

RSU5 Cost Sharing Methodology Options

February 12, 2020

Option 1: Maintain Current Formula

Current cost-sharing method is based upon the following formula applied to Additional Local Monies (ALM):

FY20	% ALM Contribution
Durham	21.42
Freeport	65.98
Pownal	12.60

And results in the following:

FY20	% Total Contribution	% Pupil Count
Durham	29.84	30.73
Freeport	59.60	58.43
Pownal	10.56	10.84

Other important points to remember:

- Minimum Special Education Adjustment allocated from the state to Freeport is currently shared across the three towns, similar to other funds allocated to each town from the state (i.e., state subsidy and state funded debt).
- The Mil Expectation (i.e., Equalized Mil) from Section 4.B. of the ED 279 is applied to all three towns' valuation in calculating the Required Local Contribution (RLC).

Pros	Cons
<ul style="list-style-type: none"> • Fair: total contribution of each town is relative to pupil count • Sharing Min. Spec. Ed. Adj. reduces variability to tax impact for each town year to year 	<ul style="list-style-type: none"> • Difficult to explain the rationale for the formula • Static

RSU5 Cost Sharing Methodology Options

February 12, 2020

Option 2: 85/15% Formula

Min. Spec. Ed. Adj. - Applied to Freeport Only

In this option, the cost-sharing method would be based upon the Required Local Contribution (RLC) numbers shown on the ED 279, Section F (Adjusted Local Contribution by Municipality). The remainder represents the Additional Local Monies (ALM) that will be allocated based on a weighted average cost sharing formula of 85% valuation, and 15% pupil count. This method is based upon the following formula applied to ALM:

FY20	% Valuation	% Pupil Count	% ALM Contribution
Durham	$(17.58 \times 0.85) +$	$(30.73 \times 0.15) =$	19.55
Freeport	$(71.38 \times 0.85) +$	$(58.43 \times 0.15) =$	69.44
Pownal	$(11.04 \times 0.85) +$	$(10.84 \times 0.15) =$	11.01

And results in the following:

FY20	% Total Contribution	% Pupil Count
Durham	29.95	30.73
Freeport	59.58	58.43
Pownal	10.48	10.84

Other important points to remember:

- Minimum Special Education Adjustment allocated from the state to Freeport is not shared and is directly applied to reduce Freeport's RLC, per the ED 279.
- The mil applied to each towns' valuation in calculating the Required Local Contribution (RLC) is the Adjusted Mil Rate in Section F of the ED 279, rather than applying the Mil Expectation (i.e., Equalized Mil) from Section 4.B.

Pros	Cons
<ul style="list-style-type: none"> • Fair: total contribution of each town is relative to pupil count • Variable • More transparent: The required local contribution aligns to the ED 279. 	<ul style="list-style-type: none"> • Weighted average is difficult to explain/understand

RSU5 Cost Sharing Methodology Options

February 12, 2020

Option 3: 60/40% Formula

Min. Spec. Ed. Adj. - Shared

In this option, the cost-sharing method would be based upon the Required Local Contribution (RLC) numbers shown on the ED 279, Section 4.C. (Required Local Contribution by Municipality). The remainder represents the Additional Local Monies (ALM) that will be allocated based on a weighted average cost sharing formula of 60% valuation, and 40% pupil count. This method is based upon the following formula applied to ALM:

FY20	% Valuation	% Pupil Count	% ALM Contribution
Durham	$(17.58 \times 0.60) +$	$(30.73 \times 0.40) =$	22.84
Freeport	$(71.38 \times 0.60) +$	$(58.43 \times 0.40) =$	66.20
Pownal	$(11.04 \times 0.60) +$	$(10.84 \times 0.40) =$	10.96

And results in the following:

FY20	% Total Contribution	% Pupil Count
Durham	30.26	30.73
Freeport	59.62	58.43
Pownal	10.12	10.84

Other important points to remember:

- Minimum Special Education Adjustment allocated from the state to Freeport is shared across the three towns, similar to other funds allocated to each town from the state (i.e., state subsidy and state funded debt).
- The mil applied to each towns' valuation in calculating the Required Local Contribution (RLC) is the Calculated Mil Rate in Section 4.C. of the ED 279, rather than applying the Mil Expectation (i.e., Equalized Mil) from Section 4.B.

