



MSAD No. 75

FY 2023 Budget Process

Finance Committee Meeting Finalization of FY23 Budget

April 4, 2022

Mt. Ararat High School Forum

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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

- 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 but an additional amount has been incorporated into this budget.
 - Realignment of duties for the Districtwide Health Coordinator position is underway to offset needs for other staff positions.
 - Salaries for administrators and support staff align to the contract.
 - Health insurance assumes an increase of 6%, and dental insurance assumes an increase of 4%. We expect to be notified of the percentage, not to exceed 8%, on or about April 8th.
- There is a need to escalate the bus replacement program to ensure safe transportation of students. This year's budget will recommend replacement of seven (7) buses, to be paid over a 5-yr term @ 3.25% with expected assistance from MDOE. As a result of new additional buses, we have reduced previous FY23 estimates for repairs. 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. 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.

School Improvement Bond

Attention Voters: The School Improvement Bond will be on a separate ballot from the School Budget.
The Bond ballot may be voted upon by absentees as soon as May 15th and until June 14th.

School / Location	Project	Description	Estimated Cost	Year Estimated	Estimated FY 2023 Cost
Mt. Ararat Middle	Building Envelope, Windows, Water Line		\$ 5,870,766	2022	\$ 5,873,113
Mt. Ararat Middle	Related Required Project Admin Costs		1,192,338	2022	1,192,338
Mt. Ararat Middle	Paving		177,558	2022	186,081
District Office	Paving		93,308	2022	<u>97,787</u>
	Subtotal (ties to Architect's Outline)				\$ 7,349,319
<u>Other Paving Projects Districtwide (listed per RFS Priority designation)*</u>			\$ 1,300,000	2020	\$ <u>1,650,681</u>
Paving Projects include Bowdoin, Bowdoinham, Harpswell, Williams-Cone, Woodside, MAMS, Adult Ed, District Complex & Republic Ave. [*Paving Priority Items 1, 2 and 7 are proposed to be paid as a part of FY 2023 Capital Plan Amt of \$385,000]					<u>\$ 9,000,000</u>

If the voters approve a school improvement bond at the June 2022 Budget Validation Referendum, then the Maine Municipal Bond Bank would issue the bonds and release the funds in the Fall of 2022. Principle payments would not commence until November 2023, so FY23 would only include an interest payment in May 2023 in the amount of \$91,170.

FY 2023 Budget Process

Article	Purpose	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change	Comments (Aside from Salary & Benefit Adjustments)
2	Regular Instruction	\$15,457,964	\$16,601,816	\$1,143,852	7.4%	ELL Teacher + ½ FTE Spanish Teacher
3	Special Education	\$9,270,012	\$9,881,682	\$611,670	6.6%	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 Stud. 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	\$3,283,871	\$161,463	5.17%	(3) Additional Student Buses (7 Total)
10	Facilities Maintenance	\$4,687,197	\$4,935,174	\$247,976	5.29%	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	\$49,464,941	\$2,307,366	4.89%	
18	Adult Education	\$142,428	\$138,833	(\$3,595)	-2.5%	Lower Local Share Allocated to MSAD75
Total - All Articles		\$47,300,003	\$49,603,774	\$2,303,771	4.87%	

Funding the FY 2023 Budget

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>\$49,603,774</u>	<u>\$2,303,771</u>	<u>4.87%</u>
= Amount to be Raised Locally	<u>\$26,687,673</u>	<u>\$27,445,406</u>	<u>\$757,733</u>	<u>2.84%</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

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>\$27,445,406</u>
Difference: Amount to be Raised Locally - the State's Required Contribution? [\$27,445,406-\$16,353,677]					\$11,091,729
<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 \$11,091,729 @ Cost %	\$1,452,589	\$1,415,885	\$3,936,394	\$4,286,861	\$11,091,729
Local Assessment (State Req'd Amt + Local Cost %)	\$3,208,183	\$3,554,286	\$9,241,051	\$11,441,886	\$27,445,406

Please disregard slight rounding differences.

FY 2023 Budget Process

Impact on Local Assessments

Town	FY 2022 Post BVR Allocation*	FY 2022 BVR Approved	FY 2023 Proposed	\$ Increase (Decrease)	% Increase (Decrease)
Bowdoin	\$3,134,418	\$3,191,370	\$3,208,183	\$16,813	0.53%
Bowdoinham	\$3,370,366	\$3,436,654	\$3,554,286	\$117,632	3.42%
Harpswell	\$8,725,238	\$8,725,238	\$9,241,051	\$515,813	5.91%
Topsham	\$11,107,652	\$11,334,411	\$11,441,886	\$107,475	0.95%
Total Revenue	\$26,337,673	\$26,687,673	\$27,445,406	\$757,733	2.83%

*Additional State Subsidy Funds of \$938K were allocated in August 2021 for FY22; \$350K in total was returned to the four towns, the balance was assigned as follows: \$350K to Capital Reserve, \$120K to Athletic Capital Reserve, and \$118K to Fund Balance.

FY 2023 Budget - Local Tax Impact

FY 2023 Proposed Budget	Bowdoin	Bowdoinham	Harpswell	Topsham	Total
Increase in Town Assessments:					
FY 23 Total Contribution (Required and Local)	\$3,208,183	\$3,554,286	\$9,241,051	\$11,441,886	\$27,445,406
FY 22 Contribution (per BVR)	\$3,191,370	\$3,436,654	\$8,725,238	\$11,334,411	\$26,687,673
Local Contribution Increase	\$16,813	\$117,632	\$515,813	\$107,475	\$757,733
% Local Contribution Change	0.53%	3.42%	5.91%	0.95%	2.84%
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	\$16,813	\$117,632	\$515,813	\$107,475	\$757,733
Change in mill rate per \$1,000 of valuation	0.0665	0.3857	0.2817	0.0851	0.2075
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	\$16	\$77	\$127	\$22	\$60



FY 2023 Budget Process - Next Steps

Board of Directors

- Hold a Public Budget Hearing on April 14th at 6:00 pm to approve the FY 2023 Budget to move forward to the voters

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