



MSAD No. 75

FY 2023 Budget Process

**Public Budget Hearing and Final
Approval of the Budget by the
School Board of Directors**

April 14, 2022

Mt. Ararat High School Forum

A decorative vertical bar on the left side of the slide, featuring a textured gold background with various financial symbols like dollar signs, yen signs, and the hash symbol (#) in a 3D, embossed style.

FY 2023 Budget Process

Desired Outcomes

- A budget that prioritizes and serves our students
- A budget that supports our District goals and the goals of our individual schools
- A budget that is fiscally responsible to the communities in M.S.A.D. No. 75

Budget Assumptions and Cost-Drivers

4/14/22

- Salaries & benefits are about 80% of the budget
 - Salaries for teachers (guidance counselors, nurses, librarians, social workers) are not yet finalized as negotiations are ongoing.
 - Salaries for administrators and support staff align to the contract, with potential increase in MPERS contributions.
 - Health insurance assumes an increase of 4.18%, and dental insurance assumes a decrease of 1% .
- The Transportation budget includes the replacement of seven (7) buses at the current purchase price of \$120K each (including radios), up from \$116K in the previous presentation. The buses will be paid over a 5-yr term, at the current 3.25% interest rate, with expected assistance from MDOE (included in revenue projection below). As a result of new additional buses, we have reduced previous FY23 estimates for repairs and rentals. We will also seek to perform as many repairs as possible prior to the end of FY22.
- Given the volatility of the energy market, we have increased our transportation fuel by an additional \$65,000, and have increased our natural gas, propane and affiliated utilities by an additional \$75,000.
- As there is support for a School Improvement Bond to perform work at MAMS and other distressed areas of the district, estimated to cost approximately \$9 Million, the cost in FY23 would be interest only, projected to be \$91,170 when the bonds are issued in November 2022; the interest rate has held flat since 3/22/22. If approved by the voters, preliminary work could begin in the summer of 2022 while awaiting release of the funds in November.
- Use of the Fund Balance has increased to \$1,700,000 (from \$1,400,000 in FY22), with the expectation of another \$52,000 in bus subsidy from the state as well as \$75,000 in building use, interest income, etc.

FY 2023 Budget Process

4/14/22

Article	Purpose	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change	Comments (Aside from Salary & Benefit Adjustments)
2	Regular Instruction	\$15,457,964	\$16,576,816	\$1,118,852	7.2%	ELL Teacher + ½ FTE Spanish Teacher
3	Special Education	\$9,270,012	\$9,866,682	\$596,670	6.4%	Contracted Services (inc. BCBA & SMACC)
4	Career and Technical Education	\$210,942	\$264,934	\$53,992	25.6%	Adding HVAC Program
5	Other Instruction	\$787,949	\$799,957	\$12,008	1.5%	Coaches for JV Ice Hockey & Unified BB
6	Student and Staff Support	\$4,962,931	\$5,200,667	\$237,736	4.79%	Add Tech Integrator, MTA Devices
7	System Administration	\$1,332,429	\$1,504,506	\$172,077	12.2%	Capitalized Equipment
8	School Administration	\$2,221,319	\$2,253,631	\$32,312	1.5%	-
9	Transportation and Buses	\$3,122,408	\$3,311,871	\$189,463	6.1%	(3) Additional Student Buses (7 Total)
10	Facilities Maintenance	\$4,687,197	\$4,935,174	\$247,976	5.3%	Increased CIP, New Bond, Energy Costs
11	Debt Service/Other Commitments	\$4,733,491	\$4,392,485	(\$341,006)	(7.2%)	BCS Paid Off; Lower MTA Interest
12	All Other Expenditures	\$370,933	\$346,219	(24,714)	(6.7%)	Increased Revenue=>Less Local Support
Total - Operating Budget		\$47,157,575	\$49,452,941	\$2,295,366	4.87%	
18	Adult Education	\$142,428	\$138,833	(\$3,595)	-2.5%	Lower Local Share Allocated to MSAD75
Total - All Articles		\$47,300,003	\$49,591,774	\$2,291,771	4.85%	

Funding the FY 2023 Budget

4/14/22

Description	FY 2022	FY 2023	\$ Increase (Decrease)	% Increase (Decrease)
State Contribution (Preliminary EPS)	\$19,047,505	\$20,331,368	\$1,283,863	6.7%
Plus: Other Revenues	\$164,825	\$127,000	(\$37,825)	(22.9%)
Plus: Use of Fund Balance	<u>\$1,400,000</u>	<u>\$1,700,000</u>	<u>\$300,000</u>	<u>21.4%</u>
Subtotal All External Sources	\$20,612,330	\$22,158,368	\$1,546,038	7.5%
Less: Revenues Required to Meet Budget	<u>\$47,300,003</u>	<u>\$49,591,774</u>	<u>\$2,291,771</u>	<u>4.85%</u>
= Amount to be Raised Locally	<u>\$26,687,673</u>	<u>\$27,433,406</u>	<u>\$745,733</u>	<u>2.79%</u>

FY Budget	Total Budget	Budget Increase over PY	Use of Fund Balance
FY 20	\$42,279,971	\$4,300,803 (13.2%)	\$400,000 (208%)
FY 21	\$46,200,245	\$3,920,453 (9.3%)	\$1,100,000 (175%)
FY 22	\$47,300,003	\$1,099,578 (2.4%)	\$1,400,000 (27%)

FY 2023 Budget Process

4/14/22

How are Local Assessments Determined?

