

The background is a dark grey chalkboard with various white chalk sketches. On the left, there's a large sketch of a microscope. Above it, a globe of the Earth is drawn. In the bottom right, there are sketches of a percentage sign, an exclamation mark, and some geometric shapes. The text is centered in a white box.

MSAD No. 75 FY 2020 Budget Process MOE Budget Overview

Finance Committee Meeting
January 29, 2019

FY 2019 Maintenance of Effort (MOE) Budget Areas for Review (Costs and Assumptions)

- Personnel & Benefit Costs
- School Allocations
- Special Education Costs
- Debt Service
- Interfund Transfers
- Use of Fund Balance

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

Fiscal Year	Budget*
FY 2019	\$37,837,233
FY 2020	\$38,877,468
\$ Increase	\$1,040,235
% Increase	2.75%

*Not including Adult Education

What is Not Included in the FY 2020 MOE Budget?

- Salary increases for teachers (the contract expires August 2019)
- The cost of new debt service for the High School and Roof Replacement bonds
- Recommendations from the Mental Health Task Force
- The cost of moving to the new high school in June of 2020 (estimated at \$90,000)
- Requests for additional resources from building and district administrators

Personnel & Benefit Costs

- Includes salary increases for all staff except teachers
 - Negotiations with the Merrymeeting Teachers Association are in process
- The current MainePERS rate (employer share) is increasing from 3.97% to 4.16%
- Assumes a 5% increase in health insurance premiums and a 3% increase in dental insurance premiums
 - Health insurance elections by employees have decreased
 - We will not know the actual rates until later this winter/spring

School Allocations

- This is the second year each principal has been provided with a school allocation to provide flexibility in budgeting items within the allocation
- Allocations are increasing by 2% (cost per pupil)
- FY 2020 allocations total \$579,881, distributed based on grade level and the October 1st student count
- FY 2020 budget lines for school supplies are 26% higher than actual expenditures in FY 2018
- Discussions are underway regarding class/team supply lists sent home to families

Increasing Special Education Needs & Costs

- Special Education costs to address student needs are increasing by \$500,000
- There are currently no plans for assuming services from Child Development Services (CDS)
- Cost drivers include:
 - An increase of \$235,000 in out-of-district placement costs
 - An increase of \$73,300 in contracted services (mostly speech & language services)
 - Maintaining 2 additional Ed Tech positions approved by the Board at the beginning of the year; there are no other additions to personnel

Increasing Debt Service Costs

- Debt service includes school construction bonds and capital leases for school buses and other vehicles
- The cost of principal payments for MAMS and BCS remain level at \$1,091,215; no interest costs
- New bus purchases are driving a net increase of \$38,799 in capital leasing costs

Bond Schedule

MAMS	Ends FY 2021
BCS	Ends FY 2022
Roof Replacements	Begins FY 2020
New High School	Begins FY 2020

FY 20 Interest Rate Costs (Estimated)

Roof Replacement Bond	\$28,323
New High School Bond	\$1,716,979

Interfund Transfers

- Interfund transfers support the transfer of operating funds to other special revenue/enterprise funds
- The MOE budget includes support for the School-based Health Center and Food Service Program
- The Food Services fund balance deficit has increased to **-\$303,152** (FY 2018 audited number)

Account	FY 2019	FY 2020
SBHC	\$41,829	\$41,000
Food Services	\$255,453	\$266,057

Use of Fund Balance

- The FY 2018 audited unassigned fund balance is \$2,405,009
- State statute requires school districts to utilize fund balance levels beyond 3% of the operating budget on a rolling 3-year basis
 - FY 2018 audit worksheet calculates expenditure of at least \$1,263,705 by FY 2021
- The Finance Committee has previously discussed using the unassigned fund balance for two purposes:
 - To mitigate the tax impact of the local share of new debt service
 - To establish a capital maintenance reserve fund