

MSAD #72 Budget Overview

2010-11 School Year

“Our greatest natural resource is the minds of our children.”

- Walt Disney

Budget Development Goal

Meet the educational needs
of the district while being
fiscally responsible

Budget Assumptions

- Reflect the vision, mission, and beliefs of the strategic plan
- Meet state and federal requirements
- Meet students' educational needs
- Reflect the concerns of taxpayers
- Should be “transparent” to citizens
- Need to consider the “Funding Cliff” in FY12*

The reality of this year.....

- This has been the most challenging of years for developing a district budget.
- Significantly less state subsidy means higher local assessments **OR** program reduction **OR** some combination
- MSAD# 72 budget has been trimmed significantly in the last 4 years
- We are not alone: districts across the country are facing this problem
- **The critical question: to what degree can we provide for the educational needs of the students, while being sensitive and responsive to the local taxpayers' situation***

Budget Format

- Required by Maine Department of Education
- Validation Referendum process
 - There will be a vote this year as to whether the district should continue this process
- Breaks expenditure side of budget into eleven cost centers
- Several of the cost centers are broken into sub-categories*

“Given” Expenditures

(district obligations)

- Transportation
- Special Education
- Debt Service
 - NS roof \$312,702 (year 3 of 5)
 - MOMS roof \$64,740 (year 6 of 10)
- Food Service
- Operations (energy/leases)
- Grade 9-12 cost (contract)
 - Average State Tuition plus 15%
 - Insured Value Factor (10%)*

Insured Value Factor (IVF)

- Article 1 at school District meeting is required by state law: Legislative body must approve paying FA more than 5% IVF (subsidy for capital projects for Town Academies)
- FA contract is for 10% IVF
- State subsidy this year for 5% IVF = \$241,626
 - state previously had paid full IVF
- 10% IVF as called for in FA contract = \$483,750
 - District and Academy had negotiated an agreement for past two years, but has not for FY 11
- Therefore in FY11 the district will pay 5% IVF = \$242,124*

2010 -11 District Budget (FY11)

\$15,460,454

4.01% Decrease

- Represents a \$620,271 decrease from FY10
- Represents a \$1,055,206 decrease from FY 8
- we will be spending less than 2005-06
(15,498,257)*

Savings in FY 11 Budget

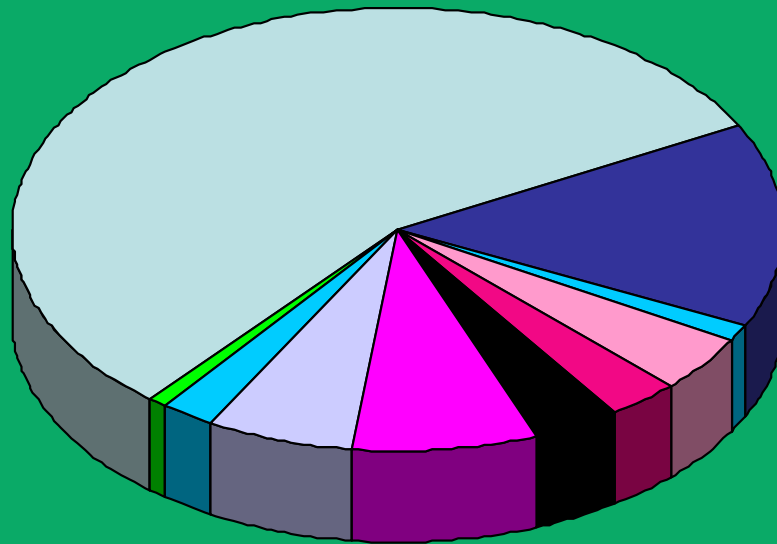
- reductions throughout K-8 portion of budget
- fuel and oil price savings
- health insurance increase of only 2%
- secondary savings due to decrease of students at FA
- salary freeze for all K-8 staff
- staff reductions K-8*

