worst)</b>			<b>\$ (208,064)</b>	<b>\$ (203,999)</b>	<b>\$ (287,456)</b>	<b>\$ (153,858)</b>	<b>\$ 136,201</b>				
Annl. Rev Growth	na	na	na	43.9%	33.9%	27.9%	23.8%		<b>32.2%</b>		
Annl. Exp Growth	na	na	na	8.1%	44.1%	0.0%	5.2%		<b>13.2%</b>		



**THE CHURCH**  
OF ST. MICHAEL & ST. GEORGE

### Infant Toddler





**THE CHURCH**  
OF ST. MICHAEL & ST. GEORGE

Attendance Year	Total	Enrollment Income	Shortfall Covered by CSMSG
2018	118		
2019	129		
2020	75		
2021	110		
2022	106		
2023	91		\$256,763
2024	61		\$580,780
2025	30	\$396,772	\$286,989 ytd
Total through 4/30/26			\$1,24522
2026	21	\$240,000*	\$350,000*

\*estimated based on School Enrollment projection 4/4/26  
An additional LOC of \$155,754 was assumed by the church in  
2024 . Not included in the above shortfall coverage.



## THE CHURCH

OF ST. MICHAEL & ST. GEORGE

When faced with the continued shortfall in revenue and an inability to discern how to financially fund the projected shortfall the Vestry of CSMSG had but one option. The option was to cease providing school to those in classes K-6.

We didn't want to close our school. We just couldn't find a way to pay for keeping St. Michael's Episcopal Day School open. As yet no one else has provided a method of funding the cash shortfall.

**Executive Session Minutes  
The Church of St. Michael and St. George  
6345 Wydown Blvd., Clayton MO 63105**

**Thursday 4/16/26**

**Vestry Members in Attendance:** Joe Sheehan, David Ott, Bill Jenkins, Rixey Ruffin, Dianne Duncan, Stephen Eisele, Gale Patterson, Cathy Sanders, Rachel Martens, Lindsey Stokes, Abby Castle Miller, Peter Smith, Will Springer, Frankie Eichenberger

## **Interim Search**

Fred Robinson has verbally accepted our offer to be Interim Rector. The Bishop has approved our decision. Estimated start date June 1, 2026, pending contract and compensation finalization and signatures. Compensation is largely determined by the diocese. Housing will be finalized after an assessment of the rectory is made in June.

Gale Patterson has submitted a revised communication to the parish covering the Interim Decision, and Andrew Archie's transition process. In the interest of consistent messaging, future vestry communications will be coordinated and finalized by Selby and Stephen with input from the Vestry.

## **SMEDS (St Michael Episcopal Day School) Discussion**

### Background information:

School Building is owned by CSMSG

The Founding of the School was begun as a mission of CSMSG

SMEDS financial reports roll into the financial reports of CSMSG

SMEDS School Board acts as an advisory Board

Over time the ties between the Vestry and School Board diminished

Enrollment has declined to a current 24 students

The school is no longer financially self-sustaining, with significant subsidies required from the CSMSG budget to support routine operations

A motion was made and seconded to close the school at the end of this term with an approximate finalization date of June 30, 2026. Much heartfelt discussion followed on how to thoughtfully balance the needs of the students and faculty with the Vestry's fiduciary responsibility to CSMSG parish finances. The motion was accepted as proposed.

## **Parish Leadership Team** – formed to coordinate Parish direction and communication

Joe Sheehan and Frankie Eichenberger will conduct 2 x monthly meetings with clergy and Joseph Arndt with the intent to coordinate parish direction, efforts, and communication. Joe and Frankie will lead the team meetings up until the Interim begins his duties.

## **Reviewed and respectfully submitted,**

Bill Jenkins, ad hoc Clerk of the Vestry

SHARE:

Exhibit D

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April 30, 2026

Dear Parishioners,

We are writing to share an update about a strategic decision regarding the future of our educational programs consisting of two primary components: St. Michael's Episcopal Day School and our Infant and Toddler Program.

