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# Budget Development

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**RSU #22**  
**2018-19**

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# State of the State

While General Purpose Aid increased substantially for the upcoming fiscal year, some districts are getting less funding – a function driven in many cases by property valuations. The state went back to a two-year average (from a 3 year avg) for 2018-2019 and that change, coupled with rising property values, created increased valuations as high as 6 percent.

The distribution formula uses a combination of property values and enrollment to determine who gets what share of increased subsidy.

<https://www.msmaweb.com/wp-content/uploads/2018/02/Jan2018Updatefinal.pdf>

- RSU #22 Property values (real estate valuation) increased by 3%.
- RSU #22 student population (enrollment) increased by .13% (3 students).

# Valuation and Enrollment

## Preliminary Financial Indicators

2017-2018 compared with projected 2018-2019

### State Valuation (Real Estate Valuation)

- Valuation State of Maine - increase of 2%

RSU #22 - increase of 3%

Frankfort - 5.42%

Winterport - 5.32%

Hampden - 2.53%

Newburgh - 2.00%

## CHANGES IN VALUATION

<u>TOWN</u>	3 YEAR AVG (14,15,16)	2 YEAR AVG (16,17)	<u>% CHANGE</u>
	<u>VALUATION FOR FY18</u>	<u>VALUATION FOR FY19</u>	
HAMPDEN	\$608,450,000.00	\$623,850,000.00	2.53%
NEWBURGH	\$101,566,667.00	\$103,600,000.00	2.00%
WINTERPORT	\$252,583,333.00	\$266,025,000.00	5.32%
FRANKFORT	<u>\$79,416,667.00</u>	<u>\$83,725,000.00</u>	5.42%
TOTAL	\$1,042,016,667.00	\$1,077,200,000.00	3.38%
STATE	<b>\$156,500,200,000.00</b>	<b>\$159,900,875,000.00</b>	2.00%

<http://www.maine.gov/doe/eps/>

# Resident Pupil Enrollment Breakdown\*

	<u>PUPIL COUNT FOR FY18</u>	<u>PUPIL COUNT FOR FY19</u>	<u>% CHANGE</u>
HAMPDEN	1284.5	1290.5	0.47%
NEWBURGH	253.5	260.0	2.56%
WINTERPORT	627.0	601.0	-4.15%
FRANKFORT	<u>164.5</u>	<u>181.0</u>	<u>10.03%</u>
TOTAL	<b>2329.5</b>	<b>2332.5</b>	<b>0.13%</b>

\*These figures denote resident pupils enrolled per RSU #22 towns. Tuition students and those attending by Superintendent Agreement are not represented in these figures.

# State Funding Components

Funding for the school budget comes from three sources:

- State contribution (ED 279)
- Required local share
- Above EPS local contribution (result of total budget minus required state and local shares)

## **RSU #22 State Receivership Level:**

**2017-2018      68.69%**

**2018-2019      67.54%**

# If RSU #22's budget did not increase at all, the local share would still go up.

FY '18	30,972,941.52	local assessment increase if budget frozen:	
Hampden paid:	\$5,905,298.86	\$363,259	6.2%
Newburgh paid:	\$991,253.16	\$63,159	6.4%
Winterport paid:	\$2,468,844.69	\$156,758	6.4%
Frankfort paid:	\$775,249.11	\$47,524	6.1%

# Local Dedication

## State Required Local Contribution within formula

<b>State:</b>	<b>2017-2018</b>	<b>\$18,720,256</b>
	<b>2018-2019</b>	<b><u>\$18,850,692</u></b>
		<b>\$130,436 increase</b>

<b>Local required:</b>	<b>2017-2018</b>	<b>\$8,534,116</b>
	<b>2018-2019</b>	<b><u>\$9,166,972</u></b>
		<b>\$632,856 increase</b>

Mil Rate shift 8.19 to 8.51 (4% increase)



# What about Federal Funds?

Federal money comes into our district through Title Grants.

**Title I:** High Needs Reading and Math instruction: Winterport and Newburgh Pre K teachers, summer school, math tutor, after school programming at Smith and Wagner and resources \$352,630.00

**Title II:** Professional Development allocations (mathematics, teacher mentors, PREP opportunities) \$74,213.00

**Title IV:** 21st Century Schools Student Support and Academic Enrichment (coding) \$9,855.61

This funding is outside the Article 1-11 budget expenditures (supplemental).

