

Budget Committee Meeting
Thursday, March 20, 2025
5:00 p.m., Hampden Academy Library

Attendees: Budget Committee members Luke Field, Allan Gordon, Stacey Haskell, Brooke Miller, Board members Kirstien Davidson and Kristin Peet, Nick Raymond, Superintendent, Kris Franklin, Finance Director. Matt Lachance - Town of Hampden, Casey Ashe - Town of Winterport, Mike Shaw - Town of Frankfort, Ed Lovell - Town of Newburgh, and Pete Merritt, Food Service Director

ED 279

Superintendent Raymond reviewed handouts provided and discussed:

- The EPS in School Finance 101 - Essential Programs and Services handout. Intended to provide equity in school financing: school districts in areas that are able to afford more, the district receive less; school districts in area that are less able to afford, the district receives more. Emphasis is on
 - page 4 - purpose,
 - pages 6 and 7 - what EPS is and is not,
 - page 8 split between State and Local contribution. State contribution of 55% applies state-wide, not per district
 - page 9 - data used in determining EPS, and
 - page 10 - overview of ED279. The District must raise the minimum Local contribution in order to receive the State contribution.
- Superintendent Raymond reviewed the Overview of Stakeholder Feedback to Date (February 2025) handout.
 - Most items on the handout were presented as written.
 - Added commentary: Current formula doesn't consider realistic costs of education. For example, RSU 22 has added social workers and is incurring greater expenses related to students experiencing homelessness.
 - The disparity in community appetites for raising funds for school in excess of the Local Contribution creates inequity in access to quality education.
- 20 Year Education Trends in Maine

Question regarding what percentage over EPS districts in the area raise for schools. Most school districts in the area range between 15-20% over EPS. EPS applies to the district, not per town.

- ED279 - considers enrollment, staffing, support costs
 - decreasing student count, all else the same, results in less State funding
 - State funding related to students sent from other districts or tuition students flow to the RSU22.
 - Tuition rates are set by the State. (We currently have 61 tuition students).
 - Student to staff ratios on ED279 do not dictate required staffing - they are used in the formula calculation.

- Section 4 breaks out the Local Contribution per town. All four towns have experienced a decrease in student count. Total increase in valuation is 13.3%. The increase leads to higher Local Contribution.
- Local share is 31%, State share 69%. Increase of \$165k from last year.

Question about differences in student counts - subsidized vs present in seats.

With enrollment down, wouldn't you expect budgets to go down? Contracts in place and costs continue to increase, a decrease really would require staff reduction. Brooke Miller commented - it's the same situation in the corporate world, trying to retain and attract employees, coping with rising prices. For the district, the fixed cost is labor.

Article 11 - All Other (Nutrition)

Pete Merritt explained that Food Service is self-sufficient and not part of the regular RSU budget. Participation is the key to Food Service revenue. RSU receives a set amount per qualifying meal. Focus now on food quality and speed of service to attract greater participation. Meals (breakfast and lunch) are 100% free for students. Currently participation is lunch 71%, breakfast 33%. There are some ala carte sales. RSU22 received \$113k for USDA commodities and \$41k for DOD produce for fresh fruit and vegetables. Those programs are not as of now hurt by cuts in programs at the federal level. Food cost about 38.7% of total expenses, about the same as last year. Labor costs 51.1%, down from 55.53% last year. Other operating expenses are at 6.7% this year, down from 6.9% last year (not counting equipment purchases). If all of the currently funded programs go away, RSU could cover the shortage with fund balance for 2-3 years. There is a requirement that the fund balance be spent down which will be done in part with equipment purchases.

Article 10 - Debt Service

- These numbers are pre-determined and are related to the new Hampden Academy.
- Frankfort debt was paid off last year.

Article 8 - Transportation

- Major part is the contract with Cyr Bus.
- This article is specific to student transportation, not other uses.
- RSU has invested in transportation for tuition students. Otherwise, many of these students would not be able to come to Hampden Academy.
- RSU pays for fuel for the buses. Fuel is negotiated in July or August.
- Fuel cost for the budget is based on a 3-year average.
- This is the starting point. Changes may be made as more current information is available.

Question regarding foster children - who pays for transportation? Varies by situation.

Question about shortage of buses - is the amount under budget on the handout representative of bus shortage? If so and there will be a shortage of buses in FY26, should we adjust the budget accordingly? Superintendent Raymond reported that he's been in talks with Cyr regarding the shortage.

Question regarding increase in Special Education transportation buses - Finance Director Franklin noted that the budget variance of the two lines combined was about even. The variances could be due to miscoding of invoices. She will look into this.

Questions regarding the nature of expenses for transportation of students into the district. The RSU makes more money from tuition than the cost of transportation of those students.

Question - does the RSU recruit tuition students? Yes.

Question re: cost of transportation vis a vis the number of students riding buses? RSU is required to provide transportation. Many students are transported by means other than buses. Routes are designed based on eligible students. If the number of routes was reduced, riders would end up with much longer bus rides. Couldn't buses be replaced with 13-passenger vans as they need replacing - would cost less to operate as well as upfront cost. Allan Gordon commented - that's Cyr's decision, not up to RSU. The Cyr bus contract is reasonable compared to what other districts pay.

Question regarding Title funds - how much does the district receive? \$300-500k. What happens to that money if it's not needed - it's all needed. If RSU didn't have that money, we would have to pick it up on the local side. The Education Committee meeting would be an opportunity to learn more about the use of Title I funds. The committee meets the hour before regular board meetings. Anyone is welcome to attend a committee meeting, although only those invited may participate.

The next meeting is Thursday, March 27th at 4 p.m., at Hampden Academy - Library.

The meeting adjourned at 6:17 p.m.

cc: Board of Directors