

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

**October 20, 2010
Minutes**

The meeting of the Cost Sharing Committee began at 6:34 p.m. in the Board Meeting Room at Central Office in Oakland.

Members Present: Paul Anderson, Irene Belanger, Larry Brown, Charley Clark, Curt Dugal, Doug Eugley, Dennis Keschl, Linda Laughlin, Robert Moreau, Zlatco Necevski, Kerri Oliver, Dennis Purington, Becky Seel, Gary N. Smith and Laura Tracy

Members Absent: Neil Farrington, Peter Foote, Constance Packard, Tim Russell and Neil Farrington

Others in Attendance: Dan L'Heureux

Superintendent Smith reviewed the method of voting regarding the approval of a cost-sharing plan. The cost-sharing method must be approved by a majority vote of the municipal representatives present and voting. (Section 13B of the Reorganization Plan, Procedure for Determining Cost-Sharing Formula Effective FY 2013)

Procedure for Determining Cost-Sharing Formula Effective FY 2013

- A. The member municipalities must convene a meeting by July 2011 to develop a cost sharing formula for additional local funds. Each member municipality must be represented at the meeting or meetings by 2 representatives chosen at large by its municipal officers, and one member of the regional school unit board representing each member community.
- B. Prior to the first meeting of municipal representatives the RSU shall engage the services of a facilitator selected from the list, if any, maintained by the commissioner. The facilitator shall:
- (1) at the first meeting, review and present data and information pertaining to sharing of costs within the region. Pertinent information may include, but is not limited to, a description of the region's cost-sharing method, the elements involved in the calculation of each municipality's costs and a graphic depiction of the current and historic distribution of costs in the region.
 - (2) solicit and prepare a balanced summary of the concerns of municipal officials, educators and the public about the current method of cost sharing; and
 - (3) develop a plan of action for consideration by the municipal representatives that responds to the information collected and the concerns raised. The plan of action must include a list of expectations for the conduct of the parties, options for proceeding and an assessment of the likely success of those options.
- C. The cost-sharing method must be approved by a majority vote of the municipal representatives present and voting.

Superintendent Smith phoned DrummondWoodsum, the District's legal counsel to obtain interpretation of the voting at the meeting. It was determined by DrummondWoodsum that all present at the meeting may vote on the cost-sharing method.

Superintendent Smith reviewed with Committee members a chart with a three-year valuation and student count moving average scenario (RPC Plan and three-year average blend) for calculations for transition years using the 2010-11 budget. (See attached copy of chart.) The chart compares the final year of 75% valuation/25% student count vs. current year additional local funds (ALF) at \$2.2 million, as well as the plan differences (cost savings).

Differences are listed below.

Belgrade:	-\$62,029
Oakland:	\$121,702
Rome:	-\$22,703
Sidney:	\$66,603
China:	-\$97,573

The chart also shows the cost differential vs. the RPC plan and impact on a \$100,000 home. The shift from the current year is listed below.

Belgrade:	(\$15.41)
Oakland:	\$9.23
Rome:	(\$13.89)
Sidney:	\$2.29
China:	(\$21.82)

Committee members also reviewed a chart with a three-year valuation and student count moving average scenario (RPC Plan and three-year average blend) using 50% valuation/50% student count. (See attached copy of chart.)

Differences are listed below.

Belgrade:	-\$125,425
Oakland:	\$186,745
Rome:	-\$76,897
Sidney:	\$95,389
China:	-79,811

The chart also shows the cost differential vs. the RPC plan and impact on a \$100,000 home. The shift from the current year is listed below.

Belgrade:	(\$25.69)
Oakland:	\$22.79
Rome:	(\$31.04)
Sidney:	\$11.53
China:	(\$17.46)

There is a shift in numbers when moving from different scenarios. The Essential Programs and Services (EPS) funding formula is being examined this Legislative session. However, there will still be year-to-year swings based on that funding formula.