### **St. Michael's Episcopal Day School**

St. Michael's Episcopal Day School has a long and meaningful history of serving children from Pre-K through 6th grade with a dedication to open classrooms. However, enrollment has declined significantly—from a high of 108 students to a projected 12 students for the 2026-2027 school year, a decline of over 80 percent. This steep drop reflects broader trends in independent schools nationwide and increased competition from public and charter school alternatives.

Despite significant investments of time, talent, and funding, including a rebranding effort, we are facing a projected revenue shortfall of \$400,000. The Vestry has carefully evaluated multiple options to sustain the school, including operational restructuring, tuition adjustments, dedicated marketing and fundraising, and partnership models. However, after thorough analysis, we determined these approaches would not achieve long-term viability.

The Vestry believes that merged classes of this size limit our ability to provide the necessary educational environment our families deserve and CSMSG aspires to offer. Consequently, we have decided to close the school at the end of the 2025-2026 school year. This timeline allows current students and families adequate opportunities to transition to other educational settings that may be a better fit for their needs.

## Gratitude and Support

We are deeply grateful to our Head of School, Dr. Beth Human, teachers, and families who have poured their hearts into St. Michael's Episcopal Day School over the years. Your dedication to these children has been a witness to our faith and a blessing to our community. As we navigate this transition, the Vestry is committed to supporting families and staff. We will provide resources, timeline details, and a dedicated contact ([vestry@csmsg.org](mailto:vestry@csmsg.org)).

## Our Thriving Infant and Toddler Program

Conversely, our Infant and Toddler Program, which began as "Mother's Day Out," has thrived. Under the leadership of Dr. Lindsey Stueber, it has grown into a fully developed program serving 56 children with a dedicated staff of 16 care providers and specialized courses in Spanish, art, and music.

## A Strategic Retreat and New Horizon

We view this transition as a "strategic retreat" – a prayerful step back to position ourselves for greater service ahead. Once the school transition is complete, we'll work with parish leadership and the broader community to discern new ways CSMSG can serve families and children—potentially including expansion of our Infant and Toddler Program and exploration of new programming for older children.

## Closing

This was a difficult decision, made only after the Vestry carefully evaluated multiple scenarios with prayer. Our priority remains our responsibility to our members, our mission, and our faith community. While this is a difficult chapter, we face it with faith that God is guiding us toward a future where we can serve our community even more effectively.

We welcome your questions and feedback as we move through this transition together.

Best regards,

[The Vestry of St. Michael and St. George](#)



The Church of St. Michael & St. George | 6345  
Wydown Boulevard PO Box 11887 | St, Louis,  
MO 63105 US

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# Exhibit E

VESTRY PRESENTATION • MAY 2026

## St. Michael's Episcopal Day School

*Key Information for Wise Decision-Making*

A financial and mission review of the K-6 closure decision



Faith • Learning • Community

Presented to the Vestry May 2026

1

## The Question Before Us

*A decision deserving complete information*



<p><b>01</b></p> <p><b>The Concern</b></p> <p>K-6 enrollment has declined, and the school's recent financials raised legitimate concern about ongoing financial sustainability.</p>	<p><b>02</b></p> <p><b>The Assumption</b></p> <p>Closing the school on June 30, 2026, would relieve the parish of significant financial burden — a clean exit.</p>	<p><b>03</b></p> <p><b>The Facts</b></p> <p>The Vestry closure estimate was incomplete. Closing now is materially more expensive than keeping K-6 open one additional year.</p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

St. Michael's Episcopal Day School | Vestry Presentation 2

2

BEFORE THE NUMBERS

*The school is a ministry of this parish.*

*"Whoever welcomes one such child in my name welcomes me."*

MATTHEW 18:5

1

FORMATION

Children grow in Christian faith and character through daily chapel, prayer, and an Episcopal-rooted curriculum.

2

WELCOME

School families are connected to St. Michael's — many of whom have no other church home.

3

PRESENCE

The school is a visible, daily expression of our parish's ministry to the surrounding community.

