



Maine Regional School Unit 21
The Schools of Arundel, Kennebunk, and Kennebunkport

"Preparing responsible, contributing citizens in a global society."

Cost Sharing in RSU 21
Impact of Proposed Changes
February 28, 2013

On May 29, 2012, the RSU 21 Cost Sharing Committee, comprised of three members from each of the three member municipalities in the district, considered several changes of significance to the district's cost-sharing formula. In reviewing how those changes impact the local taxpayer, it is important to remember that these changes only apply to that portion of the budget that is above the state's "Essential Programs and Services (EPS)" model. For the 2012-2013 fiscal year (FY13), the total school budget is \$35,888,934, and the portion of the RSU budget that is above EPS is \$5,288,353, or 14.7%.

Part 1: That the district will share over EPS costs using a weighted formula based 90% on state value (SV) and 10% on pupil count.

In summary, this shift would lower the annual tax bill of an Arundel resident by \$57 for each \$100,000 in assessed property value and would lower the tax bill of a Kennebunk resident by \$12 for each \$100,000 of assessed property value. In Kennebunkport, the annual tax bill would increase by \$25 for each \$100,000 of assessed property value.

Part 2: That the district will share any new local-only debt based 100% on state value (SV) plus each town's tax increment financing (TIF) district's captured assessed value.

To summarize, if the RSU were bonding these projects in the current year using the existing cost-sharing formula, an Arundel resident could expect an increase of \$234 for every \$100,000 of property value during the highest repayment year (year 2). If the cost-sharing formula is changed, Arundel residents would see an increase of \$151 per \$100,000, or approximately \$83 less per \$100,000 than experienced under the current formula. In Kennebunk, residents would pay \$17 less per \$100,000 of assessed value under the new formula than they would under the existing formula, while Kennebunkport taxpayers would experience a greater impact; an increase of \$36 per \$100,000 of assessed property value under the new formula. This proposal creates a situation in which the impact in each town is between \$142 and \$151 per \$100,000 of assessed value.

Part 3: That the school closure language be edited to further protect elementary schools in Arundel and Kennebunkport.

Impact: By adjusting the language in our local cost-sharing agreement, the district is clarifying and upholding the intent of the original document to reduce the likelihood that the RSU Board would vote to close the elementary school in either Arundel or Kennebunkport.

Part 4: That the portion of pre-existing debt from the former MSAD 71 school district that was disputed during the 2010-2011 cost-sharing review be shared equally by Kennebunk and Kennebunkport.

To summarize, splitting this portion of the pre-existing debt service would lower the annual tax bill of a Kennebunk resident by \$9 per \$100,000 of assessed property value, while increasing the annual tax bill of a Kennebunkport resident by \$10 per \$100,000.

Part 5: That tax increment financing (TIF) districts' captured assessed value be included in each municipality's share of the district's total assessed value.

To summarize, this proposal would lower the tax rate in Kennebunkport and Arundel by approximately \$0.60 per \$100,000 of assessed value, while increasing the rate in Kennebunk by approximately \$0.70 per \$100,000.

Part 6: That the next scheduled review of the cost-sharing agreement would take place in fiscal year 2017.

Impact: By delaying the next scheduled date of review, this proposal provides adequate time for the cost-sharing agreement to be implemented and analyzed and reduces the opportunity for conflict within the district. The agreement could be reviewed if called for by a petition of voters or by a majority of the RSU Board, but this proposal would delay any scheduled review until 2017.

SUMMARY

The immediate impact of the cost sharing change (without the construction projects) would be:

Arundel: A drop in taxes of \$57.60 per \$100,000 of property value. (To \$1,009)
Kennebunk: A drop in taxes of \$20.30 per \$100,000 of property value. (To \$1,030)
Kennebunkport: An increase in taxes of \$34.40 per \$100,000 of property value. (To \$395)

IF THE PROJECTS WERE APPROVED

The additional impact of the cost sharing change would be:

Arundel: An increase in taxes of \$53 per \$100,000 of property value. (To \$1,062)
Kennebunk: An increase in taxes of \$52 per \$100,000 of property value. (To \$1,182)
Kennebunkport: An increase in taxes of \$140 per \$100,000 of property value. (To \$535)

Please go to our website, www.rsu21.net, to see how the cost shift would impact your tax bill!