Mr. Clark noted that 75% valuation/25% student count was a formula that was arrived at because it addressed the towns' concerns as they became part of the RSU. In the formation of the plan, that is what was voted on when voting to consolidate. If no agreement is reached, then the cost-sharing formula would revert back to 75% valuation/25% student count. The purpose of this Committee is to determine if there is a better formula than

what was in the Plan. Superintendent Smith noted that if a proposed cost-sharing plan is based in whole or in part on factors of fiscal capacity for any combination of valuation/student count, it would have to be approved by a majority vote of all the District towns. If formula is based on a different scenario, then there would have to be a majority vote by town.

Superintendent Smith noted that the fixed percentages for the first three years end in FY 2011-12, the third year of the fixed percentages. July 1, 2012 would be the first year that a change may be made. According to the Reorganization Plan, Section 13B, Procedure for Determining Cost-Sharing Formula Effective FY 2013, in the event that no cost sharing formula has been approved by the voters by January 31, 2012 then the following cost sharing agreement will become effective starting in Fiscal Year 2013: In FY 2013 additional local funds will be allocated as follows: 67% based upon the 2008-09 Allocation Percentage and 33% based upon 75% state valuation and 25% student count. In FY 2014, 33% based upon the 2008-09 Allocation Percentage and 67% based upon 75% state valuation and 25% student count. In FY 2015 it will be 75% state valuation and 25% student count. The formula for FY 2015 shall remain in effect thereafter until amended as provided below. The cost sharing formula shall be reviewed in FY 2017 and every five years thereafter to assure equity and fairness to all member communities.

Oliver/Moreau The Committee develop a cost sharing formula based on 75% valuation/ 25% student count, using a three-year blend of both of those factors, to begin in Fiscal Year 2013.

No action was taken on this motion.

Oliver/Moreau The motion be amended to state that the blend is defined as the previous three-year moving average.

No action was taken on this motion.

Superintendent Smith noted that the default 2/3 (67%) based upon the 2008-09 allocation percentage and 1/3 (33%) based upon 75% state valuation and 25% student count transition is in year one in FY 2013. In FY 2014 (year two) 1/3 (33%) is based upon the 2008-09 allocation percentage and 67% is based upon 75% state valuation and 25% student count. The third year, FY 2015, would be 75% state valuation and 25% student count. The charge of this Committee was to determine an equitable method of sharing additional local funds (ALF). If a proposed cost-sharing plan is based in whole or in part on factors of fiscal capacity for any combination of valuation/student count, it would have to be approved by a majority vote of all the District towns. If a proposed cost-sharing plan is totally new, it would have to be approved by a majority vote by town.

Oliver/Eugley To develop a cost sharing formula based on 75 valuation 25 student count, using a three-year moving average of valuation and student count, with 2/3 of the RPC formula and 1/3 of new formula used the first year, with 1/3 of the RPC formula and 2/3 of new formula for the second year, and then using 100% of the new formula in FY 2015 and thereafter.

Oliver/Moreau The motion be amended as follows: A cost-sharing formula be developed so that in FY 2013 additional local funds will be allocated as follows: 67% based upon the 2008-09 Allocation Percentage and 33% based upon 75% state valuation and 25% student count, with a three-year moving average of valuation and student count; in FY 2014, 33% based upon the 2008-09 Allocation Percentage and 67% based upon 75% state valuation and 25% student count, with a three-year moving average of valuation and student count; in FY

2015 it will be 75% state valuation and 25% student count, with a three-year moving average of valuation and student count. The formula for FY 2015 shall remain in effect thereafter until amended as provided by the cost-sharing agreement.

Keschl/Clark Move the question.

Motion carried: 13-1.