*Closing K-6 is not only a budget decision — it is a ministry decision.*

3

## The Number the Vestry Used Was Incomplete

*A line-item review revealed the actual K-6 operating deficit is larger than previously reported*

THE VESTRY'S EARLIER ESTIMATE	UPDATED LINE-ITEM ANALYSIS
<p><i>Projected K-6 deficit</i></p> <p style="font-size: 2em; font-weight: bold;">~\$400,000</p> <p>Used to inform the closure decision.</p> <p><small>Based on a blended view that included PK and JK revenue, did not isolate K-6 staffing, and used preliminary enrollment assumptions.</small></p>	<p><i>Projected K-6 operating deficit</i></p> <p style="font-size: 2em; font-weight: bold;">~\$436,023</p> <p>Before donations, pledges, and expressed intent.</p> <p><small>K-6 isolated from PK/JK, conservative enrollment, full staffing, line-by-line P&amp;L review — a more honest and transparent picture.</small></p>
<p><i>The Vestry made its decision with incomplete numbers. The next slide explains why the corrected deficit is larger.</i></p>	

St. Michael's Episcopal Day School | Vestry Presentation

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## Why is that number BIGGER than \$400,000?

### 1

#### Lowballed Enrollment

*Set enrollment at 62% of signed contracts*

In the current line-item budget, the only stream of revenue is tuition. We set this number lower since the Vestry's announcement.

### 2

#### Maintained Staffing

*Salaries maintained for all teachers with an employment offer*

This model staffs the school fully, even in the anticipation that some families will not stay enrolled. Thus, this model may overstaff the program, to the detriment of the bottom line.

### 3

#### Compares Different Programs

*Pre-K and JK are no longer included in this model*

The Vestry's initial deficit numbers included coverage from PK and JK, where the enrollment and revenue are stronger. This model populates a deficit for only K-6, where the enrollment and the revenue are weaker. The success of PK and JK offset part of the deficit. Since they are cut out of this model, the deficit is more significant.

St. Michael's Episcopal Day School | Vestry Presentation 5

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## A Bigger Deficit Does Not Mean Closing Is Cheaper

*The right question isn't "What does it cost to run K-6?" — it's "What does it cost to close it?"*

THE QUESTION ORIGINALLY ASKED	THE QUESTION WE SHOULD BE ASKING
<p style="text-align: center; color: #e67e22; font-size: 1.1em;"><i>"How big is the K-6 operating deficit?"</i></p> <hr style="width: 20%; margin: 5px auto;"/> <p style="font-size: 0.8em;">This question asks only one side of the ledger: what does it cost to keep going?</p> <p style="font-size: 0.8em; color: #34495e;"><i>It treats closing as costing zero. That assumption is what made the original number misleading.</i></p>	<p style="text-align: center; color: #e67e22; font-size: 1.1em;"><i>"What does it cost to close — vs. stay open?"</i></p> <hr style="width: 20%; margin: 5px auto;"/> <p style="font-size: 0.8em;">This question compares both sides: the full cost of closing against the full cost of one more year.</p> <p style="font-size: 0.8em; color: #34495e;"><i>Closing carries severance, shifted costs, and potential recurring benefit obligations — none of which are zero.</i></p>

*When we measure the full cost of each path — not just the cost of staying open — staying open is meaningfully less expensive.*

St. Michael's Episcopal Day School | Vestry Presentation 6

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## The Headline Finding



KNOWN FINANCIAL ADVANTAGE OF STAYING OPEN

# \$595,839

*before unknown legal and family transition costs*

Even before legal liability and family transition costs are added, closing K-6 on June 30, 2026 is approximately \$595,839 MORE expensive than keeping it open for one additional school year.

