



**MSAD NO. 75  
FY 2021 BUDGET PROCESS  
MOE BUDGET OVERVIEW**

**Finance Committee Meeting  
January 29, 2020**



# FY 2021 Maintenance of Effort Budget

---

**MOE Budget Definition:** The level of spending required to maintain the current level of staffing, programs and services.

## Budget – Total\*

Fiscal Year	Budget
FY 2020	\$42,137,543
FY 2021	\$46,176,956
\$ Increase	\$4,039,413
% Increase	9.6%

## Budget Without Debt Service\*\*

Fiscal Year	Budget
FY 2020	\$38,874,630
FY 2021	\$39,765,562
\$ Increase	\$890,932
% Increase	2.3%

\*Does not include Adult Education

\*\*Debt Service includes bond and capital lease payments

## Personnel Costs and Benefits

---

- The FY 2020 budget is overstated for teacher salaries and health insurance
  - The FY 2020 budget does not account for estimated salary savings of \$250,000 from teacher turnover
  - The contractual ↑ in FY 2021 teacher salaries is 3.1%; budget ↑ is only 1.6%
  - Assumed increase in health insurance premiums is 5%; budget increase is 1.0%
- Assumed increase for administrators and supervisors is 3%
- Support staff salaries will be under negotiation with the Merrymeeting Employees Association
  - FY 2021 budget assumes an allowance for salary increases
- There is no change in the current employer MainePERS rate of 4.16%

## School Allocations

---

- Principals are provided with school allocations, with flexibility in budgeting items within each allocation
- Allocations include school-based expenditures for supplies, books, minor equipment, printing, and professional development, and are distributed based on grade level and the October 1<sup>st</sup> student count
- FY 2021 allocations total \$584,552, an increase of \$4,671 over FY 2020
- There is no change in FY 2021 from the FY 2020 cost per pupil.
- FY 2020 budget lines for school supplies were 26% higher than actual expenditures in FY 2018.

## Notable Cost Increases

---

- Special Education out-of-district placements: \$100,000
- Stipends (all positions): \$32,775 (7.4%)
  - Resulting from the increase in the base salary for teachers
- Property & Liability Insurance: \$39,258 (26.6%)
  - Resulting from an assumed 12% rate increase and the increased value of the new HS
- Utilities (all utilities): \$9,503 (1.1%)
  - Based on a rate decline in natural gas and level funding for the new High School
- Facilities Contingency Account \$15,000 (from \$85,000 to \$100,000)
  - Recommended to be conservative with unknown costs for the new High School
- Fit-up Costs for New High School: \$10,000
  - One-time costs for small items that may be needed

## Notable Cost Decreases

---

- Buy-out of MLTI technology leases: (\$122,752)
- Reduction in the moving Allowance – new High School: (\$75,000)
  - From \$95,000 in FY 2020 to \$20,000 in FY 2021
- Reduction in the roof repair allowance: (\$20,000)
  - Reduced from \$40,000 in FY 2020 to \$20,000 in FY 2021
- Elimination of Empower software licenses: (\$10,300)
  - Based on changes in grading systems

# Budget Considerations for the New High School

---

- The cost of natural gas and electricity are (collectively) budgeted at \$235,740 in both FY 2020 and FY 2021, but \$46,000 has been shifted from natural gas to electricity
  - Long-term energy savings have been projected as high as \$50,000/year
  - There is no assumption of savings from the array of solar panels
- Some costs are still under active review, and the administration may propose revised costs to the Finance Committee during the budget process
  - Maintenance costs are level funded, but may go down
  - Licensing costs for the new network software may have to be added to the budget

## Changes in Interfund Transfer Costs

---

- The increase in funding for the Food Service Program is driven by cost increases in salaries and health insurance.
- The elimination of funding for the School-Based Health Center is based on the significant fund balance that has accrued to that fund. Funding support can be re-established as the fund balance declines.

Cost	FY 2020	FY 2021	\$ Change
Food Service Program	\$291,057	\$342,126	\$51,069
School-Based Health Center	\$41,000	\$0	(\$41,000)



# Proposed Capital Improvements

- As recommended by the Facilities Committee
- Telephone system replacement assumes utilization of Adult Ed. and MAMS capital maintenance funds
- FY 2021 is the first year of a rolling 5-year plan for capital improvements
- This list does not include vehicles, equipment or a potential roof replacement bond issued in FY 2025

Cost	Loc	FY 2021
Telephone/intercom upgrade	DW	\$60,000
Repave parking lot/improve loading dock safety	AE	\$90,000
Replace fire alarm system	WES	\$22,000
Replace fire alarm system	AE	\$22,000
Begin sanitary system design	BHM	\$20,000
Boost water pressure	AE	\$8,000
Other projects		\$10,000
<b>TOTAL</b>		<b>\$232,000</b>

# Increasing Debt Service Costs

- FY 2021 is the first year of principal payments for the High School and Roof Replacement bonds
- Debt service on the bonds will begin to slowly decline beginning in FY 2022
- Capital leases assume purchase of three new buses
- There is no interest on the BCS or MAMS bonds

Cost	FY 2020	FY 2021	\$ Increase
HS Bond - Principal	\$0	\$2,943,355	\$2,943,355
HS Bond - Interest	\$1,488,108	\$1,558,183	\$70,075
Roof Bond-Principal	\$0	\$118,800	\$118,800
Roof Bond - Interest	\$23,030	\$23,392	\$362
BCS Bond - Principal	\$285,965	\$285,965	\$0
MAMS Bond-Principal	\$805,250	\$805,250	\$0
Capital Leases	\$660,560	\$676,449	\$15,889
<b>TOTAL</b>	<b>\$3,262,913</b>	<b>\$6,411,394</b>	<b>\$3,148,481</b>

## Beyond the Maintenance of Effort Budget

---

- Administrators have compiled a list of needs for additional resources totaling \$322,373
  - Last year's request for new resources totaled \$1,168,968
- The Superintendent has compiled a list of potential reductions totaling \$477,443
- State subsidy numbers (the “ED 279”) should be released February 1<sup>st</sup>
- The Superintendent is scheduled to make final budget recommendations at the March 18<sup>th</sup> Finance Committee meeting