For: Anderson, Belanger, Brown, Clark, Eugley, Keschl, L'Heureux, Moreau, Necevski, Oliver, Purington, Seel and Tracy

Opposed: Dugal

The original motion, made by Oliver and seconded by Moreau, that a cost-sharing formula be developed so that in FY 2013 additional local funds will be allocated as follows: 67% based upon the 2008-09 Allocation Percentage and 33% based upon 75% state valuation and 25% student count, with a three-year moving average of valuation and student count; in FY 2014, 33% based upon the 2008-09 Allocation Percentage and 67% based upon 75% state valuation and 25% student count, with a three-year moving average of valuation and student count; in FY 2015 it will be 75% state valuation and 25% student count, with a three-year moving average of valuation and student count. The formula for FY 2015 shall remain in effect thereafter until amended as provided by the cost-sharing agreement carried 10-4.

For: Anderson, Belanger, Brown, Clark, Eugley, L'Heureux, Moreau, Oliver, Seel and Tracy

Opposed: Dugal, Keschl, Necevski and Purington

Oliver/Clark The meeting adjourned.

Motion carried unanimously.

Time: 8:01 p.m.

Respectfully submitted,

Gary N. Smith
Superintendent of Schools

Regional School Unit 18

Calculate transition yrs using 10-11

3 Year Valuation & Student Moving Average Scenarios - RPC Plan & 3 Yr Ave Blend

Valuation %	75.00%
Enrollment %	25.00%
Total %	100.00%

This Allocation is **75.00% Valuation** **25.00% Enrollment**
 1,672,307.25 557,435.75

	2010-11 Budget Using RPC Plan		ALF \$ Allocation Scenarios											
			2012-13				2013-14				2014-15			
	ALF \$	ALF %	RPC Plan 2/3 RPC, 1/3 GSA 75/25	\$/stdnt	Alt Plan	\$/stdnt	RPC Plan 1/3 RPC, 2/3 GSA 75/25	\$/stdnt	Alt Plan	\$/stdnt	RPC Plan 100% CSA 75/25	\$/stdnt	Alt Plan	\$/stdnt
MSAD 47														
Belgrade	616,211	27.64%	596,295	1,125	587,338	1,108	569,161	1,082	585,570	1,075	560,836	1,066	554,182	1,054
Oakland	428,411	19.21%	468,094	433	493,776	457	508,150	474	531,216	496	554,381	510	550,113	506
Rome	288,364	12.93%	279,544	1,815	274,320	1,781	274,314	1,892	266,884	1,839	267,603	1,796	265,662	1,783
Sidney	354,338	15.89%	373,839	495	386,226	511	394,701	522	408,866	541	418,509	559	414,941	557
subtotal	1,687,324	75.67%												
China	542,419	24.33%	511,871	680	488,083	648	483,417	668	457,407	632	430,413	626	444,845	647
Total	2,229,743	100.00%	2,229,743		2,229,743	681	2,229,743		2,229,743	692	2,229,743		2,229,743	698

FY 2013 RPC calculations:
 67% based on the 2008-09 Allocation Percentage
 and 33% based upon 75% valuation and 25% student count

FY 2014 RPC Calculations:
 33% based on the 2008-09 Allocation Percentage
 and 67% based upon 75% valuation and 25% student count

FY 2015 RPC Calculations:
 0% based on the 2008-09 Allocation Percentage
 and 100% based upon 75% valuation and 25% student count

	RPC Pln Diff		Alt Pln Diff		RPC Pln Diff		Alt Pln Diff		Vs 2010-11		
	RPC	ALT	RPC	ALT	RPC	ALT	RPC	ALT	RPC Pln Diff	Alt Pln Diff	\$ Diff
Belgrade	-30548	-28873	-47050	-50641	-55374	-62029	-62029				
Oakland	39683	65365	79739	102805	125970	121702	121702				
Rome	-8821	-14045	-14050	-21680	-20761	-22703	-22703				
Sidney	19601	31888	40363	54528	62171	60603	60603				
China	-30548	-54336	-59002	-85011	-112006	-97573	-97573				
	100,000 Impact		100,000 Impact		100,000 Impact		100,000 Impact				
	RPC	ALT	RPC	ALT	RPC	ALT	RPC	ALT	RPC	ALT	(VS RPC Plan)
Belgrade	105.29	103.71	95.98	95.37	90.96	89.88	89.88	89.88	(14.33)	(15.41)	
Oakland	105.51	111.30	107.70	112.59	115.63	114.74	114.74	114.74	10.12	9.23	
Rome	97.62	95.80	86.86	84.45	84.26	83.65	83.65	83.65	(13.37)	(13.99)	
Sidney	107.87	111.42	106.70	110.53	110.58	110.17	110.17	110.17	2.71	2.29	
China	130.85	124.77	112.70	106.63	105.49	109.03	109.03	109.03	(25.35)	(21.82)	

