

Frequently Asked Budget Questions

Q: What is budget-development?

A: Starting in late fall, we collect feedback from all employees regarding budgetary needs. Those requests are submitted to administrators in late December. Starting in January, the administrative team reviews the requests, asks clarifying questions as needed, and produces a preliminary budget. Throughout April and May, the school board reviews each cost center and each line of the budget. The superintendent and business administrator for the district also adjust the budget based upon State budgetary information, which is in flux sometimes even after the budget is finalized. Ultimately, the board votes to approve a final budget, which is then presented to the voters in a series of public meetings. The public then approves of the budget at the district budget meeting, which will be held on May 24th at the gymnasium in The Molly Ockett School (7 PM).

Q: What factors drive the budget?

A: The budget is determined by the State using the Essential Programs and Services (EPS) model. The State sets a statewide mill rate (8.29 this year) that every town is required to raise for its share of education costs. For each town, those costs are determined by the percentage of pupils. If the town's costs within the State formula are in excess of its share, based upon pupil count and the town's valuations, then the State pays the remainder of the educational costs. Because of high valuations, four of our towns (Denmark, Lovell, Stoneham, and Sweden) do not receive State subsidy, except for a portion of the bond payments (debt service) for the new building project.

Q: How much State support do we receive?

A: As mentioned in an earlier answer, the State contributes to educational costs for a town when the town meets the established State mil rate (8.29). In our District, only three towns reach that mil rate, and those are Brownfield, Fryeburg and Stow. Those towns are receiving the following in State funding:

Brownfield	\$1,430,127	Denmark	\$116,854
Fryeburg	\$3,576,900	Lovell	\$ 81,340
Stow	<u>\$253,116</u>	Stoneham	\$ 22,373
Total:	\$5,260,143	Sweden	<u>\$ 34,999</u>
		Total:	\$255,566

Q: Are there other costs assigned to towns?

A: Yes. Because the State-funding model is an "adequacy" model, meaning that the intent is not to provide all of a district's educational needs, districts include warrant articles for additional local funds. In our case, we pay higher secondary tuition costs as part of our contract with Fryeburg Academy, which exceed the costs recognized within EPS. We also have higher special-education costs than are recognized by the EPS model, and due to the geographic size of our District, smaller class sizes and higher transportation costs than are recognized by the model.

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Q: What is the local tax impact for FY17?

A: The impact, or increase in dollars paid by each town over last year for each town, is:

Brownfield	\$80,454	4.36%
Denmark	\$97,649	4.74%
Fryeburg	\$141,592	3.56%
Lovell	\$235,352	9.49%
Stoneham	\$10,086	2.06%
Stow	\$12,503	2.55%
Sweden	\$12,499	1.94%

It is important to keep in mind that \$1,417,712 of the budget-to-budget increase is the bond payment for the building project. Without debt service, the increase from FY17 to FY18 is 3.92%, which demonstrates the District's ongoing attempts to maintain quality programming while keeping the taxpayers' ability to pay in mind.