



Regional School Unit No. 18

*Messalonskee School District*

*Belgrade, China, Oakland, Rome, and Sidney, Maine*

# Regional School Unit No. 18

Board Recommended Budget

Fiscal Year 2009-2010

As presented to  
All five communities  
April & May, 2009

# Budget Increase

- One of the smallest in District History
  - Recommended 2009-10 \$33,809,299
  - Actual 2008-09 \$33,401,266
    - Combination of MSAD 47/China
  - Increase \$408,033  
1.2%

# EPS Required

- Calculations based upon preliminary info from DOE Based upon student count and valuation
- Reflects mil effort established by State at 6.37 (plus adjustment for Rome = 6.12 for RSU No. 18)

# Reducing Impact on Towns

- Identifying additional revenue to offset Local Efforts
  - Medicaid, IDEA, Title 1
- Identify how Stimulus funds help lower local effort.
- Accept resignations w/o replacements.
- Retrain and reassign.
- Minimal Job Loss

# REVENUE OVERVIEW

- State subsidy shortfall of approximately \$1,209,672
- Partial recovery of State funding from feds, approximately \$628,866
- Federal ARRA spending requires additional reporting and must meet the federal criteria.

# Revenue Changes

Revenues are calculated and presented in conformity with

- State statutes,
- State School Funding Formula (EPS) and
- the Reorganization plan for RSU No. 18.

All unrestricted fund balance are to be credited back to each town, not used as a “carry forward”.

Local-only debt is divided evenly among towns.

China School Choice amounts are separated.

Summer accrual amounts are recognized.

Erskine busing is shared.

Federal ARRA stabilization funds are included.

# Balance Forward

- State statute changes how we declare our fund balance in new year.
- Returned directly to towns as a “credit” instead of reducing overall tax obligation
- Calculated separately for SAD 47 towns and China

# EPS calculations reflect changes in estimated 2008 valuation.

- Belgrade increase 4.473%
- China increase 20.946%
- Oakland increase 17.695%
- Rome increase 12.847%
- Sidney increase 10.856%

Source: Kennebec County Proposed 2008 valuations

The 21% increase in valuation would impact China, regardless of whether they were part of the RSU or not.

# Local-Only Debt

- Reflects the local-only Messalonskee Middle School debt.
- Shares debt evenly among 5 towns.
- Any future debt will utilize new cost sharing formula.

# China School Choice

## Overview

- Tuition secondary rates for 2009-10 reflect a 5% increase from current rates and are estimates.
- Messalonskee High School per student rate is \$362 lower than Erskine's estimated rate, and the difference is the fiscal responsibility of the Town of China.
- IVF estimate: 5% or 445/student.
- Estimated 237 bused students to Erskine
- Estimated 278 total tuition students

# China School Choice Financial

<b>Union52/Current</b>	<b>RSU #18/Next Year</b>
Tuition (state ave.)     \$0	Tuition (state ave.)     \$95,860 (Maximum tuition rate of RSU H.S.)
IVF 5%                     \$93,220	IVF 5%                     \$106,300
Erskine Bussing         \$90,000	Erskine Bussing         \$18,013
<b>Total: \$183,220</b>	<b>Total \$220,173</b>
<b>China's increase in "choice only" costs are \$36,953</b>	
RSU Plan Section 8-B.2, 13-C.2	

# Additional Local Funds

- Based upon the formula in the RSU plan freezing local only percentages above EPS for three years
  - Belgrade 27.64%
  - China 20.01%
  - Sidney 15.89%
  - Rome 10.63%
  - Oakland 19.21%
- Budget cuts will also reduce these ALF revenue lines.

