

**REGIONAL SCHOOL UNIT NO. 18
COST SHARING COMMITTEE**

**December 17, 2009
Minutes**

The meeting of the Cost Sharing Committee began at 6:35 p.m. in the Board Meeting Room at Central Office in Oakland.

Members Present: Irene Belanger, Lawrence Brown, Jake Clockedile, Curt Dugal, Dennis Keschl, Linda Laughlin, Kerri Oliver, Constance Packard, Deanne Pizzo, Dennis Purington, Tim Russell, Gary N. Smith and Laura Tracy

Members Absent: Doug Eugley, Neil Farrington, Peter Foote, Robert Moreau, Zlatdko Necevski and Rebecca Seel

Others in Attendance: Don Borman.

Superintendent Smith welcomed everyone to the initial meeting of the Cost Sharing Committee. Committee members introduced themselves. Superintendent Smith noted that the Regional Planning Committee (RPC) established, when the Regional School Unit (RSU) was formed, a fixed percentage for additional local funds cost sharing that would guide the RSU and member towns for the next few years so that additional local funds are shared fairly and equitably among the RSU's member towns. At this point the RSU and member towns are ahead of schedule. Section 13C of the Consolidation Plan also allows the opportunity to review secondary transportation that is currently being used with Erskine Academy.

Dr. Jake Clockedile, facilitator for the Cost Sharing Committee, reviewed with Committee members the Committee's charge, purpose and guidelines, protocols, enrollment data, valuations and a timeline for implementation.

The Committee's purpose and guidelines are:

1. to develop an acceptable and functional cost sharing formula for the assessment of "additional local" funds required for the School Unit budgets;
2. to review the transportation of secondary students to Erskine Academy;
3. to have each member community fully represented by a team of three members each; and
4. to engage in productive discussion and analysis that will lead to a supportable decision regarding cost sharing.

Committee protocols were reviewed.

- Options for voting regarding Committee work include:
 - one vote per town,
 - individuals each casting a vote,
 - use of a weighted vote system, or
 - other method.

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- Required vote for the end result – Decision must be approved by a majority of the municipal representatives on the Committee (as RPC Plan requires).
- Voting condition for enactment of the new cost sharing plan must be:
 - by majority vote in the RSU if majority is based on valuation and/or student population, or
 - by majority vote in each community if the plan contains other criteria than students and/or valuation.

Member roles were reviewed and include:

- to represent the interests of the towns and the RSU as a whole,
- to seek a fair solution for all parties,
- to protect interests and operation of the RSU for its mission to educate the children,
- to listen carefully and respectfully to others,
- to discuss and debate,
- to put all issues on the table, with no issue left unaddressed in the meetings, and
- to be sure that every member has opportunity to participate fully.

The current plan is to share additional local costs on a fixed percentage as indicated in the Consolidation Plan for the first three years of the RSU, as listed below.

China	24.33%
Belgrade	27.64%
Oakland	19.21%
Rome	12.93%
Sidney	15.89%

The deadline for vote of approval of a plan is January 31, 2012. The fallback cost sharing plan is as listed below.

2013 – 67% current percentage: 33% on 75/25 valuation/students

2014 – 33% current percentage: 67% on 75/25 valuation/students

2015 – 75% valuation/25% students, and continues thereafter until changed by process in the Plan.

The implementation of the fallback formula is as follows

<u>Town</u>	FY 13	FY 14	FY 15
China	820,734	770,816	722,367
Belgrade	957,557	926,778	896,904
Oakland	747,778	811,148	872,654
Rome	447,179	432,179	417,531
Sidney	599,132	631,552	663,018

This formula assumes that student enrollment is consistent and valuation remains the same.

Fixed data points for Committee discussions were reviewed.

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- Additional local amount used for calculations and projections will be fixed at the 2009 level of \$3,572,473.
- Valuation data will be the full state valuation numbers published by Maine Revenue Services and used by the Maine Department of Education (MDOE) in determining subsidy amounts. Mr. Keschl asked if the numbers would be for one year, and Dr. Clockedile noted that the numbers would be for two years. Mr. Russell asked if the valuation numbers take into consideration the drop in real estate value. Dr. Clockedile noted that the numbers represent sales history in each community as properties are turned over. Even though values are dropping it takes two years to catch up. Mr. Keschl noted that the State uses a market that is 18 months old. As such, this year's valuation is based on 18-month-old data.
- Student enrollment numbers are those provided by the RSU office from the ED 279 report for October and April provided through the MEDMS program at the MDOE.

The implementation timeline was reviewed.

- legal decision pending on the question of implementing revised cost sharing formula before 2013
- required Committee start up date of July 2011
- voter deadline of January 31, 2012
- Referendum may be held prior to deadline above.

