

# FY23 School Budget Proposal

## Questions & Answers

updated as of 4/29/2022

This document has been used to capture questions raised about the FY23 School Budget proposal. We hope that answers provided here will help increase understanding of the budget proposal in our community. If you have a question that is not included here, please feel free to submit it to the Superintendent at [gbruno@scarboroughschools.org](mailto:gbruno@scarboroughschools.org) or the School Board at [BOE@scarboroughschools.org](mailto:BOE@scarboroughschools.org), and we will add a response to the next update.

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### Questions from Town Council for School Department Budget Review

(page references are to Municipal budget book)

#### Question #1 - School/General/Anderson

*pg. 61 - Can you provide information on the new projected enrollment as mentioned on page 61?*

*pg. 64 - What are your targeted student: teacher ratios that you plan to get back in the 2022/2023 school year?*

In general, our calculations of class size look at homeroom teachers, or teacher teams at the higher grade levels. At the High School, class sizes traditionally range widely depending on the type of course being taught (for example required/core courses vs. electives). The challenges we face this year are around the uncertainty of families making new post-COVID choices - kindergarten for students who deferred enrollment this school year, students leaving home-school and alternative school choices, and families moving into Scarborough with students at all grade levels.

This chart shows historic class size targets as well as levels in recent years:

Phase Level	Pre-COVID Aim	2019-2020 Actual (avg.)	2021-2022 Actual (avg.)	2022-2023 Proposed (avg.)
K-2	18-20	18.50	16.21	15.61*
3-5	20-24	21.00	18.03	19.79
6-8	20-24	22.00	20	20.30
9-12	20-24	17.00	17	14.31

\*Kindergarten registration is underway; this figure is calculated as of 4/5/22.

\*Note that 2020-2021 was left out due to being a hybrid COVID year.

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**Question #2 - School/General/Anderson**

***pg. 65 How much of the state subsidy is historically allocated for the capital reserve fund?***

State subsidy is intended to support the annual general fund operating budget of Maine school districts. In FY22 we were presented with an unusual situation, when the state legislature acted to increase subsidy funds after our budget was already finalized, aiming to provide the statutorily required 55% of the total cost of K-12 education. Under state statute ([Title 20-A, Chapter 103](#)), additional subsidy received after a local budget has already been approved can be used to:

- Increase expenditures for school purposes;
- Increase allocation of finances in a reserve fund; or
- Decrease the local cost share expectation (i.e. the local tax request)

The proposed FY22 budget that was approved at referendum was passed by the Town Council on May 26, 2021. At that time, we knew that there would likely be additional subsidy coming our way, and both the School Board and the Town Council also passed a budget order to allocate any additional funding, choosing to apply ½ of the additional amount to tax relief and ½ to a new school capital reserve fund.

The increased subsidy amount for FY22 was confirmed at \$977,025 (above the original \$4,484,570). As directed by the approved budget order, \$488,513 was applied to the operating budget as non-tax revenue, and the remaining \$488,512 will be placed into a special fund at the end of FY22.

Now that our capital reserve fund has been established, the School Board will have the option of adding to the fund at the end of each fiscal year if surplus funds are generated during that year; this would be accomplished through a fund transfer vote similar to the way we have transferred from General Fund in the past to support the School Nutrition program. Use of the reserve funds will normally be directed through the budget process, although the Board will also have the ability to authorize emergency use outside of the budget cycle. In the FY23 proposed budget, \$199,000 of the school capital budget is expected to be funded from the new reserve account.

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**Question #3 - School/CIP/Anderson**

***Because the cost of the Roof Restoration is over \$400K and set to be bonded, does that require voter approval?***

The total cost for cyclical roof restoration in the capital budget summary covers 11 individual projects which will be planned and contracted separately as time allows throughout the fiscal year. The individual projects range in estimated cost from \$12,000 to \$55,000 so do not reach the threshold for referendum. Details on all of the school capital projects are broken out in the appendix starting on page 173 of the Town budget book.

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**Question #4 - School/Facilities & Maintenance/Anderson**

**pg. 72 - How much of the \$400K increase in facilities and maintenance operating budget is driven by the CIP? Is that most, if not all of the increase?**

The chart shown on page 72 of the Town budget book represents only the breakdown of the General Fund operating budget; it does not show any CIP expenses. The increase in the facilities department operating budget is driven by two major factors: wages and benefits have increased by approximately \$190,000 (+8.8%), and energy and utilities are projected to increase by approximately \$270,000 (+30.8%, in preparation for end of current contracts and future volatility).

