



MSAD No. 75  
FY 2019 Budget Process  
MOE Budget Overview

Finance Committee Meeting  
January 29, 2018

# FY 2019 Maintenance of Effort (MOE) Budget Areas for Review (Costs & Assumptions)

- Projected Personnel Costs
- Projected Benefit Costs
- School Allocations
- Capital Maintenance
- Debt Service
- Interfund Transfers

## **MOE Budget Definition:**

The level of spending required to maintain the current level of staffing, programs and services

<b>Fiscal Year</b>	<b>Budget</b>
FY 2018	\$38,043,490
FY 2019	\$38,611,252
\$ Increase	\$ 567,762
% Increase	1.49%

# Personnel Cost Projections

- Collective bargaining agreements are in place in the 2018-2019 school year for teachers and support staff
  - Negotiations are expected to begin soon with principals
- The Current MainePERS rate (employer share) of 3.97% will remain unchanged
- There is an assumed cost increase of 5% for health insurance, and 3% for dental insurance
  - Collective changes in employee elections are limiting the increase in the health insurance budget line to 2.2%

# School Allocation Process

(New in FY 2019)

- Each school principal was provided with a school allocation based on grade level and student enrollments, and provided with flexibility in budgeting items within the allocation
- \$649,401 was distributed in this manner
- Items included in the allocation: books, supplies, postage, printing costs, site-specific staff development, costs for school-based initiatives.
- Items excluded from the allocation: salaries/benefits for regular staff, costs for contractual obligations, utilities, athletic and co-curricular costs/stipends, SPED costs

# Capital Maintenance Plans

- Current FY 2018 allocation is \$116,250
  - This excludes the allowance of \$18,000 for electrical repairs, which has been transferred to a routine maintenance account
- Preliminary FY 2019 allocation proposed by the Facilities & Finance Committees is \$183,250 (included in the MOE Budget), an increase of \$67,000.
- Discussion is underway to bring forward to the voters a request for a \$1.4 million bond for roof replacements at four schools (BCS, HCS, WCS, and MAMS)
  - The engineer is currently updating his estimate; it may go higher

# The Declining Cost of Debt Service

- Debt Service includes school construction bonds and capital leases for school buses and other vehicles
- Five bus leases are being paid off in FY 2018
- In December the MMBB refunded the BCS bond, eliminating remaining interest payments

Fiscal Year	Budget
FY 2018	\$1,763,008
FY 2019	\$1,628,901
\$ Decrease	(\$ 134,107)

<u>Bond Schedule:</u>	
MAMS:	Ends FY 2021
BCS:	Ends FY 2022
New HS:	Begins FY 2020
Roofing Bond (Under Discussion)	Begins FY 2020 (If approved)

# Interfund Transfers (MOE Budget)

- Interfund transfers support the transfer of operating funds to other special revenue/enterprise funds
- At the end of FY 2018 the negative balance in the Capital Maintenance Fund will be eliminated
- The current deficit in the Food Service fund balance is (\$302,802)

<b>Account</b>	<b>FY 2018</b>	<b>FY 2019</b>
SBHC	\$6,500	0
Capital Maintenance	\$89,731	0
Food Services	\$240,453	\$240,453
<b>TOTAL</b>	<b>\$336,684</b>	<b>\$240,453</b>

# Questions and Discussion

For Further Information go to:

[link75.org](http://link75.org)



# Areas for Further Conversation

- The School-Based Health Center
- New Program for Preschool Services
- Region Ten Costs and Revenues
- State Funding Uncertainties
- Student Enrollment Projections

# The School-based Health Center & Preschool Services

- The State has eliminated funding for school-based health centers
  - The current District contribution is \$6,500; this must increase to \$41,829 in FY 2019 to maintain the current model/staffing
  - Legislation may restore funding in the coming year, but this is uncertain
- The District is currently finalizing a proposal to expand preschool services in the coming year
  - Costs are unknown at this time

# Region Ten

- The MOE Budget assumes a 5% increase, but this is likely to change
- The State is implementing a new funding model similar to the EPS model for public school systems, so funding is uncertain
  - The state subsidy for CTE centers and regions will now go directly to those organizations
- The Region Ten budget must factor in the cost of replacing the remainder of its roof in FY 2019

# Changes in the FY 2019 State Funding EPS Formula

- There have been many changes to the EPS formula for the coming year. A sampling include:
  - An increase in funding the EPS formula from 97% to 100%
  - A basic pupil count based on a 2-year average of the October 1<sup>st</sup> count, rather than the average of the most recent October and April counts
  - Calculation of state valuation for fiscal capacity based on a 2-year average (rather than a 3-year average)
  - A reduction in the system administration allocation from \$138/pupil to \$92/pupil (with an additional \$46/pupil if the RSU joins a regional center)

# The FY 2019 Budget Process

## Desired Outcomes

- A budget that is centered around the needs of students
- A budget that supports the goals of the District and our individual schools
- A budget that strikes the right balance between the needs of students and the needs of taxpayers within the context of state down-shifting of financial responsibility to the local level