*The remainder of this deck shows how we arrived at that number.*

St. Michael's Episcopal Day School | Vestry Presentation

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## What the Original Estimate Missed

*A single P&L number does not equal closure savings*

ORIGINAL ASSUMPTION	WHAT THE LINE-ITEM REVIEW SHOWED
<p><i>Close the school and the expense line largely goes away.</i></p> <ul style="list-style-type: none"> <li>• Treated the P&amp;L total as the savings figure</li> <li>• Did not separate K-6 costs from Little Dragons costs</li> <li>• Did not account for severance, bridge scholarships, or transition obligations</li> <li>• Did not consider downstream benefits exposure if the school is dissolved</li> </ul>	<p><i>Most costs do not disappear — they shift, remain, or were never K-6 to begin with.</i></p> <ul style="list-style-type: none"> <li>• 47 pages of transaction detail reviewed line by line</li> <li>• Payroll, summer camp, and depreciation removed for separate handling</li> <li>• Each remaining cost classified: true savings, shifted, or removed from the model</li> <li>• Closure introduces new recurring costs the original estimate did not capture</li> </ul>

*The closure savings figure is not automatic. It must be built one line at a time.*

St. Michael's Episcopal Day School | Vestry Presentation

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## How We Built the Number

*From P&L total to a defensible closure-cost figure*

<b>1</b>	<b>Total P&amp;L Expenses</b> <i>Reported expenses, July 2025 – May 2026</i>	<b>\$889,815</b>
<b>2</b>	<b>Remove non-comparable items</b> <i>Payroll, summer camp, depreciation handled separately</i>	<b>– \$700,292</b>
<b>3</b>	<b>Working line-item review amount</b> <i>47 pages of detail reviewed line by line</i>	<b>\$189,523</b>
<b>4</b>	<b>Remove items not in future model</b> <i>Marketing, branding, audit fees, rent allocation, interest</i>	<b>– \$111,061</b>
<b>5</b>	<b>Shared costs allocated 50/50</b> <i>Split between K-6 and Little Dragons</i>	<b>\$78,462</b>

*Of that \$78,462, only a portion represents true K-6 closure savings. The rest shifts to Little Dragons.*

St. Michael's Episcopal Day School | Vestry Presentation

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## True Savings vs. Shifted Costs

*A cost allocated to K-6 is not necessarily a closure saving*

TRUE CLOSURE SAVINGS	SHIFTED TO LITTLE DRAGONS
<i>Costs that go away</i>	<i>Costs that do NOT disappear — they transfer</i>
<b>~\$10,784</b>	<b>~\$28,447</b>
<i>from shared cost allocation</i>	<i>from shared cost allocation alone</i>
<ul style="list-style-type: none"> <li>• Curriculum, books, classroom supplies</li> <li>• K-6 field trips and student activities</li> <li>• Accreditation dues (ISACS)</li> <li>• K-6-specific chapel programming</li> </ul>	<ul style="list-style-type: none"> <li>• Technology, software, computer maintenance</li> <li>• Communication systems and internet</li> <li>• Copier, admin supplies, postage, printing</li> <li>• Liability and D&amp;O insurance</li> </ul>

*And this is before we account for the much larger benefit exposure...*

St. Michael's Episcopal Day School | Vestry Presentation

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## The \$332,000 Question

*If the K-6 program dissolves, Little Dragons' cost structure most likely changes*

### THE LEGAL & STRUCTURAL CHAIN

- 1 K-6 closes, school board dissolves
- 2 Little Dragons must rely on church-controlled exemption
- 3 Infant/Toddler teachers may become church employees
- 4 Diocesan health & pension benefit rules apply

ESTIMATED RECURRING ANNUAL INCREASE

# \$332,000

*per year, not one-time*

---

Health insurance  
 $\$14,500 \times 20 \text{ employees} = \$290,000$

Retirement increase  
 $\$35,000 \times 6\% \times 20 = \$42,000$

*Closure may convert a one-time decision into a recurring annual cost. This belongs in the closure model.*

St. Michael's Episcopal Day School | Vestry Presentation

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## Known Cost to Close K-6 on June 30, 2026

*Adding it all together — before unresolved items*

CLOSURE COST ITEM	AMOUNT	NOTE
Little Dragons benefit increase (recurring)	<b>\$332,000</b>	<i>Per year, if structure dissolves</i>
K-6 costs shifted to Little Dragons	<b>\$28,447</b>	<i>Tech, comm, admin, insurance</i>
Administrative severance	<b>\$120,000</b>	<i>Contractual and transition obligations</i>
Teacher severance	<b>\$72,740</b>	<i>2026-27 contracts already in place</i>
Bridge scholarships	<b>\$55,000</b>	<i>Support for displaced K-6 families</i>
Legal liability	<b>TBD</b>	<i>Unresolved — not zero</i>
Family transition / service costs	<b>TBD</b>	<i>Unresolved — not zero</i>
<b>KNOWN CLOSURE COST (before unknowns)</b>	<b>\$608,187</b>	<b>+ unresolved legal &amp; transition costs</b>