Committee members discussed how to vote as a Committee. A consensus was reached that voting would be one vote per Town regarding Committee work, allowing members of the Towns to caucus prior to voting. Approval of the cost sharing plan must be by a majority vote of the municipal representatives present and voting.

Dr. Clockedile reviewed a spreadsheet related to RSU No. 18 additional local funds distribution. He noted that the spreadsheet uses numbers in the fallback deadline. (Please see attached spreadsheet.) Block 1 represents the % share current, which equals the numbers in the Plan. The information for 2010 is preliminary, unofficial data from the Maine Revenue Service. The % valuation gives a home base to determine what % each community in the RSU holds. The number of students is the calendar year average of the October 1 and April 1 enrollment numbers. Blocks 2, 3 and 4 include data for FY 13, FY 14 and FY 15. Block 5 is a three-year comparison. An electronic copy of the spreadsheet will be provided to Committee members.

Dr. Clockedile provided the history of valuations of the RSU member communities over an 11-year period. (See attached spreadsheet.) This data does not affect the cost sharing formula, but it does affect subsidy.

Superintendent Smith distributed enrollment data to Committee members. This is a prepublshed enrollment summary from Planning Decisions. The data reflects the following information.

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- basically will stay as a whole RSU, with approximately 3,300 students for a 10-year projection
- The former SAD 47 towns are constant at around 2,500 students.
- High school enrollment has a bit of a drop.
- Entering kindergarten numbers for the former SAD 47 towns are at approximately 175.
- Pre-K-5 grade levels are seeing growth.
- Pre-K-8 grade levels show stable growth for former SAD 47 towns.
- China overall enrollment for grades pre-K-12 shows a slow drop from 1999-2009.
- China high school enrollment for grades 9-12 shows a drop for two years, then stabilizing growth.

The next meeting of the Cost Sharing Committee is scheduled for January 7, 2010 at 6:30 p.m. Tentative items up for discussion include: history regarding additional local funds; federal funds – how they come into the District, enforcement and cost sharing; concerns regarding valuations (as far ahead as 2010); enrollment trends by town; cost sharing formulas for other RSUs; differences between cost of education at Erskine Academy, cost of education in the RSU, and average state cost of education; China secondary enrollment history; and a Drummond Woodsum opinion regarding changing the cost sharing formula.

The meeting adjourned at 8:53 p.m.

Respectfully submitted,

Gary N. Smith
Superintendent of Schools

RSU No. 18 Additional Local Funds Distribution

Town	% Share Current	2009-10 \$ Share	2008 Valuation	% Valuation	Students	% Students
China	24.33%	\$869,183	\$391,200,000	19.24%	764.50	23.16%
Belgrade	27.64%	\$987,432	\$566,350,000	27.86%	556.50	16.86%
Oakland	19.21%	\$686,272	\$443,650,000	21.82%	1,064.50	32.25%
Rome	12.93%	\$461,921	\$286,350,000	14.08%	148.50	4.50%
Sidney	15.89%	\$567,666	\$345,650,000	17.00%	767.00	23.24%
Totals		\$3,572,474	\$2,033,200,000		3,301.00	

	FY 13 Share 08-09%	F 13 Share Val. Students	Total FY 13 Share		
China	\$582,352	\$238,381	\$820,733		
Belgrade	\$661,579	\$295,978	\$957,557		
Oakland	\$459,802	\$287,976	\$747,778		
Rome	\$309,487	\$137,785	\$447,272		
Sidney	\$380,336	\$218,796	\$599,132		
	\$2,393,556	\$1,178,916	\$3,572,472		
				75%	25%
Split Additional Local	67%	\$2,393,556	75/25 split	\$1,795,167	\$598,389
	33%	\$1,178,916	75/25 split	\$884,187	\$294,729

	FY 14 Share 08-09%	F 14 Share Val. Students	Total FY 14 Share
China	\$286,830	\$483,986	\$770,816
Belgrade	\$325,852	\$600,925	\$926,777
Oakland	\$226,470	\$584,678	\$811,148
Rome	\$152,434	\$279,746	\$432,180
Sidney	\$187,330	\$444,222	\$631,552
	\$1,178,916	\$2,393,557	\$3,572,473

	FY 15 Share 75/25 Split	3 Year Comparison		
		FY 13	FY 14	FY 15
China	\$722,367	\$820,734	\$770,816	\$722,367
Belgrade	\$896,904	\$957,557	\$926,778	\$896,904
Oakland	\$872,654	\$747,778	\$811,148	\$872,654
Rome	\$417,531	\$447,272	\$432,179	\$417,531
Sidney	\$663,018	\$599,132	\$631,552	\$663,018
	\$3,572,474			
Split Additional Local	75%	\$2,679,356		
	25%	\$893,119		