



Maine School Administrative District No. 75

FY 2022 Operating Budget

As Proposed by the Finance Committee to the Board of Directors

April 5, 2021

In This Summary:

- The Budget At a Glance
- Fiscal Year 2022 Revenue Projections
- Budget Summary by Type of Expenditure
- Budget Summary by Warrant Article
- Language for Capital Reserve Warrant Articles

The Budget at a Glance...

The proposed Fiscal Year (FY) 2022 Operating Budget totals \$47,157,575 an increase of \$1,099,578 or 2.4% over the current FY 2021 operating budget.

More significant changes in the proposed FY 2022 budget are summarized below. Tables and pie charts also provide a summary of expenses, revenues, and student enrollment. References to personnel costs include both salaries and benefits.

Changing Costs

The FY 2022 proposed budget includes not only cost increases, but some areas with decreasing costs. The table below summarizes these changes.

Source of Increase	Amount	%
FY 2021 Operating Budget	\$46,057,997	
Maintain Current Services	\$1,415,373	3.1%
Decrease in Debt Service	(\$835,583)	-1.8%
Reductions in Resources	(\$110,342)	-0.2%
New Resources	\$630,130	1.4%
TOTAL INCREASE	\$47,157,575	2.4%

Increasing Revenue Sources

Funding for operating costs from the State subsidy program for education (known as Essential Programs and Services) is increasing for the second consecutive year.

In FY 2022 State subsidy for operations is increasing by \$1,185,612, partially offset by a reduction of \$837,719 with the retirement of the bond for Mt. Ararat Middle School, for a net increase of \$347,894. This includes \$114,840 in direct assistance for debt service costs to Harpswell.

The District has accrued an unassigned fund balance of \$4,044,295 for the fiscal year ending June 30, 2020. The Board is therefore proposing to increase the use of fund balance carry-over as revenue from \$1,100,000 in FY 2021 to \$1,400,000 in FY 2022.

The District is also utilizing the remaining balance of \$68,500 from the District's bond proceeds for roof replacement as revenue. The roof replacements are complete. The balance is a result of accrued interest and unexpended contingency funds.

Local assessments are increasing by \$370,859, or 1.4%. The table below outlines the change in contributions for each town and the annual tax impact for a homeowner based on the local assessed value of an average home. (Numbers in parentheses are decreasing.)

Town	Average Change	Local Assessed Value of Typical Home*	Annual Tax Change
Bowdoin	(0.14%)	\$117,500	(\$2)
Bowdoinham	1.82%	\$170,000	\$35
Harpswell	1.21%	\$428,000	\$24
Topsham	1.88%	\$238,700	\$44

*Based on January 2021 numbers for local valuation and typical home value. This is an estimate; actual tax impacts will vary.

The change in assessment for each town varies based on state property valuation and student enrollment.

Maintaining Current Services

Some costs are increasing to simply maintain existing services. The more significant increases in these costs in the coming year include the following:

- An additional \$891,996 for salary and benefit increases, including an allowance for increases provided to support staff while negotiations continue with the Merrymeeting Employees Association
- An additional \$200,000 for special education out-of-district placements
- An increase of \$136,300 in the cost of Workers' Compensation premiums, reflecting an increase in injury claims.
- An increase of \$67,135 in instructional software licenses with the increased utilization of technology in classrooms
- An increase of \$60,892 in the Region Ten assess-

ment, to \$210,942, as established by the Region Ten Board of Directors. Pandemic-related costs for portable classrooms and nursing services are driving much of this increase.

Costs for the new High School are declining. One-time transition costs budgeted in FY 2021 are no longer necessary, and the budget for electricity is reduced by \$25,000.

New Debt Service

Debt service is declining with the retirement of the Mt. Ararat Middle School bond in FY 2021. High School debt service costs are now stable and declining each year. These costs are detailed in the table to the right.

