



Maine School Administrative District No. 75

FY 2021 Operating Budget

As Proposed by the Finance Committee to the Board of Directors

April 6, 2020

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The Budget at a Glance...

The proposed Fiscal Year (FY) 2021 Operating Budget totals \$46,132,997, an increase of \$3,995,454 or 9.5% over the current FY 2020 operating budget.

More significant changes in the proposed FY 2021 budget are summarized below. Tables and pie charts also provide a summary of expenses, revenues, and student enrollment. References to personnel costs include both salaries and benefits.

Increasing Costs

FY 2021 cost increases are largely driven by a significant increase in debt service with the first principal payments due on the High School and Roof Replacement bonds. General sources of the budget increase are identified in the table below.

Source of Increase	Amount	% ↑
FY 2020 Operating Budget	\$42,137,543	
Maintaining Current Services	\$930,546	2.2%
New Debt Service	\$3,148,481	7.5%
New Resources	\$252,282	0.6%
Reductions in Resources	(\$335,855)	(0.8%)
Total Increase	\$3,995,454	9.5%

Increasing Revenue Sources

Funding for operating costs from the State subsidy program for education (known as Essential Programs and Services) was relatively flat between FY 2016 and FY 2020 with a pattern of alternating gains and losses.

However, in FY 2021 State subsidy is increasing \$642,330 before factoring in new debt service. State subsidy for debt service is increasing by \$2,871,917, including \$209,518 for Harpswell.

The District accrued an unallocated fund balance of \$2,843,165 for the fiscal year ending June 30, 2019.

The Board is therefore proposing to increase the use of fund balance carry-over as revenue from \$400,000 in FY 2020 to \$1,100,000 in FY 2021.

These increases in revenue are resulting in a small overall decrease in local assessments. The table below outlines the change in contributions for each town and the annual tax impact for a homeowner based on the local assessed value of an average home. (Reductions are in parentheses.)

Town	Average Change	Local Assessed Value of Typical Home*	Annual Tax Change
Bowdoin	(0.89%)	\$118,750	(\$15)
Bowdoinham	0.46%	\$180,000	\$9
Harpswell	(1.94%)	\$423,000	(\$38)
Topsham	(0.22%)	\$221,200	(\$5)

*Based on January 2020 numbers for local valuation and typical home value. This is an estimate; actual tax impacts will vary.

Local average assessments among the District's four member towns are decreasing by 0.8%. The change in assessment for each town varies based on state property valuation and student enrollment.

Maintaining Current Services

Some costs are increasing to simply maintain existing services. The more significant increases in these costs in the coming year include the following:

- An additional \$700,286 for all salary increases, including an allowance for increases provided to support staff while negotiations continue with the Merrymeeting Employees Association
- An additional \$100,000 for special education out-of-district placements
- An increase of \$44,258 for liability insurance, based on premium increases reflecting higher claims and the increased insured value of the new High School

Some costs are going down in FY 2021, including the following:

- A savings of \$122,752 in buying out the state leasing costs for student and staff laptop computers
- A reduction of \$35,000 in the moving allowance

for the new High School

- A reduction of \$20,000 in the allowance for roof repairs with the recent replacement of the District's oldest roofs

New Debt Service

Debt service is increasing significantly with the first interest payments on the bonds for the new High School and Roof Replacements. These costs are detailed in the table to the right.

New Resources

Requests for new resources go through a careful review process each year. Only a limited number of requests become part of the budget proposal. New resources funded in the FY 2021 budget include the following:

- An allowance of \$70,000 to establish remediation programs for students as a result of the closure of schools in the spring of 2020
- The addition of a half-time music teacher to support increased enrollment in Middle School music programs (\$35,850), and an additional one day per week of social work time (\$11,300)
- A van with a driver to expand transportation flexibility (\$51,836), and a van accessible by staff to provide community-based experiences for students (\$6,500)
- An increase in substitute rates for bus drivers, custodians, and long-term substitutes (\$12,796)
- An increase of \$40,000 for repair of aging student technology devices
- A replacement lawn mower in the Facilities Department (\$24,000)

Budget Reductions

The proposed FY 2021 budget includes reductions in current resources recognizing the large increase in FY 2020 assessments and the declining economy. These reductions include the following:

- Eliminating a part-time administrative assistant position in the District Office (\$43,754)