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**Additional questions from Councilor April Sither - received 4/27**

***Is there a way to offset IT budget requests by implementing user fees/insurance for student devices?***

Laptop fees were instituted by the School Board via policy JJF. Middle School fees (\$25 per student) were collected for decades to support maintenance for the devices provided through MLTI. Wentworth fees (\$10 per student) were added when the new building opened in 2014 and all students were given one-to-one access to laptops. High School fees (\$60 per student) were added in 2015 when one-to-one deployment of student devices was instituted there.

Following extensive discussion in Policy Committee, the Board eliminated the laptop fees for the 2020-21 school year. Deliberation centered on the fact that laptops/chromebooks had become a basic instructional tool and should not require payment from families; in the pandemic environment, access to remote learning pushed this question to the forefront and the decision was made to discontinue the fees.

***Which collective bargaining units have contracts expiring this year? How do you budget for potential changes to the salary/benefit tables?***

**(adapted from the School Budget book Executive Summary)**

With a few exceptions, School Department employees are represented by six employee bargaining units. Most salary/wage and benefit structures are determined through collective bargaining. The Teachers & Professionals, Educational Support Staff, Bus Drivers, Custodians and Food Service Specialists are represented by the Scarborough Education Association (SEA), members of the Maine Education Association (MEA) and affiliated with the National Education Association (NEA). The School Administrators group and the Maintenance Workers are independent bargaining units.

Collective bargaining agreements (CBAs) effective July 1, 2021, defining wages and benefits for 2022-23, have been finalized this year with the Bus Drivers (signed October 2021), the Education

Support Professionals (signed February 2022), and the Custodians and Food Service Specialists (signed April 2022). The Teachers & Professionals bargaining unit has just begun negotiations on a contract to begin July 1, 2022; the Maintenance Workers and School Administrators CBAs will also expire on June 30, 2022.

When a CBA is due to expire, the Board negotiations team typically undertakes an analysis of local labor markets to see how Scarborough compares, and to ensure that we are able to be competitive in attracting and retaining qualified employees. During the budget process, we must allow for sufficient funding to permit the School Board and the union to bargain in good faith, but estimates for groups on expiring contracts can sometimes be refined prior to second reading if negotiations proceed in parallel with the budget process.

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### Questions from SBFC 4/14 meeting:

***The FY23 budget proposal uses \$1,500,000 of fund balance as general fund revenue. How was this high level of year-end surplus generated over the past two years? What is the strategy to ensure that we don't face a challenging drop in revenue in FY24?***

Use of fund balance as revenue for following budget years is both traditional fiscal practice for public school districts in Maine and regulated by statute. See full [explanation of use of fund balance](#) here.

At the end of FY20, we experienced a slightly larger than usual surplus fund balance due to the unexpected pandemic-related closure of school facilities in March 2020. This trend continued in FY21, with a number of factors contributing to a large year-end surplus (see [School Board presentation of October 7, 2021](#)). Primary factors were outlined as follows:

**Personnel costs represented 79.6% of the FY21 budget. Areas of impact:**

- Typical turnover savings of ~ \$200,000
- \$175,000 - shortage of substitutes across the district
- \$700,000 - Special Services - unfilled professional & support staff positions
- \$81,000 - Health Services - savings over projections (new positions & turnover)
- \$70,000 - Improvement of Instruction - deferred hiring for open position
- \$188,000 - Transportation - driver shortage and unfilled new positions
- \$140,000 - Facilities & Maintenance - unfilled positions & reductions in event coverage

**Other savings - Programs & Services/Facilities/Operations:**

- \$60,000 - Improvement of Instruction - deferral of staff development
- \$202,000 - Athletics & Activities - stipends, officials, game management & transportation
- \$85,000 - Special Education - contracted services for out-of-district placements
- \$115,000 - Transportation - reduced gasoline consumption & vehicle maintenance
- \$160,000 - Facilities & Maintenance - supplies and contracted services

**Total savings outlined of \$2,176,000, offset by a revenue shortfall of \$233,473**

As finalized in our recently issued audit report, as of June 30, 2021, undesignated fund balance was \$2,049,619 (not including \$1M designated as revenue for the FY22 budget). Using \$1,500,000 for revenue in FY23 will allow us to retain \$549,619 to add to whatever amount we generate by the end of FY22. Allocating most of this unexpected surplus as non-tax revenue for the operating budget reduces the impact of our request for tax dollars from the community in the current budget cycle, acknowledging that the surplus itself comes from tax dollars already collected (similar to the conversation that has been going on at the state level).