Staff Reductions in K-8 Budget FY09 - FY11

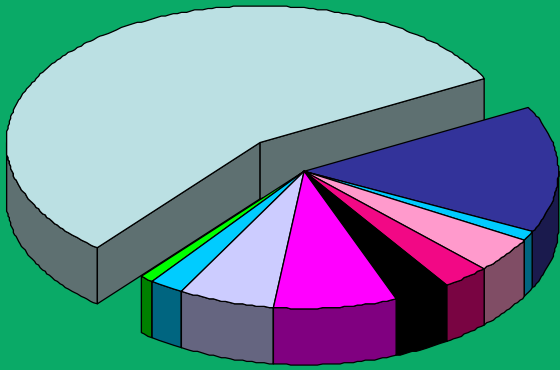
- 1 Principal
- 1 Central Office position
- 10.5 teaching positions (7.6 positions FY 11)
- 10 educational technicians
- 3 support staff (SRO, Bus driver, Maintenance)*

Cost Centers

in relation to total budget



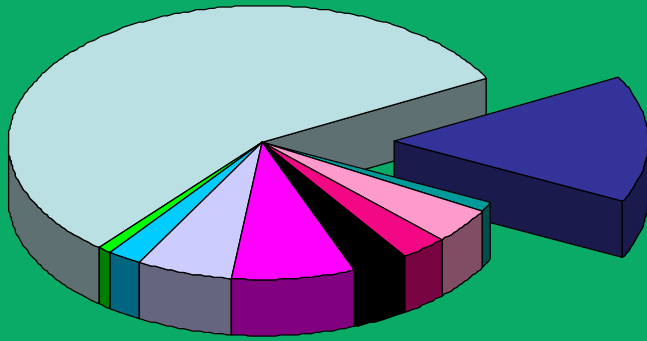
- Instruction
- Special Education
- Other Instruction
- Student & Staff Support
- System Administration
- School Administration
- Transportation & Buses
- Facilities & Maintenance
- Debt Service
- Food Service