Bond/Lease	FY 2020	FY 2021	Increase
HS — Principal	\$0	\$2,943,355	\$2,943,355
HS —Interest	\$1,488,108	\$1,558,183	\$70,075
Roof — Principal	\$0	\$118,800	\$118,800
Roof —Interest	\$23,030	\$23,392	\$362
Bowdoin Central	\$286,965	\$286,965	\$0
Mt. Ararat MS	\$805,250	\$805,250	\$0
Capital Leases	<u>\$660,560</u>	<u>\$676,449</u>	<u>\$15,889</u>
Total	\$3,262,913	\$6,411,394	\$3,148,481

- Eliminating 2.3 elementary literacy teacher leader positions (\$176,916) and a Middle School teacher leader position (\$75,185)
- Eliminating a staff development contract with Teachers College (\$40,000), providing these services using existing staff

Capital Projects

An allowance of \$235,250 is budgeted for capital projects and equipment. Projects include the following:

- Completing the district-wide replacement of aging telephone systems and upgrading bell systems (\$60,000)
- Making improvements at the Adult Education Center including repaving the parking lot (\$68,000), improving the adjacent loading dock (\$22,000), replacing the fire alarm system (\$22,000), and increasing the water pressure (\$15,250)
- Updating fire alarm systems at Woodside Elementary School (\$22,000)
- Designing and bidding out a new sanitary waste water system (\$20,000) and renovating the outdoor basketball court (\$6,000), both at Bowdoinham Community School

High School Construction Update

On March 7, 2017 the voters of M.S.A.D. No. 75 approved moving forward with the construction of a new

Mt. Ararat High School at a total cost of \$60.7 million. Construction is well under way, and the doors of the new school will open with the 2020-21 school year.

This project is on schedule and under budget, with final costs expected to come in at or under \$59,227,614.

The impact of the new High School on next year's budget includes moving costs and the first principal payment on the bond, as detailed earlier.

Roof Replacement Update

At the Budget Validation Referendum held on June 12, 2018 voters approved bond authorization for \$1,560,000 to replace large sections of roofs on four schools: Bowdoin Central, Harpswell Community, Williams-Cone, and Mt. Ararat Middle School. Replacement of all four roofs occurred during the summer of 2019, at an actual cost of less than \$1.2 million.

Student Enrollments

The table below provides recent, current, and projected student enrollments by grade level. District-wide enrollment is projected to increase slightly over the next three years.

3-Year Student Enrollment Projections

School Year	2015-16 Actual	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Projected	2021-22 Projected	2022-23 Projected
K-5	1,109	1,139	1,096	1,123	1,147	1,121	1,130	1,122
MS	559	582	579	551	542	570	574	583
HS	734	720	708	727	731	741	734	725
All	2,402	2,441	2,383	2,401	2,420	2,432	2,438	2,430
Change in Students		39	(58)	18	19	12	6	(8)
% Difference		1.6%	-2.4%	0.7%	0.8%	0.5%	0.2%	-0.3%

* Assumes five (5) 6th Graders will move to charter schools each year.

* Does not include Pre-K students

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 75
FY 2021 Revenue Projections

As Recommended by the Finance Committee

Description	FY 2020 Budget	FY 2021 Proposed	Variance	% Increase
State Contribution	\$15,187,393	\$18,701,640	\$3,514,247	23.1%
Local Share - Total	\$26,441,150	\$26,232,357	(\$208,793)	-0.8%
Other Revenues	\$109,000	\$99,000	(\$10,000)	-9.2%
Fund Balance Carry-over	\$400,000	\$1,100,000	\$700,000	175.0%
Total Revenue	\$42,137,543	\$46,132,997	\$3,995,454	9.5%

DETAIL TO LOCAL SHARE:

Required Local Contribution	\$16,383,487	\$16,687,865	\$304,378	1.9%
Debt Service	\$211,159	\$562,190	\$351,031	166.2%
Additional Local Contribution	\$9,846,504	\$9,211,261	(\$635,243)	-6.5%
Total - Local Share	\$26,441,150	\$26,461,316	\$20,166	0.1%

DETAIL TO OTHER REVENUES:

Transportation Services	\$15,000	\$13,000	(\$2,000)	-13.3%
Interest Income	\$45,000	\$50,000	\$5,000	11.1%
Gate Receipts*	\$15,000	\$0	(\$15,000)	-100.0%
Building Use Fees	\$26,000	\$28,000	\$2,000	7.7%
Miscellaneous Income	\$8,000	\$8,000	\$0	0.0%
Total - Other Revenue	\$109,000	\$99,000	(\$10,000)	-9.2%

* Assumes Athletic Gate Receipts are transferred to a new Athletic Facilities Capital Reserve Fund

Recommendation **\$46,132,997**

Note: The above numbers do not reflect the local share for Adult Education.

