

FY2025 **Proposed Budget**

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SCARBOROUGH
MAINE



FY25 Proposed Budget – At A Glance

<u>Accounts for:</u>	FY2024 Gross	FY2024 Net	FY2025 Gross	FY2025 Net	\$ Net Change	% Net Change
Municipal	41,592,968	22,810,752	46,241,632	24,815,581	2,004,829	8.79%
Education, all areas	64,549,025	54,321,714	69,181,428	56,865,971	2,544,257	4.68%
County	3,481,081	3,481,081	3,630,186	3,630,186	149,105	4.28%
Capital - School & Town	147,360,883	2,227,600	18,256,291	1,372,000	(855,600)	-38.41%
TIF's	3,265,000	3,265,000	4,350,000	4,350,000	1,085,000	33.23%
Other *	1,920,000	(3,998,179)	2,615,000	(2,636,097)	1,362,082	34.07%
Use of Fund Balance **	-	-	-	(985,000)	(985,000)	100.00%
Totals	262,168,957	82,107,968	144,274,537	87,412,641	6,289,673	6.46%

* Includes CEAs, Overlay, Senior Property Tax Relief, Homestead, BETE and MRS.

** Use of Overlay accumulated in Fund Balance.

Unique Challenges

While not related to the municipal budget, one or both of these factors will impact property tax bills:

- Town-Wide Revaluation
 - Residential/Commercial Property Shift due to residential properties appreciating in value more than commercial property
- Elimination of State's Senior Property Tax Stabilization Program
 - 1,800 tax payers enrolled in the State program with an average benefit of \$225
- Tax Rate will be determined before budget adoption



Municipal Budget Objectives

- Level Services Budget
 - Invest in the retention of municipal staff
 - Maintain existing facilities
 - Replace existing equipment
- Respond to Community Priorities
 - Invest in traffic and transportation projects and plans
 - Improve sidewalk infrastructure



Municipal Budget Drivers

Expense Increases

● Wages - Non-Union COLA	\$414,000
● 4 Open CBAs	
\$771,000	
● Software Maintenance (exhibit 5)	\$415,000
● Solid Waste/Recycling	\$185,000
● Paid Family Leave Tax	\$100,000
● Accrued Sick/Vacation	\$400,000
● Health Insurance (10%)	<u>\$125,000</u>
	\$2,410,000 ₅



Municipal Budget Drivers

Revenue Decreases

● Municipal Revenue Sharing	(\$394,000)
● Homestead Reimbursement	(\$395,000)
● Permit Fees	
<u>(\$170,000)</u>	
	(\$959,000)



School Budget Priorities

The Leadership Council works together to prepare a budget proposal that will advance district goals and meet the needs of all of our students. The FY25 K-12 budget allows us to:

- Maintain necessary current programs and services for the coming year.
- Provide mandated services and ensure compliance, with resources required to meet the needs of both current and incoming students: general education and special education services.
- Maintain targeted class sizes and student/teacher ratios for optimum learning.
- Respond to student data and meet the individualized needs of all students through a Multi-Tiered System of Support (MTSS).
- Continue implementing targeted, developmentally appropriate Social Emotional Learning (SEL) curricula, supporting the wellness of students & staff, developing executive functioning skills, and strengthening readiness for learning.



School Budget Priorities

The FY25 K-12 budget also allows us to:

- Provide appropriate professional staffing levels for the K-5 Learning Commons.
- Expand opportunities for student enrichment.
- Collaborate with town leadership, the Board of Education, and the Town Council to meet our facilities needs through an active investigation into a K-8 strategic building project.
- Develop adaptive communication strategies to increase learning access & inclusion for all students.
- Provide early intervention support for incoming Kindergarten students.

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Overview of the FY25 School Budget

The FY25 school operating budget **reduces** FY24 funding:

- \$366,000 for personnel turnover & reallocation of positions
- \$355,000 for debt service payments
- \$34,000 for vehicle fuel due to new contract pricing
- \$15,000 for software subscriptions in Curriculum and Health Services
- \$92,000 in multiple line items per Leadership Council review



Overview of the FY25 School Budget

The FY25 school operating budget **proposes added funding** to:

- Meet the needs of incoming Special Education students
11.0 additional Special Services Ed Tech 3 positions (\$572,000)
- Maintain targeted class sizes for optimum learning
1.0 Teacher position at Wentworth (\$94,000)
- Enhance K-5 Learning Commons services
1.0 Librarian position at K-2 (currently shared K-5) (\$94,000)
- Support inclusivity with adaptive communication strategies
0.5 AAC/Assistive Technology Specialist position K-12 (\$53,146)

Overview of the FY25 School Budget

The FY25 school operating budget **proposes added funding** to:

- Increase early intervention for Kindergarten students
 - 2.0 Student Support Teacher positions at Eight Corners & Pleasant Hill (\$188,000)
- Provide specialized academic support & address learning gaps
 - 1.0 Special Education Reading Teacher position at Wentworth (\$94,000)
 - 1.0 Bridge/WIN Teacher position at Wentworth (\$94,000)
 - 0.3 Student Support Lead Teacher at Middle School (\$24,541)
- Expand opportunities for student enrichment
 - 0.25 Chorus Teacher at Middle School (\$23,500)
 - Develop E-Sports Team at High School (\$15,000)



School Budget Drivers

- Required new investment of \$572,000 (11.0 FTE) represents 0.9% of the proposed FY25 operating budget.
- Total new investment of \$1,252,187 represents 1.9% of the proposed FY25 operating budget.
- Net new investment of \$886,187 (after position reallocation, 15.05 new FTE) represents 1.3% of the proposed FY25 operating budget.