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# New Annual Targets for Articles 1-11 Spending

New Annual Targets for Direct Instruction Spending (Articles 1-4)

61% in 2018-19 ⇒ 70% in 2022-2023

Cost centers (warrant articles) included in this calculation:

- Regular instruction Article 1
- Special Education Article 2
- Career and Technical Education Article 3
- Other Instruction (co-curricular, extra curricular, summer school) Article 4

**The legislature is being asked to review inclusion of the following cost center:**

- **Student and Staff Support (Article 5)** which includes guidance, health, instructional technology, library, student support services, instructional staff training, improvement of instruction, student assessment

# **80%: portion of our RSU #22 budget dedicated to salaries and benefits for all employees and contracted service providers**

Remaining 20% is distributed to:

- curriculum supplies, equipment, books, leases, dues and fees
- services (i.e. postage, telephone, insurance)
- tuition reimbursement, professional development, software, legal
- contracted services (i.e OT/PT, trash & snow removal, roof maintenance, grounds & fields)
- fuel, , utilities, transportation, travel, school nutrition, facilities care, debt service

# Articles First Draft 4/3/18

%

FY '18                      FY '19                      Variance

	FY '18	FY '19	Variance	
<b>Article 1 Regular Education</b>	\$10,941,074.79	\$11,441,074.79	\$500,000.00	
<b>Article 2 Special Education</b>	\$5,478,931.04	\$5,728,931.04	\$250,000.00	
<b>Article 3 CTE</b>	\$392,018.55	\$0.00	(\$392,018.55)	
<b>Article 4 Other Instruction</b>	\$780,410.97	\$822,199.14	\$41,788.17	
<b>Article 5 Student/Staff Support</b>	\$2,404,535.09	\$2,554,535.09	\$150,000.00	
<b>Article 6 System Administration</b>	\$854,848.89	\$871,848.89	\$17,000.00	
<b>Article 7 School Administration</b>	\$1,378,854.45	\$1,453,854.45	\$75,000.00	
<b>Article 8 Transportation</b>	\$1,247,778.27	\$1,391,720.00	\$143,941.73	
<b>Article 9 Facilities</b>	\$3,487,850.06	\$4,107,850.06	\$620,000.00	
<b>Article 10 Debt Service</b>	\$3,973,638.91	\$3,777,723.82	(\$195,915.09)	
<b>Article 11 All Other Expenses</b>	\$33,000.00	\$40,000.00	\$7,000.00	
	\$30,972,941.02	\$32,189,737.28	\$1,216,796.26	3.93%

# Budgeting Factors

## Known Expenditure Increases

- Salary adjustments
- Workers Compensation increase 2.14 rating
- 4 positions carried implemented during FY '18 \$110,000
- SPRPCE Tuition rate increase \$10,512
- Waldo CAP/Highland Preschool contract increases \$19,200
- Transportation Contract increases \$143,941
- Contracted services increase \$45,000
- Synthetic Turf Replacement project interest payments \$24,000

## Losses of Revenue

Honeywell One time money	\$139,705
Pre K One time Donations	\$60,000
E-rate	\$19,000
IRS Interest Reimbursement	\$15,000
Veazie Admin & Business Services	<u>\$27,000</u>
	\$260,705

Capital expenses (known, needed) 1.8 million, amoritized across three years \$600,000 per year or 6 years at \$300,000 per year. (Awaiting final Building Committee Evaluation)

CTE instruction (Article 3) paid directly by state (\$392,000) directly effects 61% allocation