MSAD No. 75 - FY 2021 Recommended Budget **As Proposed by the Finance Committee (4/6/2020)**
Budget Summary by Type of Expenditure

Budget Category	Object Code	Budget	Proposed MOE	Change in Budget	
		FY 2020	FY 2021	\$	%
Salaries - Teacher	1010-1018	\$15,610,756	\$15,712,666	\$101,910	0.7%
Salaries - Ed Techs/Duty Aides	1020-1023	\$2,369,827	\$2,559,082	\$189,255	8.0%
Salaries - Administrators & Supervisors	1040-1170	\$2,576,543	\$2,643,513	\$66,970	2.6%
Salaries - Secretaries	1180	\$834,138	\$864,607	\$30,469	3.7%
Salaries - Groundskeepers & Custodians	1181-1185	\$1,098,555	\$1,165,654	\$67,099	6.1%
Salaries - Drivers & Mechanics	1186-1188	\$1,104,831	\$1,204,590	\$99,759	9.0%
Salaries - School Board	1190	\$13,000	\$20,000	\$7,000	53.8%
					Includes workshops now
Salaries - Substitutes	1235	\$448,200	\$470,600	\$22,400	5.0%
					Some increased hourly rates
Salaries - Additional & Overtime	1310-1380	\$245,549	\$290,025	\$44,476	18.1%
					Includes remediation program salaries
Salaries - Stipends	1500-1560	\$442,040	\$474,815	\$32,775	7.4%
					↑ in base teacher salary
Insurance - Health	2110-2180	\$6,564,378	\$6,581,920	\$17,542	0.3%
					Assumes 5% rate increase
Insurance - Dental	2111-2181	\$166,212	\$169,838	\$3,626	2.2%
					Assumes 3% rate increase
Social Security/Medicare	2200-2291	\$656,989	\$663,890	\$6,901	1.1%
					FY 2020 budget over-projected
Maine Retirement	2300-2380	\$847,660	\$855,481	\$7,821	0.9%
					FY 2020 budget over-projected
Course Reimbursement	2510-2580	\$159,500	\$183,800	\$24,300	15.2%
					Continued increase in costs
Unemployment & Workers Comp. Ins.	2600-2940	\$227,650	\$254,900	\$27,250	12.0%
					A rate increase is anticipated
Contract Services	3100-3500	\$440,525	\$422,165	(\$18,360)	-4.2%
					Account restructuring
Staff Development	3300-3400	\$150,951	\$113,790	(\$37,161)	-24.6%
					Elimination Teachers College contract
Contract Services - Legal	3440, 3450	\$75,000	\$80,000	\$5,000	6.7%
Repairs & Maintenance	4200-4320	\$615,830	\$610,195	(\$5,635)	-0.9%
					Reduction in roof repair allowance
Software Licenses	4330	\$244,230	\$229,578	(\$14,652)	-6.0%
					Reduction in licensing costs
Contract Services - Property	4390	\$188,050	\$172,000	(\$16,050)	-8.5%
					Moving allowance reduced
Leases - Eqpt./Technology/Facilities	4410-4900	\$273,082	\$37,903	(\$235,179)	-86.1%
					MLTI leases end in FY 2020
Capital Maintenance Projects	4500	\$83,300	\$175,250	\$91,950	110.4%
					Costs shifted from capital eqipt.

MSAD No. 75 - FY 2021 Recommended Budget As Proposed by the Finance Committee (4/6/2020)
 Budget Summary by Type of Expenditure