New Resources

Requests for new resources go through a careful review process each year. Only a limited number of requests become part of the budget proposal. New resources funded in the FY 2022 budget include the following:

- Increasing a part-time High School social worker position to full time (\$28,728)
- Increasing a part-time Bowdoinham social worker position to full time (\$14,457)
- Adding two middle school teaching positions to address an increase in grade 7 enrollments (\$144,568)
- Adding two full-time floating substitute teachers (\$144,568) and increasing daily substitute rates for bus drivers, teachers and nurses (\$33,755) to address the shortage of substitutes
- In Special Education, increasing a part-time teacher to full-time (\$36,142) and adding a paraprofessional position (\$40,055)
- Adding two van drivers (\$87,862) to increase flexible transportation capabilities
- Replacing aging equipment including all bus radios (\$45,000), an air compressor system for bus repairs (\$7,800), and a pick-up truck (\$42,000)

Bond/Lease	FY 2021	FY 2022	Change
HS — Principal	\$2,943,355	\$2,943,355	\$0
HS —Interest	\$1,558,183	\$1,504,172	(\$54,011)
Roof — Principal	\$118,800	\$118,800	\$0
Roof —Interest	\$23,392	\$21,212	(\$2,180)
Bowdoin Central	\$286,965	\$286,965	\$0
Mt. Ararat MS	\$805,250	\$0	(\$805,250)
Capital Leases	<u>\$703,552</u>	<u>\$729,411</u>	<u>\$25,859</u>
Total	\$6,438,597	\$5,602,915	(\$835,582)

Budget Reductions

The proposed FY 2022 budget includes reductions in administrative positions to reduce administrative costs. These reductions include the following:

- Eliminating a full-time district-wide custodial supervisor (\$60,928)
- Eliminating a part-time administrative assistant at Woodside Elementary School (\$17,150). Two full-time administrative assistant positions remain.
- Reducing a Middle School administrative assistant position from full-time to half time (\$22,264). Three full time administrative assistant positions remain.

Capital Projects

An allowance of \$235,250 is budgeted for capital projects, including the following:

- Replacing the sanitary waste water treatment system at Bowdoinham Community School (\$208,600)
- Making critical repairs to paved areas (\$16,650)
- Repairing gym walls at Bowdoin Central School (\$10,000)

The District is currently working with engineers and architects to establish a District-wide repaving program and comprehensive replacement of the Middle School building envelope, including siding, insulation and windows. These assessments will be used to de-

velop a long-term plan for addressing significant capital maintenance needs and costs in these two areas.

High School Construction Update

On March 7, 2017 the voters of M.S.A.D. No. 75 approved moving forward with the construction of a new Mt. Ararat High School at a total cost of \$60.7 million. The doors of the new school opened to students at the beginning of the 2020-21 school year. Demolition of the existing High School is complete, and construction of the new competition field is under way. This project is on schedule and under budget.

Student Enrollments

The table below provides recent, current, and projected student enrollment by grade level. Last year enrollment was projected to increase slowly over time, but is now projected to decline as a result of the pandemic. Enrollment may once again increase as students return to school five days a week.

3-Year Student Enrollment Projections

School Year	2016-17 Actual	2017-18 Actual	2018-19 Actual	2019-20 Actual	2020-21 Actual	2021-22 Projected	2022-23 Projected	2022-23 Projected
K-5	1,139	1,096	1,123	1,147	1,072	1,071	1,049	1,041
MS	582	579	551	542	573	575	579	542
HS	720	708	727	731	743	738	729	758
All	2,441	2,383	2,401	2,420	2,388	2,384	2,357	2,341
Change in Students		(58)	18	19	(32)	(4)	(27)	(16)
% Difference		-2.4%	0.7%	0.8%	-1.3%	-0.2%	-1.1%	-0.7%

* Assumes five (5) 6th Graders will move to charter schools each year.

* Does not include Pre-K students

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 75
FY 2022 Revenue Projection

Finance Committee Recommended Budget

Description	FY 2021 Budget	FY 2022 Proposed	Variance	% Increase
State Contribution	\$18,699,611	\$19,047,505	\$347,894	1.9%
Local Share - Total	\$26,174,386	\$26,545,245	\$370,859	1.4%
Other Revenues	\$84,000	\$164,825	\$80,825	96.2%
Fund Balance Carry-over	\$1,100,000	\$1,400,000	\$300,000	27.3%
Total Revenue	\$46,057,997	\$47,157,575	\$1,099,578	2.4%

DETAIL TO LOCAL SHARE:

Required Local Contribution	\$16,687,504	\$16,788,660	\$101,156	0.6%
Debt Service	\$562,190	\$540,648	(\$21,542)	-3.8%
Additional Local Contribution	\$8,924,692	\$9,215,937	\$291,245	3.3%
Total - Local Share	\$26,174,386	\$26,545,245	\$370,859	1.4%

DETAIL TO OTHER REVENUES:

Transportation Services	\$13,000	\$6,000	(\$7,000)	-53.8%
Interest Income	\$50,000	\$20,000	(\$30,000)	-60.0%
Building Use Fees	\$13,000	\$20,000	\$7,000	53.8%
Bond Balance - Roofing Bond	\$0	\$68,500	\$68,500	---
Covid Grant Funding	\$0	\$44,825	\$44,825	---
Miscellaneous Income	\$8,000	\$5,500	(\$2,500)	-31.3%
Total - Other Revenue	\$84,000	\$164,825	\$80,825	96.2%

Recommended Budget (Rev. & Expenditures) \$47,157,575

Note: The above numbers do not reflect the local share for Adult Education.

