

Allocation of Costs Among Towns in RSU-21 for the 2012-2013 School Year

By: Larry Mead, Kennebunkport Town Manager

The method of allocating School budgetary costs among member municipalities is complex. For the most part school costs are broken into two large categories. The first category comprises costs that have been identified by Maine's Department of Education (DOE) as essential to meeting the minimum educational needs of students. This category is labeled as Essential Programs and Services (EPS) costs. EPS costs currently comprise about 85% of the total RSU budget. These costs are allocated according to state law, which requires a "minimum required local share" from each municipality. This amount is determined by the state, based on the lesser of two values: "the town allocation" which is determined by pupil count, or the "town contribution" which is a function of both a town's valuation and a minimum mil rate effort for education as established by the State. Kennebunkport's portion of EPS costs is the "town allocation" (pupil count). Arundel and Kennebunk's portion of EPS costs is the "town contribution" (valuation and minimum mil rate effort).

FY13 EPS EXPENDITURES

Kennebunkport	Arundel	Kennebunk
\$4,716,401	\$3,300,164	\$16,350,478
19.36%	14.54%	67.10%

The second major cost category is those costs that go beyond the minimum adequacy standards set by the State. These include adult education, athletics, other co-curricular activities such as band, and a portion of debt service. This category is labeled "above EPS" costs. The amount of funding devoted to above EPS costs is discretionary at the local level and is determined separately by each school district in the state. Expenditures that are "over EPS", about 15% of the total budget, are considered local costs by the state. It is these costs that are at issue and the subject of debate in the current cost sharing committee. The method of apportioning over-EPS costs is not established by the state, but rather is determined by the member communities of the school district (RSU). In the case of RSU-21 the over-EPS costs are apportioned by a formula that is based 60% on each community's state equalized property values and 40% on each community's number of students, or 60/40. This formula was agreed to by representatives from the towns as part of the process to form the new RSU as a three-town school district, and approved by a vote of all three towns in November 2008. For the current school year (2012-2013) the share of over-EPS costs for each town is Kennebunkport; 31%, Arundel; 15%, and Kennebunk; 54%.

FY13 OVER EPS EXPENDITURES

Kennebunkport	Arundel	Kennebunk
\$1,707,357	\$780,739	\$2,800,255
32%	15%	53%

The third cost category of school expenditures, pre-existing local-only debt, is a holdover from the former SAD 71 (School Administrative District). This is debt incurred by Kennebunk and Kennebunkport when the two towns comprised SAD 71. The SAD 71 debt is apportioned by a formula that is based 70% on property value and 30% on pupil count. This debt will be fully paid off in 2024.

FY 13 PRE-EXISTING SAD-71 DEBT

Kennebunkport	Kennebunk
\$189,811	\$289,672
40%	60%

The total assessment for education to the three towns in FY13 is \$30,330,754 and is assessed as follows:

TOTAL FY 13 ASSESSMENT BY TOWN

Kennebunkport	Arundel	Kennebunk
\$6,676,809	\$4,109,821	\$19,544,124
22.01%	13.55%	64.44%