Budget Category	Object Code	Budget		Proposed MOE		Change in Budget	
		FY 2020	FY 2021	FY 2021	%	\$	%
Transportation - OOD/Co-curricular	5100	\$37,000	\$84,500	\$84,500	128.4%	\$47,500	Account restructuring
Insurance - Property & Liability	5210-5225	\$147,730	\$191,988	\$191,988	30.0%	\$44,258	Reflects rate increase & new HS
Communications (Postage/Phone)	5310-5400	\$83,789	\$97,788	\$97,788	16.7%	\$13,999	↑ in internet connectivity costs
Printing & Copying	5500-5510	\$98,350	\$98,800	\$98,800	0.5%	\$450	
Tuition - Out of District Placements	5630	\$50,000	\$150,000	\$150,000	200.0%	\$100,000	More students are in placement
Region 10 Assessment	5610	\$146,676	\$150,050	\$150,050	2.3%	\$3,374	
Staff Travel	5800	\$25,700	\$27,005	\$27,005	5.1%	\$1,305	
Supplies	6000-6120	\$495,406	\$524,730	\$524,730	5.9%	\$29,324	
Utilities (NG, Oil, Propane & Electricity)	4110, 6200	\$836,245	\$825,748	\$825,748	-1.3%	(\$10,497)	Assumes no increase in HS costs
Motor Fuel	6260	\$185,000	\$200,000	\$200,000	8.1%	\$15,000	
Books & Periodicals	6400-6460	\$105,312	\$106,425	\$106,425	1.1%	\$1,113	
Supplies - Technology & AV Materials	6500-6600	\$7,650	\$8,400	\$8,400	9.8%	\$750	
Supplies - Transportation	6700-6710	\$166,000	\$168,000	\$168,000	1.2%	\$2,000	
Equipment	7301-7390	\$437,659	\$435,845	\$435,845	-0.4%	(\$1,814)	
Dues & Fees	8100-8160	\$111,150	\$113,439	\$113,439	2.1%	\$2,289	
Debt Service & Capital Leases	8310, 8320	\$3,262,913	\$6,424,392	\$6,424,392	96.9%	\$3,161,479	New principal payments - HS/Roofs
Contingency	9000	\$172,111	\$227,500	\$227,500	32.2%	\$55,389	\$15,000 ↑ in Facilities Contingency
Interfund Transfers (Food Services)	9100, 9200	\$332,057	\$342,126	\$342,126	3.0%	\$10,069	SBHC support not required
TOTAL		\$42,137,543	\$46,132,997	\$46,132,997	9.5%	\$3,995,454	
Budget without Debt Service & Capital Leases		\$38,874,630	\$39,708,605	\$39,708,605	2.1%	\$833,975	

Note: The FY 2020 budget reflects budget revisions through 12/31/2019.

MSAD 75

FY 2021 Budget Process
Budget Analysis by Warrant Article

As Recommended by the Finance Committee (4/6/2020)

Article	Purpose	FY 2020 Approved	FY 2020 Revised	FY 2021 Proposed	\$ Change	% Change
2	Regular Instruction	\$14,727,034	\$14,716,645	\$14,802,451	\$85,806	0.6%
3	Special Education	\$8,308,435	\$8,318,824	\$8,753,104	\$434,280	5.2%
4	Career and Technical Education	\$146,676	\$146,676	\$150,050	\$3,374	2.3%
5	Other Instruction	\$723,920	\$723,920	\$763,801	\$39,881	5.5%
6	Student and Staff Support	\$4,793,169	\$4,793,169	\$4,585,526	(\$207,642)	-4.3%
7	System Administration	\$1,372,821	\$1,307,821	\$1,282,400	(\$25,421)	-1.9%
8	School Administration	\$2,112,390	\$2,112,390	\$2,270,526	\$158,136	7.5%
9	Transportation and Buses	\$2,644,206	\$2,644,206	\$2,883,788	\$239,582	9.1%
10	Facilities Maintenance	\$4,438,513	\$4,503,513	\$4,706,473	\$202,960	4.5%
11	Debt Service/Other Commitments	\$2,579,323	\$2,579,323	\$5,592,753	\$3,013,430	116.8%
12	All Other Expenditures	\$291,057	\$291,057	\$342,126	\$51,069	17.5%
	Total - Operating Budget	\$42,137,543	\$42,137,543	\$46,132,997	\$3,995,454	9.5%
18	Adult Education/Adult Voc. Educ.	\$142,428	\$142,428	\$142,428	\$0	0.0%
	Total - All Articles	\$42,279,971	\$42,279,971	\$46,275,425	\$3,995,454	9.4%

**DRAFT WARRANT ARTICLES FOR
MSAD NO. 75 DISTRICT BUDGET MEETING**

Article 22: Shall Maine School Administrative District No. 75 authorize the Board of Directors to transfer up to \$100,000 from unexpended balances at the end of the 2019-2020 fiscal year to the Capital Reserve Fund for the purpose of funding school construction, capital improvement projects, facility upgrades, plant maintenance, and capital equipment purchases?

Article 23: Shall Maine School Administrative District No. 75 establish an Athletic Facilities Capital Reserve Fund for the purpose of funding capital improvements, facility upgrades, plant maintenance, and capital equipment purchases for District athletic facilities, and authorize the Board of Directors to transfer gate receipts for District athletic events to the Athletic Facilities Capital Reserve Fund?