

**Finance and Capital Committee
Minutes of Virtual Meeting
October 16, 2023**

Attendees: Mark Nielsen, Bart Bezio, Lisa Barry, Mark Stebbins, Sue Prescott, Katie Orost, Angela Lamell, Patti Hayford, Deb Clark

Call to Order, Approval of Agenda and Public Comment: Stebbins called the meeting to order at 6:01 p.m. Bezio made a motion, seconded by Lamell, to approve the agenda. The motion passed unanimously. There was no public comment.

FY2025 Budget Development Timeline: Clark referred to the budget development packet which had been distributed to the Committee earlier (attached here). Clark discussed a desire to re-engage the Administrators more fully in the budget conversations with the Committee by scheduling a couple at each of the early meetings. It was determined that each early meeting [meeting preceding full Board meetings] could probably accommodate a small and a large elementary school, Facilities, Special Education and IT, while the longer Committee meetings should be reserved to meet with the High School and Middle School. The following tentative schedule was agreed upon:

November 13, 5:30 – 6:30	Review Johnson and Eden budgets
November 27, 6:00 – 7:00	Review Hyde Park, Waterville and Special Education budgets
December 5, 6:00 – 7:00	Review Middle and High School budgets
December 11, 5:15 – 6:30	Review Facilities and IT
January 8, 5:15 – 6:30	Final discussion prior to MUUSD presentation to the Full Board

Discussion regarding additional meetings to be scheduled if/as needed, with particular note that the MUUSD Annual Meeting will need to be warned during the week ending January 20, and no later than January 20.

Clark went on to discuss limits and benefits related to the upcoming changes in the education funding formulas (Act 127). While LNMUUSD is expected to gain taxing capacity with the new Long Term Weighted Average Daily Membership (LTW-ADM), the yield may pull some of that gain downward. Additionally, there is a 10% growth limit on spending per LTW-ADM built into the act that discourages excessive budget growth in FY2025 and forward, while also providing for a tax rate increase cap of 5%, for districts that hold their per LTW-ADM spending growth to less than 10%. Clark went on to explain that budgets in districts with relative per pupil spending growth in excess of 10% will be subject to review by a Tax Review Board (yet to be determined), and may subject that district to lose the 5% rate increase cap protection. In summary, the LTW-ADM, spending growth, and the 5% cap are dynamically connected at the Statewide level making the calculation of income yield a moving target this year.

Clark described some of the key pressures on the FY25 budget as being the end of ESSER funds, the second year of negotiated increases to the Teacher Salary Grid (comprehensive

increase ~5.77%), health benefit premiums are expected to jump by 15% (+/-), and general inflation.

Lamell asked that the Administrators be prepared to discuss their current year's student:teacher ratios, and the budgeted FY25 student:teacher ratios; is there expectation of growth or shrinkage, why and how is this impacting the budget?

Other Business: There being no other business brought before the Committee, Clark reiterated the tentative meeting schedule.

Adjourn: Orost made a motion, seconded by Lamell, to adjourn at 6:45 p.m. The motion passed unanimously.

DRAFT