
ASSUMPTIONS IN THE MAINTENANCE OF EFFORT BUDGET:

1. Health Insurance premiums will increase 8%. Health insurance premiums have actually declined over the last two years. Dental Insurance rates will increase 2%. The District will not receive its health or dental insurance rates until March.
2. Maine retirement system rates will increase 18%, based on prior advice from the retirement system.
3. The assessment for Region Ten (Article 4) will increase 3%. The actual increase must go before the Region's voters for approval. The current assessment from Region Ten is \$799,792.

CHANGING COSTS IN THE MAINTENANCE OF EFFORT BUDGET

1. Transfers to other funds budgeted in the current FY 2017 budget are changing:
 - a. The allowance of \$350,000 budgeted for high school construction in FY 2017 is eliminated in the FY 2018 budget.
 - b. Local funds budgeted for the school-based health clinic have been reduced from \$36,000 to \$6,000. The clinic is funded by grants and currently has a healthy fund balance.
 - c. The local allowance necessary to support a balanced budget in the Food Service Program is increasing from \$220,300 in FY 2017 to \$240,453 in FY 2018.
 - d. Funds budgeted under debt service to reduce a deficit over time in the Capital Maintenance Fund (\$81,000) have been reclassified to an Interfund Transfer account.
2. Utility costs (electricity, natural gas and heating oil) are decreasing by \$90,567 as a result of energy conservation efforts with Honeywell. Water and Sewer costs, however, are increasing by \$3,473 (6.2%).
3. The budgets for leasing and purchasing technology equipment are collectively declining by \$104,615 in FY 2018, based on current needs for replacement. These needs will increase in future years with the aging of technology infrastructure and devices.
4. Interest costs on bonds for the Bowdoin Central and Mt. Ararat Middle Schools are decreasing by \$60,910. A bond refunding by the Maine Municipal Bond Bank has actually eliminated interest costs in the remaining few years of the bond for Bowdoin Central.
5. Retirement incentive costs are declining by \$15,625 to just \$9,348; FY 2018 will be the last year of expenditures under the current incentive.