Pros	Cons
<ul style="list-style-type: none"> • Fair: total contribution of each town is relative to pupil count • Variable 	<ul style="list-style-type: none"> • Weighted average is difficult to explain/understand

		OPTION 1 Current Methodology			OPTION 2 Min. Spec. Ed. Adj. Applied to Freeport Only 85% / 15%			OPTION 3 Min. Spec. Ed. Adj. Shared 60% / 40%		
		% Total Contribution ²	% Increase Local Contribution over Prior Year ³	% Total Contribution ²	% Increase Local Contribution over Prior Year ³	% Increase Local Contribution from Current Method ³	% Total Contribution ²	% Increase Local Contribution over Prior Year ³	% Increase Local Contribution from Current Method ³	
	% Pupil Count ¹									
FY20	Durham	30.73	29.84	5.19	29.95	4.82	0.71	30.26	4.47	2.74
	Freeport	58.43	59.60	3.85	59.58	4.04	-0.04	59.62	4.19	0.03
	Pownal	10.84	10.56	4.27	10.48	3.69	-0.93	10.12	3.33	-4.68
FY19	Durham	31.02	30.31	1.36	30.48	1.97	1.06	30.84	1.10	3.44
	Freeport	58.38	59.38	4.57	59.25	3.91	-0.22	59.21	4.28	-0.29
	Pownal	10.60	10.31	5.64	10.27	8.73	-0.39	9.95	8.22	-3.81
FY18	Durham	31.66	31.26	3.94	31.33	6.37	0.46	31.83	3.89	3.71
	Freeport	58.02	58.35	4.57	58.58	3.32	0.41	58.34	4.44	-0.01
	Pownal	10.32	10.39	8.16	10.09	12.65	-3.23	9.82	9.53	-6.11
FY17	Durham	31.53	31.95	1.72	31.67	0.84	-1.84	32.54	2.78	3.76
	Freeport	58.47	57.81	0.43	58.72	0.72	1.64	57.87	0.11	0.11
	Pownal	10.00	10.23	5.26	9.61	5.29	-7.08	9.59	5.76	-7.28
FY16	Durham	30.29	31.16	12.10	31.00	12.79	-0.99	31.57	12.60	2.68
	Freeport	59.51	58.54	9.93	59.30	9.80	1.35	58.78	9.95	0.43
	Pownal	10.20	10.31	13.57	9.70	13.54	-7.10	9.65	12.59	-7.72
FY15	Durham	30.34	32.03	9.21	31.79	7.74	-1.60	32.37	10.23	2.22
	Freeport	59.41	57.79	5.62	58.61	6.40	1.47	58.02	5.54	0.41
	Pownal	10.25	10.18	10.09	9.60	7.31	-7.08	9.61	8.80	-6.91
FY14	Durham	29.71	29.76	14.11	29.72	-	-0.27	29.95	-	1.27
	Freeport	60.38	60.20	5.58	60.62	-	0.73	60.48	-	0.48
	Pownal	9.91	10.05	12.48	9.67	-	-4.67	9.58	-	-5.80
FY13	Durham	30.48	31.90	6.11	ED279 Used for FY13 Budget Not Available			ED279 Used for FY13 Budget Not Available		
	Freeport	59.44	59.00	1.76						
	Pownal	10.08	9.10	5.48						
FY12	Durham	30.24	31.64	-4.96	32.79	6.29	8.60	32.92	5.22	9.57
	Freeport	59.76	59.50	2.33	57.96	-2.01	-2.67	57.97	-1.65	-2.65
	Pownal	10.00	8.86	-4.45	9.25	8.03	5.34	9.11	6.95	3.47
FY11	Durham	29.67	32.43	3.62	32.03	-	-2.89	32.29	-	-1.03
	Freeport	60.18	57.82	1.55	58.74	-	1.65	58.54	-	1.29
	Pownal	10.15	9.74	-1.49	9.22	-	-6.84	9.17	-	-7.56
FY10	Durham	29.37	28.93	-	ED279 Used for FY10 Budget Not Available			ED279 Used for FY10 Budget Not Available		
	Freeport	59.82	60.21	-						
	Pownal	10.81	10.86	-						

¹ Percentage of Total Pupils as reported in Section 4.A. of the ED 279.

² Total Contribution is calculated as Local Contribution (i.e., Total Required Local Contribution plus Additional Local Monies) plus State Contribution plus Min. Spec. Ed. Adj. State Contribution includes State Funded Debt Assumed by RSU.

³ Local Contribution is Total Required Local Contribution plus Additional Local Monies.