For FY24 we would plan to reduce the use of fund balance to \$1M or less, depending on the amount of state subsidy we receive. Knowing that we will likely return to more ordinary levels of surplus over the next few years, we expect to gradually reduce the use of fund balance accordingly.

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***What capital items do we propose to pay from our new reserve fund?***

See Town Council Question #2 above. Our new capital reserve fund level will be \$488,512 as of July 1, 2022. In the current budget proposal we will use \$199,000 of this amount to fund capital equipment purchases in FY23, specifically:

- \$85,000 for a refrigerator/freezer unit installed outside Wentworth kitchen; to store increased USDA commodities allocation
- \$15,000 to replace the baseball field bleachers which have been removed due to their deteriorated and unsafe condition
- \$70,000 for a robotic floor scrubber; strategy to replace 10 man-hours per day to help alleviate staffing shortages
- \$29,000 for a commercial grade lawn mower to increase efficiency of grounds maintenance

Here is a [chart of the full school capital budget proposal](#) with funding sources noted for all expenses. Funding for CIP is determined each year by the Town Finance Office with our collaboration.

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***Why does IT need a vehicle?***

Tech equipment is stored primarily at Town Hall, with purchasing, receiving, repairs and deployment for 18 School and Town locations taking place in and from this central site. The IT team uses dedicated vehicles to safely transport equipment to and from all town locations. A dedicated van can be outfitted with containers and protective storage to protect expensive and sensitive equipment. This year's budget proposal will replace a 12-year-old vehicle that is at the end of useful life.

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***What is the nature of the bus software proposed in the Transportation capital budget?***

The Transportation department has been considering software for student transportation for several years, but COVID conditions have increased our focus. The need to contact-trace on bus trips made it obvious that our static lists and charts are not the most efficient way to track students on buses and optimize safety.

The IT department has worked with Transportation to develop a needs analysis for this project. While we are still researching products and vendors, the software will include tablet-based management of: students checking on and off (scan cards or ID codes); routing development and real-time updates of actualized rider data; vehicle safety checks and communication with public works. Upfront costs of tablets and component installation qualify this as a capital project for FY23; ongoing software licensing will move into the operating budget in ensuing years.

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***How does the new task of Facilities scheduling impact the school budget?***

Town and school leaders have been in discussion for several years about how to make the scheduling and rental of school facilities more efficient. In the fall of 2021, it was agreed that the school department would take over the task of scheduling indoor school spaces from Community Services. The need to support this transition is a part of the request to increase the Athletics & Activities Administrative Assistant position, but not the full reason for that request.

An existing full-time administrative assistant position for Athletics & Activities was removed in FY21 budget development, and a 0.5 FTE position was restored in FY22. The FY23 budget proposes increasing the current 0.5 position back to full-time. The current job description includes department support for accounts payable, accounts receivable, purchase orders, human resources, student registration, game management, and concession management. All tasks are obviously limited in scope by a part-time work schedule.

Increasing the scheduled hours for this position will allow additional time for existing tasks, as well as greater access for students, parents and coaches to the Athletics and Activities office. Added roles will include both assisting with facilities scheduling and expanded oversight and support for high school clubs. Other existing staff in the Central Office and Facilities Department will collaborate in managing scheduling without an additional budget request at this time.

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## Charts & Data

Tax rate change chart from Town Manager's presentation

Fiscal Year	Taxable Valuation	% Change in Valuation	Total Tax Levy	% Change in Annual Budget	Tax Rate/1000	% Change in Tax Rate
2013	3,631,675,300	1.69%	50,117,119	7.70%	13.80	5.91%
2014	3,660,305,700	0.79%	54,062,720	7.87%	14.77	7.03%
2015	3,700,489,700	1.10%	55,877,372	3.36%	15.10	2.23%
2016	3,745,548,100	1.22%	58,018,545	3.83%	15.49	2.58%
2017	3,776,362,500	0.82%	60,119,691	3.62%	15.92	2.78%
2018	3,785,488,342	0.24%	62,422,707	3.83%	16.49	3.58%
2019	4,012,292,612	5.99%	66,162,710	5.99%	16.49	0.00%
2020	4,696,461,415	17.05%	69,037,982	4.35%	14.70	-10.86%
2021	4,727,230,976	0.66%	70,246,652	1.75%	14.86	1.09%
2022	4,845,682,776	2.51%	72,782,156	3.61%	15.02	1.08%

School budget year-to-year increase (gross budget, net budget, tax rate)

[Chart updated for FY13-FY23](#) (as of SB/TC first reading)