Cost Center: Regular Instruction K-12

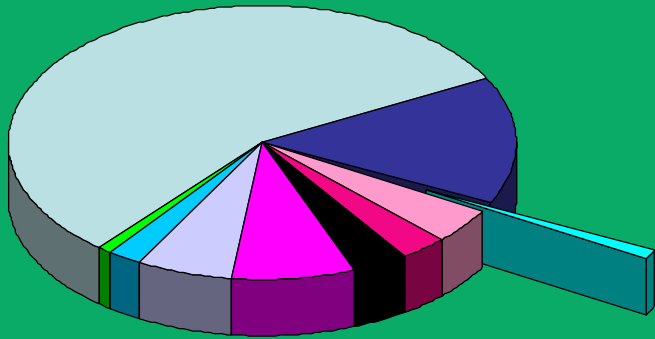
Decrease of \$428,899*

* not including \$333,682 in
ARRA Stabilization Funds



Special Education Instruction

Decrease of \$193,510



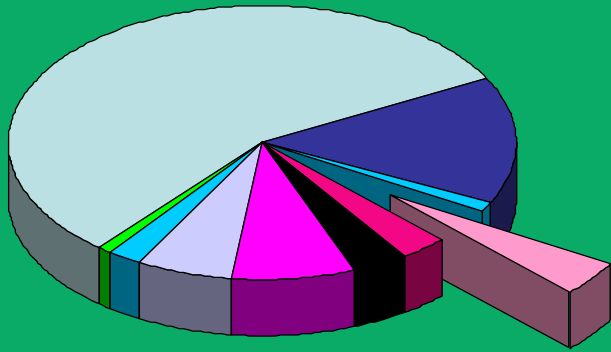
Cost Center: Other Instruction

Overall: increase of \$62,044

Co- Curricular: *decrease* of \$27,498

Summer School: increase of \$9,400

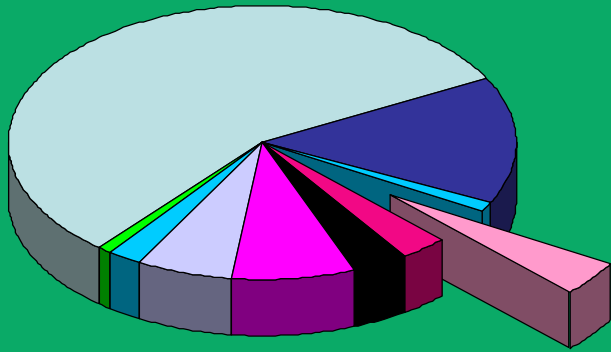
Gifted and Talented: increase of \$80,142*



Cost Center: Student and Staff Support

Overall

Decrease of \$25,103



Cost Center: Student and Staff Support

STUDENT

Guidance: *decrease* of \$2,350

Health: *increase* of \$583

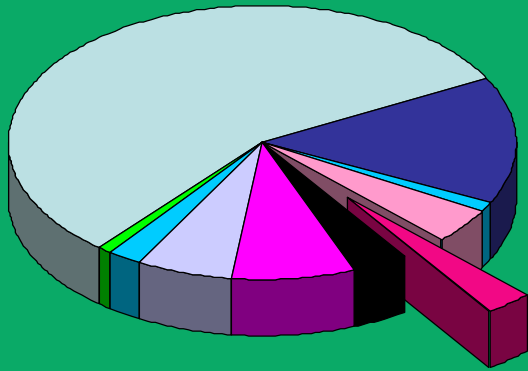
Technology: *increase* of \$19,037

STAFF

Imp. to Instruction: *increase* of \$13,815

Library: *decrease* of \$50,508

Assessment: *decrease* of \$5,680*

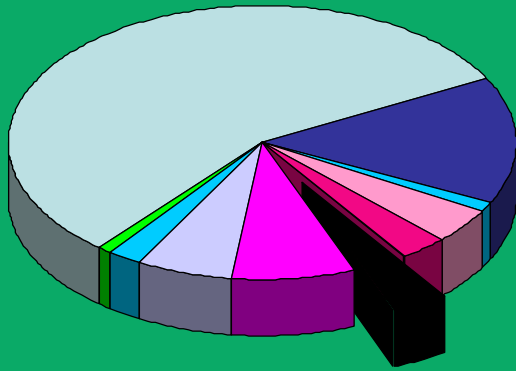


Cost Center: System Administration

Overall: increase of \$6,209

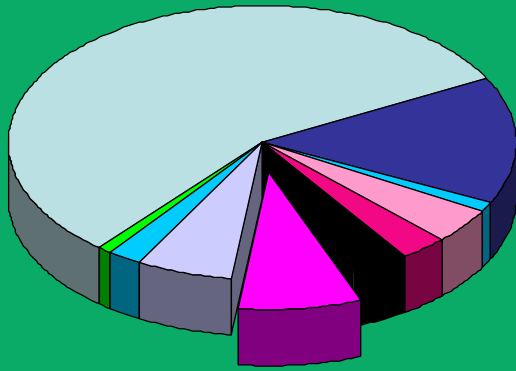
Superintendent's Office: Increase of \$5,543