St. Michael's Episcopal Day School | Vestry Presentation

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## If K-6 Remains Open for 2026-27

*Projected operating deficit with conservative assumptions*

PROJECTED INCOME		PROJECTED EXPENSES	
Scheduled tuition	\$183,000	Faculty	\$313,793
Assumed retention (%)	x 0.67	Administrative costs	\$205,000
Modeled tuition revenue	\$122,000	Cost of supplies	\$39,230
Donations / pledges/ expressed intent	\$423,675		
<b>TOTAL INCOME</b>	<b>\$545,675</b>	<b>TOTAL EXPENSES</b>	<b>\$558,023</b>

PROJECTED 2026-27 DEFICIT  
**-\$12,348**

St. Michael's Episcopal Day School | Vestry Presentation

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## Close Now vs. Stay Open One More Year

*Known closure costs already exceed the stay-open deficit*

SCENARIO A • CLOSE JUNE 30, 2026	SCENARIO B • STAY OPEN 2026-27
<p><i>Known cost</i></p> <p><b>-\$608,187</b></p> <ul style="list-style-type: none"> <li>+ unresolved legal liability</li> <li>+ family transition / service costs</li> <li>+ recurring \$332K/year if Little Dragons restructures</li> </ul> <p><i>These unknowns are not zero.</i></p>	<p><i>Projected operating deficit</i></p> <p><b>-\$12,348</b></p> <ul style="list-style-type: none"> <li>Preserves the school as a ministry</li> <li>Avoids triggering Little Dragons restructure</li> <li>Allows complete legal &amp; governance review</li> </ul> <p><i>Buys time to verify enrollment and funding plans.</i></p>

**Closing now is more of a financial risk than remaining open for an additional year.**

St. Michael's Episcopal Day School | Vestry Presentation


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## The Unknowns Are Not Zero


*Three unresolved items that could change the equation further*

---




**Legal Liability**  
*Contract, employment, and parental claims*

Mid-year termination of teacher contracts, family enrollment agreements, and vendor obligations carries legal exposure that has not been quantified. Diocesan counsel review is required.



**Family Transition Costs**  
*Pastoral and practical support*

Bridge scholarships of \$55,000 are budgeted, but additional pastoral, counseling, and placement support for displaced families is not yet costed. These obligations are real.



**Recurring Benefit Exposure**  
*If the school board is dissolved*

The \$332,000 annual benefit increase for Little Dragons staff is modeled but not finalized. If it applies, it is recurring — not a one-time closure cost — and dwarfs any closure savings.

**A responsible decision requires resolving these before — not after — closure.**

St. Michael's Episcopal Day School | Vestry Presentation 15

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## What Keeping K-6 Open Preserves

*The ministry case for staying open*

**01 Christian Formation**  
Daily chapel, prayer, and an Episcopal-rooted curriculum continue for K-6 children during a critical year of faith development.

**03 Time to Verify**  
One year allows the Vestry and school board to complete full legal, benefits, and governance review before an irreversible decision.

**05 Pastoral Care**  
Families and staff receive appropriate transition support, communication, and discernment — not a mid-year disruption.

**02 Connection to Parish**  
School families remain connected to St. Michael's. For many, this is their only or primary connection to the church.

**04 Avoid Triggering Costs**  
Keeping the current structure intact may avoid triggering the recurring \$332,000 Little Dragons benefit obligation.

**06 Honest Discernment**  
If closure is ultimately required, it can be approached prayerfully and with full information, not as a financial reaction.