Rationale	Bowdoin	Bowdoinham	Harpswell	Topsham	Total
State Formula (ED279) Determines the Amount Required to Fund Essential Programs and Services ("EPS")					
Total EPS Cost by Town	\$7,065,540	\$6,265,806	\$5,370,690	\$17,983,009	\$36,685,044
- State Subsidy by Town	<u>\$5,309,946</u>	<u>\$4,127,404</u>	<u>\$66,034</u>	<u>\$10,827,984</u>	<u>\$20,331,368</u>
= Required Local Contribution by State	\$1,755,593	\$2,138,402	\$5,304,657	\$7,155,025	\$16,353,677
Next: What is the Amount to be Raised Locally (Budget Total – State Subsidy – Fund Balance – Other Revenues) Budget Total \$49,603,774 – State Subsidy \$20,331,368 – Fund Balance \$1,700,000 - Other Revenues \$127,000					<u>\$27,433,406</u>
Difference: Amount to be Raised Locally - the State's Required Contribution? [\$27,433,406-\$16,353,677]					\$11,079,729
<u>Local Cost Sharing %</u> 50% Valuation per State + 50% Enrollment = Local Share	Average of 6.9% Value <u>19.3% Enroll</u> 13.10%	Average of 8.4% Value <u>17.1% Enroll</u> 12.77%	Average of 56.3% Value <u>14.6% Enroll</u> 35.49%	Average of 28.3% Value <u>49.0% Enroll</u> 38.65%	<u>100.00%</u>
Diff. of \$11,079,729 @ Cost %	\$1,451,018	\$1,414,353	\$3,932,136	\$4,282,223	\$11,079,729
Local Assessment (State Req'd Amt + Local Cost %)	\$3,206,611	\$3,552,755	\$9,236,792	\$11,437,248	\$27,433,406

Please disregard slight rounding differences.

FY 2023 Budget Process

4/14/22

Impact on Local Assessments

Town	FY 2021 BVR Approved	FY 2022 Inc (Dec) over FY2021	FY 2022 BVR Approved	FY 2023 Proposed	\$ Inc (Dec) @ Vote	% Inc (Dec) @ Vote
Bowdoin	\$3,195,745	(\$4,375) -0.1%	\$3,191,370	\$3,206,611	\$15,241	0.48%
Bowdoinham	\$3,375,271	\$61,383 1.8%	\$3,436,654	\$3,552,755	\$116,100	3.38%
Harpswell	\$8,620,594	\$104,644 1.2%	\$8,725,238	\$9,236,792	\$511,555	5.86%
Topsham	\$11,125,204	\$209,207 1.9%	\$11,334,411	\$11,437,248	\$102,837	0.91%
Total Revenue	\$26,316,814	\$370,859 1.4%	\$26,687,673	\$27,433,406	\$745,733	2.79%

FY 2023 Budget Local Tax Impact

4/14/22

FY 2023 Proposed Budget	Bowdoin	Bowdoinham	Harpswell	Topsham	Total
Increase in Town Assessments:					
FY 23 Total Contribution (Required and Local)	\$3,206,611	\$3,552,755	\$9,236,792	\$11,437,248	\$27,433,406
FY 22 Contribution (per BVR)	\$3,191,370	\$3,436,654	\$8,725,238	\$11,334,411	\$26,687,673
Local Contribution Increase	\$15,241	\$116,101	\$511,554	\$102,837	\$745,733
% Local Contribution Change	0.48%	3.38%	5.86%	0.91%	2.79%

Calculating the Tax Impact on an Average Home:	Provided by Assessor	<i>Estimated</i>	Provided by Assessor	Provided by Assessor	
Local Valuation of Town Property	\$252,888,690	\$305,000,000	\$1,831,381,500	\$1,262,884,410	\$3,652,154,600
Change in Assessments to Towns	\$15,241	\$116,101	\$511,554	\$102,837	\$745,733
Change in mill rate per \$1,000 of valuation	0.0603	0.3807	0.2793	0.0814	0.2042
Local assessment of a typical home by community	\$245,736	\$200,000	\$449,400	\$262,923	\$289,515
Average annual tax change for a typical home	\$15	\$76	\$126	\$21	\$59



FY 2023 Budget Process - Next Steps

Board of Directors

- Approval of the Budget tonight (April 14, 2022)

The Voters

- Attend the District Budget Meeting on May 19th at the Orion (6:30 pm)
- Vote in the District Budget Validation Referendum on June 14th