Directors: increase of \$1,666*



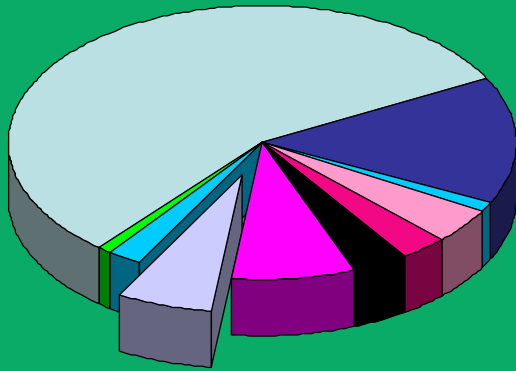
Cost Center: School Administration

Office of Principal: *decrease* of \$39,144



Cost Center: Transportation and Buses

Transportation: decrease of \$4,095

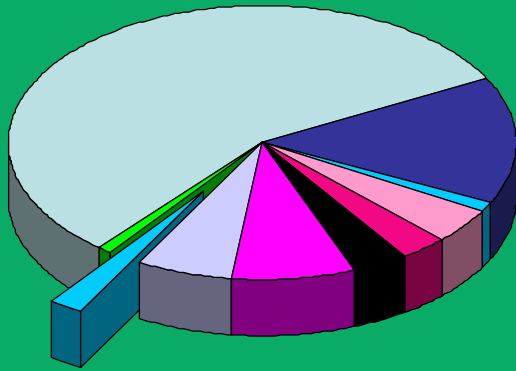


Cost Center:Facilities Maintenance

Overall: *decrease* of \$77,298

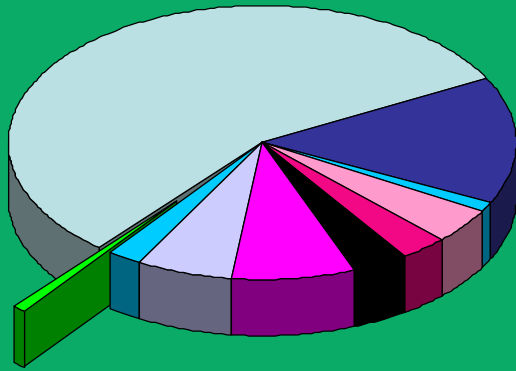
Operation and Maintenance: *decrease* of \$83,125