# Total town impact-after application of estimated fund balance credit

• Belgrade	\$ (165,094)
• China	\$332,404
• China Choice (new)	\$36,952
– After IVF reduction	
• Sidney	\$39,961
• Rome	\$ (37,295)
• Oakland	\$211,047
Total increase to towns:	\$417,975

# LOCAL IMPACT

## **Super's Impact \$961,894.**

- Belgrade \$(32,935)
- China \$514,766
- Ch Choice \$36,952
- Sidney \$115,450
- Rome \$25,994
- Oakland \$301,667
- **Total: \$961,894**

## **Board's Impact \$408,033**

- Belgrade (\$165,094)
- China \$332,404
- Ch Choice: \$36,952
- Sidney \$39,961
- Rome \$(37,295)
- Oakland \$211,047
- **Total: \$417,975**

# China Credit Toward Local Effort

- As the China School System ceases to exist, fund balances as of June 30 become credits toward local effort.
  - Carry Forward becomes a credit of \$100,000
  - Day Treatment Funds \$20,000
  - Medicaid \$45,000
  - Insurance Refunds \$9,100
  - SU 52 Central Office \$48,500
  - Debt Balance \$18,000
  - Total Credit \$240,600**

# MSAD 47 Credit Toward Local Effort

- As the MSAD 47 District ceases to exist, fund balances as of June 30 become credits toward local effort.

– Carry Forward becomes a credit of	\$400,000
– Day Treatment Funds	\$100,000
– Medicaid	\$100,000
<b>Total Credit</b>	<b>\$600,000</b>

## CUTS Impact Local Only

- Reduce IVF to 5% (benefits China only)  
savings \$106,000
- Identify Day Treatment Revenue
- Cuts (non-personnel)
  - \$33,000 Technology
  - \$100,000 Maintenance

# CUTS Impact Local Only

- China Funding Reassignments
  - 1 China SPED aide to New Federally funded Early Childhood Program = cut in local effort of approximately \$25,000
  - 1 China SPED aide moved to federally funded Local Entitlement = cut in local effort of approximately \$25,000
  - 1 SPED Teacher to Local Entitlement = savings in local effort of \$42,500

# CUTS Impact Local Only

- High School Reassignment & Cuts – Estimate Enrollment down 50 students
  - Move 1 Social Studies teacher to Learning Lab and pay salary with federal funds.
    - Savings to local effort = \$40,700.
  - Cut 1/2 Math, 1/2 Science
    - Due to a Retirement in Science Department savings is \$68,900.
  - Current ELA Position has substitute for remainder of year – do not fill for 2009-10.
    - Saves \$ 40,200

# CUTS Impact Local Only

- Elementary
  - 1 China Elementary = savings \$40,000
  - 1 China Special Ed. = savings \$42,500
  - Cut K Afternoon Aides – savings \$24,000
    - K classrooms @ Atwood small
    - Oakland (3) and Sidney (1)

# RSU Board 2009-10 Budget

- Initial Requests: Over \$35 million

- Super Cut: \$1,200,000

- Board Cut: \$551,951

- Board Recommends:

– **2009-10** **\$33,809,299**

– Actual 2008-09 \$33,401,266

- Combination of MSAD 47/China

Increase

\$408,033

1.2%

# Summary

- Next Steps: Important Dates
  - April 27 Oakland Public Information Meeting
  - April 30 Sidney Public Information Meeting
  - May 4 Belgrade/Rome Public Information Meeting
  - May 5 China Public Information Meeting
  - May 13 District ALL Towns Budget Meeting
  - May 20 District ALL Towns Budget Referendum

# Budget Validation Process

- Requires a meeting of all five towns to approve a budget for 2009-2010.
- Mandates 11 warrant articles
  - Elect a Moderator
  - Regular Instruction
  - Special Education
  - Career & Technical Education
  - Other Instruction

# Budget Validation Process

- 11 Required Warrant Articles (cont.)
  - Student & Staff Support
  - System Administration
  - School Administration
  - Transportation
  - Facilities Maintenance
  - Debt Service
  - All Other Expenditures

# Budget Validation Process

- The All 5 Town Budget Hearing is scheduled for May 13, 2009 at 6:00 at Messalonskee High School in the Performing Arts Center.
- Community members from any of the five towns can move to approve a warrant article as written or move to decrease an article.
- Once a 2009-10 school budget is approved at the Budget Hearing it will be presented to the voters on May 20 through referendum for voter approval.