**MSAD No. 75 - FY 2022 Operating Budget
Budget Summary by Type of Expenditure**

Budget Category	Object Code	Budget	Proposed MOE	Change in Budget		
		FY 2021	FY 2022	\$	%	
Salaries - Teacher	1010-1018	\$15,637,666	\$16,511,380	\$873,714	5.6%	4.1% average salary increase per contract
Salaries - Ed Techs/Duty Aides	1020-1023	\$2,559,082	\$2,625,172	\$66,090	2.6%	
Salaries - Administrators & Supervisors	1040-1170	\$2,643,513	\$2,660,380	\$16,867	0.6%	
Salaries - Secretaries	1180	\$864,607	\$849,979	(\$14,629)	-1.7%	
Salaries - Groundskeepers & Custodians	1181-1185	\$1,165,654	\$1,116,874	(\$48,779)	-4.2%	
Salaries - Drivers & Mechanics	1186-1188	\$1,204,230	\$1,253,469	\$49,239	4.1%	
Salaries - School Board	1190	\$20,000	\$20,000	\$0	0.0%	
Salaries - Substitutes	1235	\$470,957	\$487,994	\$17,037	3.6%	Includes EPL and ↑ to per diem rates
Salaries - Additional & Overtime	1310-1380	\$290,025	\$249,930	(\$40,095)	-13.8%	Eliminates remediation program costs
Salaries - Stipends	1500-1560	\$474,815	\$489,597	\$14,782	3.1%	↑ in base teacher salary and EPL
Insurance - Health	2110-2180	\$6,581,920	\$6,893,864	\$311,944	4.7%	4.2% rate increase
Insurance - Dental	2111-2181	\$169,839	\$176,184	\$6,346	3.7%	Assumes 4% rate increase
Social Security/Medicare	2200-2291	\$663,890	\$675,273	\$11,383	1.7%	FY 2021 budget over-projected
Maine Retirement	2300-2380	\$855,481	\$878,531	\$23,051	2.7%	FY 2021 budget over-projected
Course Reimbursement	2510-2580	\$183,800	\$174,750	(\$9,050)	-4.9%	
Unemployment Costs	2600-2680	\$10,000	\$30,000	\$20,000	200.0%	Based on FY 2021 cost experience
Workers Compensation Insurance	2700-2780	\$244,900	\$381,200	\$136,300	55.7%	Reflects increase in experience mod.
Contract Services	3100-3500	\$412,165	\$482,210	\$70,045	17.0%	↑ in preschool/telephone contracts
Staff Development	3300-3400	\$123,790	\$125,840	\$2,050	1.7%	
Contract Services - Legal	3440, 3450	\$80,000	\$90,000	\$10,000	12.5%	
Repairs & Maintenance	4200-4320	\$610,195	\$629,469	\$19,274	3.2%	Increase in roof repair allowance
Software Licenses	4330	\$229,578	\$348,475	\$118,897	51.8%	Continues increase from FY 2021
Contract Services - Property	4390	\$172,000	\$119,000	(\$53,000)	-30.8%	MTA moving allowance eliminated
Leases - Eqpt./Technology/Facilities	4410-4900	\$37,903	\$37,103	(\$800)	-2.1%	