Regional School Unit 18
Calculate transition yrs using 10-11

3 Year Valuation & Student Moving Average Scenarios - RPC Plan & 3 Yr Ave Blend

Valuation %	50.00%
Enrollment %	50.00%
Total %	100.00%

This Allocat 50.00% Valuation 50.00% Enrollment
 1,114,871.50 1,114,871.50

	2010-11 Budget Using RPC Plan		ALF \$ Allocation Scenarios											
			2012-13				2013-14				2014-15			
	ALF \$	ALF %	RPC Plan 2/3 RPC, 1/3 GSA 75/25 \$/stdnt		Alt Plan \$/stdnt		RPC Plan 1/3 RPC, 2/3 GSA 75/25 \$/stdnt		Alt Plan \$/stdnt		RPC Plan 100% CSA 75/25 \$/stdnt		Alt Plan \$/stdnt	
MSAD 47														
Belgrade	616,211	27.64%	596,295	1,125	564,879	1,066	569,161	1,082	521,206	991	660,836	1,066	490,786	933
Oakland	428,411	19.21%	468,094	433	514,641	477	508,150	474	574,112	536	554,381	510	615,156	566
Rome	288,364	12.93%	279,544	1,815	256,425	1,665	274,314	1,892	230,492	1,590	267,603	1,796	211,467	1,419
Sidney	354,338	15.89%	373,939	495	397,433	526	394,701	522	432,359	572	416,509	559	449,727	604
subtotal	1,687,324	75.67%												
China	542,419	24.33%	511,871	680	496,365	659	483,417	668	471,573	651	430,413	626	462,608	\$ 672
Total	2,229,743	100.00%	2,229,743		2,229,743	681	2,229,743		2,229,743	692	2,229,743		2,229,743	698

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 67% based on the 2008-09 Allocation Percentage and 33% based upon 75% valuation and 25% student count

FY 2014 RPC Calculations:
 33% based on the 2008-09 Allocation Percentage and 67% based upon 75% valuation and 25% student count

FY 2015 RPC Calculations:
 0% based on the 2008-09 Allocation Percentage and 100% based upon 75% valuation and 25% student count

	RPC Pln Diff	Alt Pln Diff	RPC Pln Di	Alt Pln Diff	RPC Pln Diff	Alt Pln Di	\$ Diff	Vs 2010-11	
Belgrade	-30548	-51332	-47050	-95005	-55374	-125425	-125425		
Oakland	39683	86230	79739	145701	125970	186745	186745		
Rome	-8821	-31939	-14050	-57872	-20761	-76897	-76897		
Sidney	19601	43095	40363	78021	62171	95389	95389		
China	-30548	-46054	-59002	-70846	-112006	-79811	-79811		
	100,000 Impact		100,000 Impact		100,000 Impact				
	RPC	ALT	RPC	ALT	RPC	ALT	RPC	ALT	(VS RPC Plan)
Belgrade	105.29	99.74	95.98	87.89	90.96	79.60	\$ (14.33)	\$ (25.69)	
Oakland	105.51	116.00	107.70	121.69	115.63	128.30	\$ 10.12	\$ 22.79	
Rome	97.62	89.55	86.86	72.99	84.26	66.58	\$ (13.37)	\$ (31.04)	
Sidney	107.87	114.65	106.70	116.89	110.58	119.40	\$ 2.71	\$ 11.53	
China	130.85	126.88	112.70	109.94	105.49	113.38	\$ (25.35)	\$ (17.46)	