FY1 Budget Proposal Worksheet

\*\*\*\*\*DRAFT 1\*\*\*\*\*

4.3.18

	FY18	FY19 Proposed	\$ inc/(dec)	% inc/(dec)	
<b>Expenditures:</b>	30,972,941.52	32,189,737.28	1,216,795.76	3.93%	Expenditure variables (adds+ / cuts-)
					FY18 budget proposed
<b>Total Expenses:</b>	30,972,941.52	32,189,737.28	1,216,795.76	3.93%	
<b>Revenues:</b>					
State Allocation	18,720,256.54	18,850,692.94	130,436.40	0.70%	
SAC	175,000.00	175,000.00	0.00	0.00%	
Total State	18,895,256.54	19,025,692.94	130,436.40	0.69%	total additions: 0.00
<b>Local Earned Revenue</b>					
Rental Fees	3,000.00	3,000.00	0.00	0.00%	
Gate Receipts	10,000.00	10,000.00	0.00	0.00%	
Athletic Part. Fee	30,000.00	30,000.00	0.00	0.00%	
E-rate	19,000.00	0.00	(19,000.00)	-100.00%	
IRS interest reimburse.	62,542.26	47,268.24	(15,274.02)	-24.42%	
Energy rebate (one-time)	139,705.00	0.00	(139,705.00)	-100.00%	
Expense reimburse (NB, VHS)	41,000.00	37,800.00	(3,200.00)	-7.80%	
One-time donations for Pre-K	60,000.00	0.00	(60,000.00)	-100.00%	
Other (VZ, etc.)	63,500.00	0.00	(63,500.00)	-100.00%	
MaineCare	20,000.00	20,000.00	0.00	0.00%	
Tuition	285,000.00	264,147.08	(20,852.92)	-7.32%	
<b>Total Local Revenue:</b>	733,747.26	412,215.32	(321,531.94)	-43.82%	
Prior Year Balance	440,000.00	300,000.00	(140,000.00)	-31.82%	fund balance adjust
					further FB adjust
<b>Assessment:</b>					
Local Allocation	8,534,116.50	9,166,972.00	632,855.50	7.42%	
Non-State Debt Service	493,800.85	487,239.92	(6,560.93)	-1.33%	
Local w/o State participation	1,876,020.37	2,797,617.10	921,596.73	49.13%	
<b>Total Local Share:</b>	10,903,937.72	12,451,829.02	1,547,891.30	14.20%	net increase
<b>Total Revenues:</b>	30,972,941.52	32,189,737.28	1,216,795.76	3.93%	

# Cost Sharing

2018-2019 LOCAL COST				TABLE 5
TOWN	LOCAL EPS COMMITMENT	LOCAL ONLY DEBT SERVICE	OTHER LOCAL SHARE	= TOTAL FROM TAXES
HAMPDEN	\$5,308,963.50	\$279,659.19	\$1,605,737.37	\$7,194,360.06
NEWBURGH	\$881,636.00	\$48,350.72	\$277,618.43	\$1,207,605.15
WINTERPORT	\$2,263,872.75	\$121,371.69	\$696,887.70	\$3,082,132.14
FRANKFORT	\$712,499.75	\$37,858.32	\$217,373.60	\$967,731.67
TOTAL	\$9,166,972.00	\$487,239.92	\$2,797,617.10	\$12,451,829.02
				\$12,451,829.02
	\$9,166,972.00	\$487,239.92	\$2,797,617.10	\$12,451,829.02

Of the \$32.2 Million requested, \$19 Million is covered by the state, leaving 12.4 Million to be paid for by local share (after a transfer 0.3 Million from the undesignated fund balance).

# Changes in Town Assessments

CHANGES IN TOWN ASSESSMENTS				TABLE 6
TOWN	2018 ASSESSMENT	2019 ASSESSMENT	\$ CHANGE	% CHANGE
HAMPDEN	\$6,351,540.27	\$7,194,360.06	842,819.78	13.27%
NEWBURGH	\$1,068,339.16	\$1,207,605.15	139,265.99	13.04%
WINTERPORT	\$2,655,662.22	\$3,082,132.14	426,469.92	16.06%
FRANKFORT	<u>\$828,396.07</u>	<u>\$967,731.67</u>	<u>139,335.60</u>	16.82%
TOTAL	\$10,903,937.72	\$12,451,829.02	\$1,547,891.30	14.20%



# Budget Committee Meetings

Tuesdays 4:00-6:00 p.m.

April 10, 24 (no meeting on April 17)

May 1, 8, 15

Special Board of Directors Meeting May 16

District Budget Meeting June 7

Budget Validation Referendum June 12

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