**MSAD No. 75 - FY 2022 Operating Budget
Budget Summary by Type of Expenditure**

Budget Category	Object Code	Budget	Proposed MOE	Change in Budget	
		FY 2021	FY 2022	\$	%
Capital Maintenance Projects	4500	\$175,250	\$235,250	\$60,000	34.2%
Transportation - OOD/Co-curricular	5100	\$84,500	\$69,500	(\$15,000)	-17.8%
Insurance - Property & Liability	5210-5225	\$191,988	\$214,778	\$22,790	11.9%
Communications (Postage/Phone)	5310-5400	\$97,788	\$89,120	(\$8,668)	-8.9%
Printing & Copying	5500-5510	\$98,800	\$94,634	(\$4,166)	-4.2%
Tuition - Out of District Placements	5630	\$150,000	\$350,000	\$200,000	133.3%
Region 10 Assessment	5610	\$150,050	\$210,942	\$60,892	40.6%
Staff Travel	5800	\$27,005	\$27,480	\$475	1.8%
Supplies	6000-6120	\$524,730	\$519,069	(\$5,661)	-1.1%
Utilities (NG, Oil, Propane & Electricity)	4110, 6200	\$825,748	\$832,169	\$6,421	0.8%
Motor Fuel	6260	\$200,000	\$200,000	\$0	0.0%
Books & Periodicals	6400-6460	\$106,425	\$95,929	(\$10,496)	-9.9%
Supplies - Technology & AV Materials	6500-6600	\$8,400	\$7,525	(\$875)	-10.4%
Supplies - Transportation	6700-6710	\$168,000	\$172,000	\$4,000	2.4%
Equipment	7301-7390	\$435,845	\$446,356	\$10,511	2.4%
Dues & Fees	8100-8160	\$113,439	\$113,904	\$465	0.4%
Debt Service & Capital Leases	8310, 8320	\$6,424,394	\$5,588,811	(\$835,583)	-13.0%
Contingency	9000	\$227,500	\$212,500	(\$15,000)	-6.6%
Interfund Transfers (Food Services)	9100, 9200	\$342,126	\$370,933	\$28,807	8.4%
TOTAL		\$46,057,997	\$47,157,575	\$1,099,578	2.4%

Budget Without Debt Service & Capital Leases	\$39,633,603	\$41,568,764	\$1,935,161	4.9%
---	---------------------	---------------------	--------------------	-------------

Note: The FY 2021 budget reflects budget revisions through 11/30/2020.

MSAD 75

FY 2022 Budget Process

Budget Analysis by Warrant Article

Finance Committee Proposed Budget

Article	Purpose	FY 2021 Approved	FY 2021 Revised	FY 2022 Proposed	\$ Change	% Change
2	Regular Instruction	\$14,762,451	\$14,762,808	\$15,457,964	\$695,156	4.7%
3	Special Education	\$8,718,104	\$8,718,104	\$9,270,012	\$551,908	6.3%
4	Career and Technical Education	\$150,050	\$150,050	\$210,942	\$60,892	40.6%
5	Other Instruction	\$763,801	\$763,801	\$787,949	\$24,148	3.2%
6	Student and Staff Support	\$4,585,526	\$4,585,526	\$4,962,931	\$377,405	8.2%
7	System Administration	\$1,282,400	\$1,282,403	\$1,332,429	\$50,027	3.9%
8	School Administration	\$2,270,526	\$2,270,526	\$2,221,319	(\$49,207)	-2.2%
9	Transportation and Buses	\$2,883,788	\$2,883,428	\$3,122,408	\$238,980	8.3%
10	Facilities Maintenance	\$4,706,473	\$4,706,473	\$4,687,197	(\$19,276)	-0.4%
11	Debt Service/Other Commitments	\$5,592,753	\$5,592,753	\$4,733,491	(\$859,262)	-15.4%
12	All Other Expenditures	\$342,126	\$342,126	\$370,933	\$28,807	8.4%
	Total - Operating Budget	\$46,057,997	\$46,057,997	\$47,157,575	\$1,099,578	2.4%
18	Adult Education/Adult Voc. Educ.	\$142,428	\$142,428	\$142,428	\$0	0.0%
	Total - All Articles	\$46,200,425	\$46,200,425	\$47,300,003	\$1,099,578	2.4%

**DRAFT WARRANT ARTICLES FOR
MSAD NO. 75 DISTRICT BUDGET MEETING**

Article 22: Shall Maine School Administrative District No. 75 authorize the Board of Directors to transfer up to \$200,000 from unexpended balances at the end of the 2020-2021 fiscal year to the Capital Reserve Fund for the purpose of funding school construction, capital improvement projects, facility upgrades, plant maintenance, and capital equipment purchases?"

Article 23: Shall Maine School Administrative District No. 75 authorize the Board of Directors to transfer all gate receipts from District athletic events to the existing Athletic Facilities Capital Reserve Fund?

Wording of Article 23 provided by Attorney Dan Stockford, Brann & Isaacson