Capital Projects: increase of \$5,827*



Cost Center: Debt Service

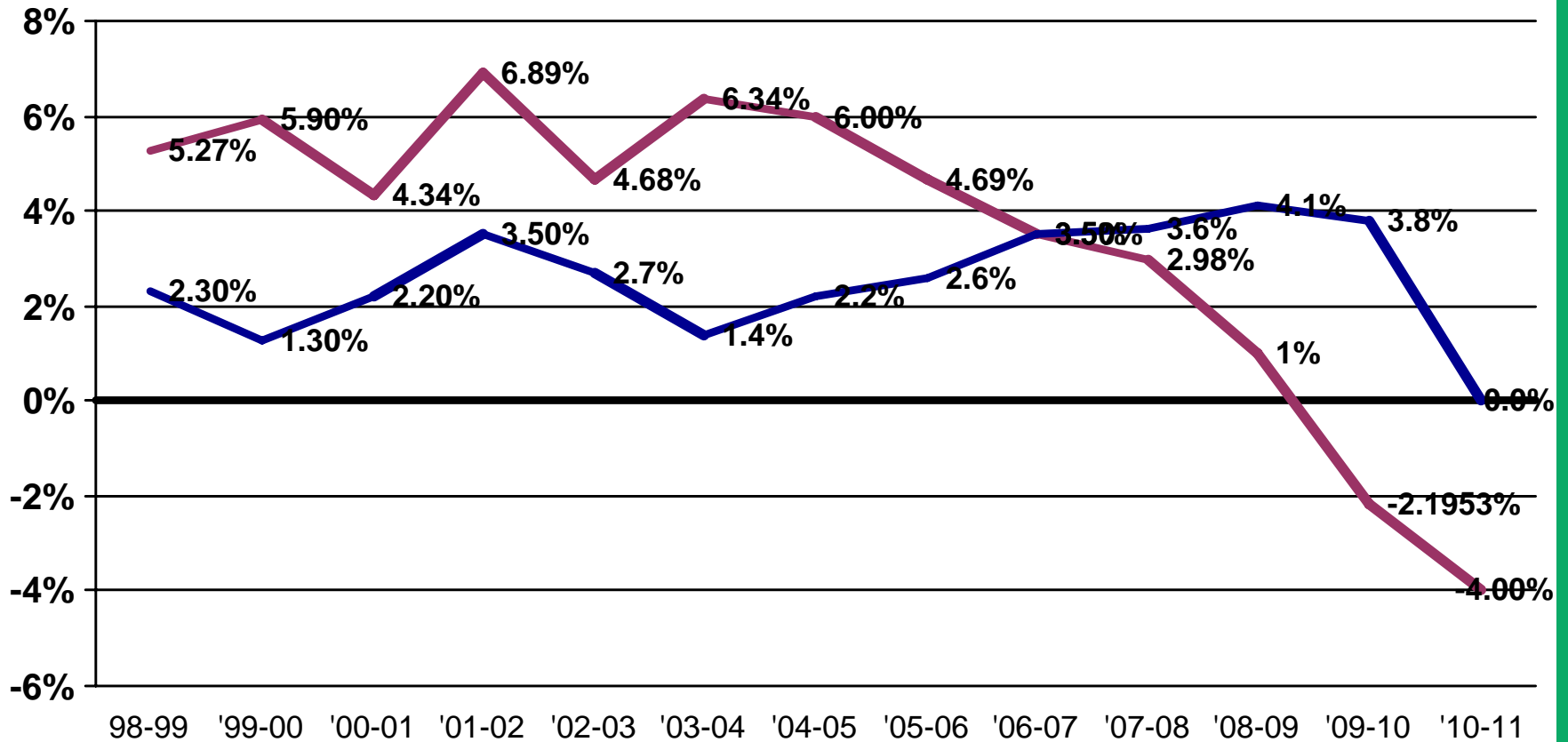
Decrease of \$13,649



Cost Center:All Other Expenditures

Food Service: increase of 3.50 %

Budget History Related to CPI



Part 2

How do we pay for this
budget?

State Subsidy annual target for state share of EPS services at local level

- FY 13 41.98%
- FY 12 42.80%
- FY 11 46.74%
- FY 10 50.13%
- FY 09 52.86%
- FY 08 51.6%
- State subsidy was projected to be 55% in FY 10*

MSAD# 72 State Subsidy

- FY 11 \$3,885,413
- FY 10 \$4,117,862
- FY 09 \$4,323,149
- FY 08 \$5,202,676
- Subsidy loss since 2007-08 \$1,317,263*

Tax impact: FY11

- **DISTRICT WIDE is 1.57 % increase**

Towns

Brownfield	+ 6.57%
Denmark	- 1.82%
Fryeburg	+ 4.73%
Lovell	- 1.93%
Stoneham	- 9.45%
Stow	+14.10%
Sweden	- 4.49%

THINGS TO CONSIDER.....

- Subsidy reductions are significant this year, but next year projects to be worse.
- There will be no ARRA funds (\$ \$333,682) or IDEA funds (\$180,540) next year which are currently supporting several staff positions.
- Therefore the School Board is putting \$620,271 into a reserve fund to support next year's projected budget shortfall..*

20 warrant articles

- Article 1: to pay more than 5% Insured Value Factor (IVF) to the Academy
- Article 15: includes reference to \$620,671 being put toward the FY12 budget
- Article 17: accept \$333,681 ARRA funds
- Article 18: Adult Education (\$12,000)
- Article 19: Capital Reserve Fund (\$223,660)
- Article 20: Denmark's unanticipated state subsidy*

SUMMARY

- Several existing positions (K-8) are eliminated or reduced
- Focus has been on reducing budget in ways that will least impact students directly
- The budget has been below the CPI the last four years- resulting in very “lean” budgets
- The Budget reflects a decrease of \$620,271
- To protect against next years projected subsidy shortfall - “the funding cliff”- we are designating \$620,271 toward FY12 budget.*

Important Dates

- School District Meeting: Thursday, **May 20**
 - At Molly Ockett Middle School at 7 PM
- Validation Referendum: Tuesday, **May 25**
 - In each town in the district's voting location