St. Michael's Episcopal Day School | Vestry Presentation 16

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RECOMMENDATION TO THE VESTRY 

*Pause. Verify. Decide with complete costs.*

*Keep K-6 open, while completing a full legal, financial, benefits, and governance review.*

<p><b>1 Authorize</b></p> <p>Continue K-6 operations under existing structure.</p>	<p><b>2 Commission</b></p> <p>Diocesan-supported review of legal, benefits, and governance implications leading to an executed agreement between the educational program and the church.</p>	<p><b>3 Reconvene</b></p> <p>Any future analysis on the viability of the educational program is conducted by the school board, discussed with all stakeholders present, and then voted on by the Vestry.</p>
------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

*Known numbers favor staying open. The unknown numbers add risk only to closing.*

**Vestry Minutes**  
**The Church of St. Michael and St. George**  
**6345 Wydown Blvd., Clayton MO 63105**

**Monday 5/11/26**

**Vestry Members in Attendance:** Joe Sheehan, Bill Jenkins, Rachel Martens, Matt Aplington, Lindsey Stokes, Rixey Ruffin, Selby Graepel, Abby Castle Miller, Peter Smith, Will Springer, Stephen Eisle, Diane Duncan, Gale Patterson, Cathy Sanders, Frankie Eichenberger, David Ott

**Clergy:** Peter Speropulous, Bishop Deon Johnson, Canon Doris Westfall

**Staff & Guests:** Ashley Chapman, Dr. Beth Human

The meeting convened promptly at 6:00 p.m.

**PROCEEDINGS**

**St. Michaels Episcopal Day School (SMEDS) Presentation**

Ashley Chapman (School Board) and Beth Human (Head of School) made a presentation regarding the projected enrollment and operating deficit of SMEDS for the 2026-27 academic year.

Ms. Chapman indicated that the school board spent the weekend gathering facts to ensure the Vestry has the facts regarding the true cost of keeping SMEDS open for another year vs. closing it.

Urgency is now necessary

Enrollment is dwindling

Ms. Chapman believes the Vestry made an assumption that closing the school would avoid all costs associate with SMEDS.

The number used by the Vestry in its decision to close the school is that the projected 2026-27 operating deficit of (\$400,000).

The SMEDS school board projects the operating deficit for 2026-27 is (\$436,023), based on a low assumption for enrollment. Some families are leaving or contemplating leaving. The analysis assumes staffing costs remain the same.

Ms. Chapman noted a number of costs that are shared by SMEDS and the pre-school that would fully swing back to the pre-school (e.g. Blackbaud contract, school supplies, etc.).

Ms. Chapman then discussed the school board's view of the additional costs associated with closing SMEDS that they believe the Vestry did not take into account.

Dr. Human discussed the School's ISACS accreditation, which currently is in place for Little dragons-8<sup>th</sup> grade. Without that certification, it is her opinion that the Little Dragons would have to obtain and rely on a Missouri DESE exemption. In that case, the ~20 Little Dragons employees (who are church employees) should be entitled to church sponsored health insurance and retirement

contributions. Dr. Human stated Little Dragons has 56 enrolled children currently, with a projection of ~70 for the 2026-27 year.

Ms. Chapman and Dr. Human confirmed that while the school previously had a separate federal tax ID, it no longer has one and is fully a ministry of the church as opposed to a separate legal entity. However, it has its own governing body in the school board.

The School board analysis indicates that closing the K-6 program would expose the church to additional benefits and accreditation costs estimated to be \$332,000.

Multiple people have discussed litigation, which could expose the church to unknown costs. Ms. Chapman had no further comment on the nature of the potential parties or claims.

The K-6 teachers have already signed their contracts, prior to the initial Vestry decision.

The school board model assumes only 2/3 of enrolled students actually stay

The School has secured \$423,675 in pledges from 36 families, including a \$350,000 individual donor advised fund gift. The Give Smart fund states explicitly that it is for the 2026-27 school year only. The larger DAF indication of interest is not yet finalized as to conditions.

The ask for deliberation is to authorize the school to remain open for one more year, and then engage in a negotiation to re-establish the relationship.

The School was told that they could not fundraise while the organ campaign was ongoing (Andrew). The Vestry indicated they were not aware of and did not authorize this directive.

### **Discussion of Presentation**

Mr. Sheehan stated that the decision to close was related exclusively to financial concern about how to fund the ongoing operations.

