

The background of the slide is a golden-yellow color with a dense, repeating pattern of various currency symbols (dollar, euro, yen, pound) in a 3D, embossed style. The symbols are arranged in a way that they appear to be floating or overlapping, creating a textured, metallic effect.

FY 2022 Budget Process

Finance Committee Meeting
December 14, 2020



FY 2022 Budget Challenges

- Anticipated reduction in state subsidy funds
- Uncertainty in projecting specific cost impacts of Covid response by schools
- Specific cost drivers
- Difficulty in budget estimation with Covid impact breaking budget trends

Unknown Impact of Covid

- For planning purposes we are assuming Covid precautions will be required through December 2021
- We are using conservative approaches for projecting cost impacts.
 - Will assume a higher cost impact for PPE and utilities
 - Will assume no impact for Food Services and transportation



Specific Cost Drivers

- 4.1% increase in teacher salaries
- Significant cost increase in unemployment costs
- Continued high costs in Workers Compensation costs
 - MSMA has indicated our experience modifier is not likely to go down next year
- Anticipated increase in the number and cost of special education out-of-district placements



Unknown Revenue & Cost Impacts

- State subsidy reduction (from reductions in the formula and/or an enrollment decline)
- High School utilities (with little valid cost history)
- Collective bargaining agreements in negotiation
 - Merrymeeting Employees Association (Support Staff)
 - Principals
- Cost of replacing student technology devices
 - The District bought out the State MLTI leases



Positive FY 2022 Budget Factors

- Debt Service has stabilized and is beginning to decline
- The unreserved fund balance is likely to grow larger
 - Will be able to maintain or increase current utilization of \$1.1 million in fund balance funds as current revenue



The Budget Process Moving Forward

- The maintenance of effort (MOE) budget will be released to the Finance Committee at the end of January
- Additional resource requests from principals and administrators will be shared with the Finance Committee
- Any increases and reductions proposed by the Superintendent will be shared after the State subsidy numbers are provided by the Department of Education