



# Maine Regional School Unit #22

Hampden, Newburgh, Winterport, Frankfort

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Dear Town Leadership and members of our RSU22 communities:

In advance of the scheduled June 8<sup>th</sup>, 2017 District Budget meeting (held at HA) and in advance of the June 13<sup>th</sup> referendums in each of your four RSU 22 communities, please feel free to share the following information. Data can also be found on the District website at [www.rsu22.us](http://www.rsu22.us).

For those who may not have been present at the Legislative session discussing State Subsidy changes (reductions) or at the two public budget committee meetings of April 25 or May 2, 2017, please consider this a synopsis.

As many of you are aware having attended the March 27, 2017 meeting with our legislatures present, we currently anticipate a \$115,000 reduction of State Funding. As a byproduct of Finance and Budget Committee meetings held to discuss the overall RSU 22 budget, we received a recommendation to increase the amount transferred from our unallocated fund balance from \$439,000 to \$540,000. This additional \$101,000 transfer intends not only to offset the direct impact to local share as a result of the \$115,000 State Subsidy reduction, it also places our unallocated fund balance at slightly less than 3% of our prior year's school budget in accordance with 20-A MRSA §15689-B, sub-§6.

We reviewed administrative requests for additional teaching positions totaling more than \$1.1M and came away with an adjusted request of approximately \$250,000, slightly more than half of which were Ed Tech positions filled during FY17 to meet student needs at multiple schools within our District.

We are now in year 2 (of 3) of our collective bargaining agreement for our salaried teaching staff. The collective bargaining agreement continues to have a direct impact on our budget due to the negotiated annual increase in salaries over the three-year agreement period, plus related costs for healthcare, salary step adjustments, and retirement benefits. Due to the state's regulation requiring Maine school districts to contribute 3.97% toward the retirement program, RSU 22 must budget \$542,312 - an expense that was not part of the RSU 22 budget only 5 years ago.

We discussed and integrated \$311,376 of additional expenditure eliminations at our May 2, 2017 budget meeting and May 3, 2017 full board meeting.

We discussed offsetting a \$60,000 loss of program support from Penquis for our full-day Pre-K program in Hampden and Newburgh Schools through a one-time sponsorship program. Positive results suggest zero increase to local share during the FY18 budget period.

We discussed and approved a recommendation to expend \$25,000 on new Math textbooks, following close analysis and lengthy discussion among our Education Committee as it relates to the districts math scores and our students' instructional needs.

We discussed a \$20,000 decrease in revenue from our Veazie Superintendent Services agreement.

We discussed possible closure of the School Based Health Center at Hampden Academy.

We received a budget committee recommendation to approve, by individual consideration, warrant articles 1 through 11.

Due to the still unknown nature of the State Subsidy, and in the event that the State Legislature votes to increase the subsidy over the amount currently allocated, we also reviewed and approved language (Article 20) that authorizes the School Board to “use all or part of the additional state subsidy received, if any, to: 1.) increase expenditures for school purposes in cost center categories approved by the School Board; 2.) decrease the local cost share expectation, as defined in Title 20-A, section 1567-A(1) B, for local property taxpayers for funding public education as approved by the school board.”

We received a budget committee recommendation to approve a FY18 budget totaling \$30,844,264.13 representing a 2.54% gross increase in spending, 86% of which falls within warrant articles 1-5 and directly applies to student instruction. It is noteworthy to observe that we anticipate a 2.85% increase in pupil count compared to FY17 and the RSU 22 per pupil cost is \$1,314 less than the State average.

The Board understands the challenges our town officials are facing. We are committed to helping relieve the local burden and this will remain a priority for the Board if additional State funds are received. The flexibility of Article 20 ensures we are able to direct funds in response to the current context at that moment in time. If additional State funds are received, we will reach out to our town officials to ensure there is transparency and discussion prior to any Board decision as it relates to Article 20.

Copies of the full budget presentation material reviewed during the April 25, 2017 budget review meeting can be downloaded at [www.rsu22.us](http://www.rsu22.us), and contain helpful data for each of the four sending communities, as well as comparisons to State averages. We will be voting on the budget as a full board during our May 17, 2017 regular meeting.

The process of creating a budget that meets the needs of our student population while being respectful of the demands placed on our taxpayers is not taken lightly. The Board is committed to accountability and transparency, and we have made noted strides of progress in recent years in response to expressed concerns from Town Leadership and members of our communities. The Board has a responsibility to consider and listen to all community stakeholders. Our constituents in all four towns have expressed diverse opinions and desires, and a respectful discourse continues as we move forward. We look forward to continued correspondence between our four RSU 22 communities and the citizens they represent, as well as participation at our regular Board meetings. It is the position of the Board that progress is only achievable and that positive change is only attainable when stakeholders work together in the spirit of collaboration, honesty and transparency.

Sincerely,



Karen B. Hawkes  
Chair, RSU 22 School Board