Mr. Sheehan asked, if the school stays open and there is still a revenue shortfall, who would pay the bill?

No enrolled families have expressly stated that they are leaving the school as of today

Dr. Human views the optimal classroom size as 8-12 students

Ms. Chapman and Dr. Human confirmed that the Vestry now has all of the accurate numbers, and they would both personally support a compromise position to keep the school open for one more year.

Fr. Speropolous has defended the actions of the Vestry even though it has been difficult. He wishes the decision had been different and that the process had been different—with the school board and clergy able to be in the room for the decision.

Mr. Ruffin asked the school board what tone they would set if the decision is to keep the school open for another year.

Ms. Eichenberger noted that the Vestry has taken a lot of abuse and threats, and have tried hard not to respond in kind.

Ms. Chapman noted that she did not participate in an “attack the vestry” campaign.

Mr. Aplington left the meeting at approximately 8:20 p.m. and subsequently rejoined by telephone.

Whereupon, Mr. Jenkins assumed responsibility for recording the minutes of the meeting.

Reviewed and respectfully submitted,

Matt Aplington, Clerk of the Vestry

**Vestry Minutes (part II)**  
**The Church of St. Michael and St. George**  
**6345 Wydown Blvd., Clayton MO 63105**

**Monday 5/11/26**

**A Continuation from Matt Aplington's minutes....**

**PROCEEDINGS (continued)**

**The Bishop addressed the Vestry:** Prayer offered to reset the tone. Bishop Deon reminded all members to avoid taking the criticisms and verbal assaults personally. He added that canonically, he cannot make a specific recommendation regarding the SMEDS closing. Canon Doris Westfall addressed the importance of Infant/Toddler accreditation. The Bishop counseled that since the School is not incorporated separately, the vestry has full fiduciary responsibility and authority over the school.

**Vestry went into Executive Session at 8:54pm**

Abby asked Alexis about pushback from parishioners regarding stewardship pledges or organ fundraising as a result of the decision made by the vestry to close the school. No noteworthy organ donation withdrawals or cancellations of stewardship pledges can be attributed to the school closing issue.

Stephen Eisele commented that most of the feedback after his 10am Sunday announcement was in support of the vestry's decision to close SMEDS. Gale received similar anecdotal feedback after her 8am announcement.

A general discussion continued regarding the special needs students being taught by teachers untrained in this type of education. A general consensus was reached that this poses a liability for the Vestry.

Lindsay Steuber has already created a transition plan to decouple shared elements between the Infant/Toddler program and SMEDS.

**A straw poll was taken.**

Option I: uphold previous decision to close school June 30, 2026 11 members support

Option II: continue school operation for 1 year. 5 members support

An option was proposed by Matt to completely separate legal and missionary responsibility for the school, offer some financial and logistical transitional support, and completely decouple finance and operational responsibility.

Discussion continued debating Option I and Option II with the contingency of breaking legal and fiduciary ties with SMEDS.

Rixey proposed keeping school open for one more year and fund as needed.

**Vestry moved out of Executive Session at 9:45pm**

Several alternative motions were generally debated.

*A motion was made and seconded to cease subsidizing operational expenses for SMEDS K-6, effective June 30, 2026. Additionally, the CSMSG will forgive the existing ~\$360,000 in SMEDS' operational expense advances that have made in the current SMEDS fiscal year (July 1, 2025, to June 30, 2026). As well, CSMSG will assume the 3rd party bank debt incurred by SMEDS. Discussion followed. The motion passed.*

*An alternative motion was made and seconded that the vestry offer SMED leadership a level of logistical and financial support to set up a school independent of CSMSG with a separate Tax ID and allow use of existing building space, rent free for 2 years. The intention is that all revenue and expenses (other than building rent) will become the responsibility of SMEDS. Discussion followed. The motion failed.*

Let the minutes show that the Vestry will fully communicate the finances and facts surrounding the decision to cease subsidizing SMEDS operating expenses.

Reviewed and respectfully submitted,

Bill Jenkins, ad hoc Clerk of the Vestry