School Budget Drivers

Salaries & Benefits

- Personnel costs make up 80.7% of the FY25 budget proposal
- Collective Bargaining Agreements define salary/wage increases (adds \$2,200,000)
- (Three open contracts under negotiation)
- Health insurance rates estimated at +8% (adds \$664,000)
- New Paid Family Leave payroll tax (adds \$200,000)
- Total personnel cost increase of \$3.9M

Non-personnel Expenditures

- Enrollment rebounding & projected to grow
- Social-emotional needs of students increasing
- Learning gaps & need for academic support persist
- Labor market hinders ability to fill open positions

Education Budget

Leadership Council's FY25 Budget Proposal	FY24 Approved Budget	FY25 Proposed Budget	\$ Change	% Change
General Fund Operating Budget	62,052,141	66,562,878	4,510,737	7.27%
Adult Education Budget	183,149	214,358	31,209	17.04%
School Nutrition Budget	2,313,735	2,404,192	90,457	3.91%
Total Education Budget	64,549,025	69,181,428	4,632,403	7.18%
Non-Tax Revenues	10,227,311	12,315,457	2,088,146	20.42%
Tax Request	54,321,714	56,865,971	2,544,257	4.68%



Capital Investment

- FY25 Request \$ 18.3 M - School \$6.4M/Town \$ 11.9M
 - \$ 1.37M to be Appropriated
 - \$ 8.8M to be Bonded
 - \$ 1M supported by Downtown TIF
 - \$ 4M- Grant/FEMA Reimbursement
 - \$ 1.99M- Voter Approved
 - \$ 1.15M from Reserves
 - \$1M Traffic Impact Fees (TMP Partnership)
 - \$154K Recreation Impact Fees
- Long Range School Planning Request/No School Project
- Advance Town Council Goals/Survey Results



TIF Revenues

Haigis Parkway TIF: \$1,410,000*

- Reduction to GF Deficit*
\$209K remaining

Downtown TIF: \$ 2,920,000*

- Operating Costs
\$ 2M
- Capital Costs
\$ 1M



Use of Fund Balance

- Offset impact of revaluation
- First time in over a decade - If not now, when?

Fiscal Year	Budgeted Overlay	Actual Expended	Remainder to Fund Balance
22	\$492,729	-\$49,602	\$443,127
23	\$333,952	-\$32,815	\$301,137
24	\$256,425	-\$15,184	\$241,241
			\$985,505

- Projected Unassigned Fund Balance at the End of FY25 - 12.77%

Items Still in Motion

Town:

- Settling Collective Bargaining Agreements
- State Paid Medical Leave – ongoing guidance from Dept. of Labor
- Utilization of Fund Balance

School:

- Insurance renewal rates available in April
- State Paid Medical Leave – ongoing guidance from Dept. of Labor
- Special Education costs - updates on resources needed for incoming students
- Funding for Capital investments

The Bottom Line

	FY2024 Actual	FY2025 Proposed	% Change from FY24
Net Budget	\$82,107,968	\$87,412,641	6.4 %

Historical Context	%Change At Start of Budget
FY 2022	9.8%
FY 2023	7.4%
FY 2024	<u>7.4%</u>
3-Year Average	8.2%



Historic View of Taxable Value, Budgets, & Tax Rates

Fiscal Year	Taxable Valuation	% Change in Valuation	Tax Rate/1000	% Change in Tax Rate	Total Tax Levy	% Change in Annual Budget
2015	\$3,700,488,200	1.10%	15.10	2.23%	\$55,877,372	3.36%
2016	\$3,745,548,100	1.22%	15.49	2.58%	\$58,706,467	5.06%
2017	\$3,776,362,500	0.82%	15.92	2.78%	\$61,217,501	4.28%
2018	\$3,785,488,432	0.24%	16.49	3.58%	\$62,422,703	1.97%
2019	\$4,012,292,612	5.99%	16.49	0.00%	\$66,162,705	5.99%
2020	\$4,696,461,376	17.05%	14.70	-10.86%	\$69,037,982	4.35%
2021	\$4,727,230,976	0.66%	14.86	1.09%	\$70,246,652	1.75%
2022	\$4,845,682,776	2.51%	15.02	1.08%	\$72,782,155	3.61%
2023	\$4,988,176,876	2.94%	15.39	2.46%	\$76,768,042	5.48%
2024	\$5,142,583,176	3.10%	15.97	3.77%	\$82,127,053	6.98%

Stay Engaged in the Budget Process

- **Town E-Newsletter:** Sign up to receive our twice monthly email newsletter for ongoing updates
- **Budget Portal:** Visit the portal (accessible from our website homepage) for budget-specific resources
- **Attend Public Meetings:** Accessible virtually; links on the website Town Calendar
 - Budget Rountables - April 20, 22, and 24
- **Share Your Feedback:**
 - Email the Town Council at towncouncil@scarboroughmaine.org
 - Email the Board of Education at boe@scarboroughschools.org

Budget Process – Next Steps

School Board First Reading	Thursday, March 21 – 7:00pm
Joint TC/SB Budget Workshop	Wednesday, April 3 – 5:30pm
Town Council First Reading	Wednesday, April 3 – 7:00pm
Town Finance Committee Budget Review	Thursday, April 11 – 2:00-7:00pm
Town Finance Committee Budget Review	Friday, April 12 – 8:00-1:00pm
School Board Public Hearing	Thursday, April 25 – 7:00pm
Joint TC/SB Budget Workshop	Wednesday, May 1 – 5:30pm
Town Council Public Hearing	Wednesday, May 1 – 7:00pm
School Board Second Reading and Budget Vote	Thursday, May 2 – 7:00pm
Town Council Second Reading and Adoption	Wednesday, May 15 – 7:00pm
School Budget Validation Vote	Tuesday, June 11 – 7am to 8pm, High School