



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

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

To: Board of School Directors
 From: Andrew Dolloff, Superintendent of Schools
 RE: Proposed Budget for FY14
 Date: March 15, 2013

At our April 1 Board Meeting, the Finance Committee will be presenting its recommended budget for FY14.

State Aid

1. State Aid will drop by \$766,865 this year, to just \$3.8M. This continues a trend that began two years prior to the formation of the RSU (In FY08, SAD 71 and Arundel received a total of \$6.9M in GPA).
2. Unlike previous years, there will be no federal stimulus funds to fill the gap in state aid.

Other Revenue

1. With frugal spending over the past few years, we have been able to build a fund balance of more than \$2.6M. To reduce the impact to the local taxpayer, I am proposing that we carry forward \$1.2M.
2. Our capital reserve fund is fairly healthy, at \$805,702. In this budget, we have shifted requests for capital work from our operating lines to the CIP line.

Expenditures

1. The "roll-forward" budget from this year to next (moving our budget from this year to next year with no changes in staffing or programming) would cause an increase of \$1.4M.
2. The state's proposal to force local schools to make contributions to the teacher retirement system adds \$448,134 to our costs.
3. The new charter school law forces local taxpayers to pay the tuition for students who attend charter schools. This will be between \$8,000 and \$12,000 for each student. I have budgeted \$50,000 for charter school tuition at this point.

Adjustments

1. Although enrollment is projected to remain flat, we are reducing the equivalent of 2.0 FTE positions at the high school level.
2. We are reducing spending on professional development, targeting funds to train staff for the continuation of our IB program.

Summary

1. The proposed budget is summarized as follows:

	<u>FY13</u>	<u>FY14</u>	<u>Change</u>
Budget, including Adult Ed	35,974,215	36,670,543	696,328 ¹
Teacher Retirement add-in	0	448,134	448,134
Minus GPA	-4,576,577	-3,809,712	(766,865)
Minus other revenue	-1,066,200	-1,456,000	389,800
Assessment to local municipalities	30,331,438	31,852,965	1,521,527

¹Without the teacher retirement piece, the proposed budget is up 1.94% over the current year.

2. ESTIMATED Mil rate impact:

	FY13	FY14	
		With current Cost Sharing	With new Cost Sharing
Arundel's mil rate	14.50	15.03	14.37
Kennebunk's mil rate	14.40	15.04	14.85
Kennebunkport's mil rate	6.90	6.94	7.27

3. ESTIMATED impact on taxes per \$100,000 of property value:

	FY13	FY14		FY14		Difference w/Cost Adj.
		With current Cost Sharing	Total Change	With new Cost Sharing	Total Change	
Arundel	1,450	1,503	53	1,437	(13)	(66)
Kennebunk	1,440	1,504	64	1,485	45	(19)
Kennebunkport	690	694	4	727	37	33

As illustrated above, the proposed budget under the current cost-sharing formula would add \$53 to each tax bill on \$100,000 worth of property value in Arundel, and \$64 for the same value in Kennebunk. Due to normal shifts in property values and pupil counts, Kennebunkport would be the recipient of a \$4 increase on a property worth \$100,000.

If the new cost-sharing agreement is approved, Arundel taxpayers would see a \$13 decrease per \$100,000 of property value (\$66 less than the current formula), while Kennebunk residents would see a \$45 increase (\$19 less than the current formula), and Kennebunkport taxpayers would see an increase of \$37 per \$100,000 of property value (a \$33 increase over the current cost-sharing formula).

The table below may provide a clearer picture of the impact of this budget and the cost-sharing formula:

	Change in taxes with <u>Current Cost-Sharing</u>	Change in taxes with <u>Proposed Cost Sharing</u>
Arundel	3.63%	-0.88%
Kennebunk	4.43%	3.11%
Kennebunkport	0.54%	5.42%

Board of Directors Review

Monday, April 1	Board Meeting – Finance Committee Presentation, FIRST READING
Monday, April 8	Board Meeting – PUBLIC FORUM (Kennebunk Elementary School)
Thursday, April 11	Special Board Meeting – SECOND READING and signing of warrants. (Board must approve budget at least 7 days prior to District Budget Meeting.)
Monday, April 22	Board Meeting – Signing of Warrant for District Budget Meeting (Must be done 7 days prior to meeting.)

Public Approval Process

Tuesday, April 30:	District Budget Meeting. (Up or down vote of all citizens present.)
Tuesday, May 14:	Budget Validation Referendum (Must be within 14 days of District Budget Meeting).