

2012 - 2013

SCHOOL BUDGET PRESENTATION



FY13 Brunswick School Budget

Macro Overview of Select Components

Rich Ellis
March 8, 2012

What I Will Cover

- Overview of Maine's Essential Programs & Services Program and Formula
- The Application of the Essential Programs & Services Formula to Brunswick
- Benchmarking Brunswick's Costs
- Looking Forward

The Maine Essential Programs & Services Program

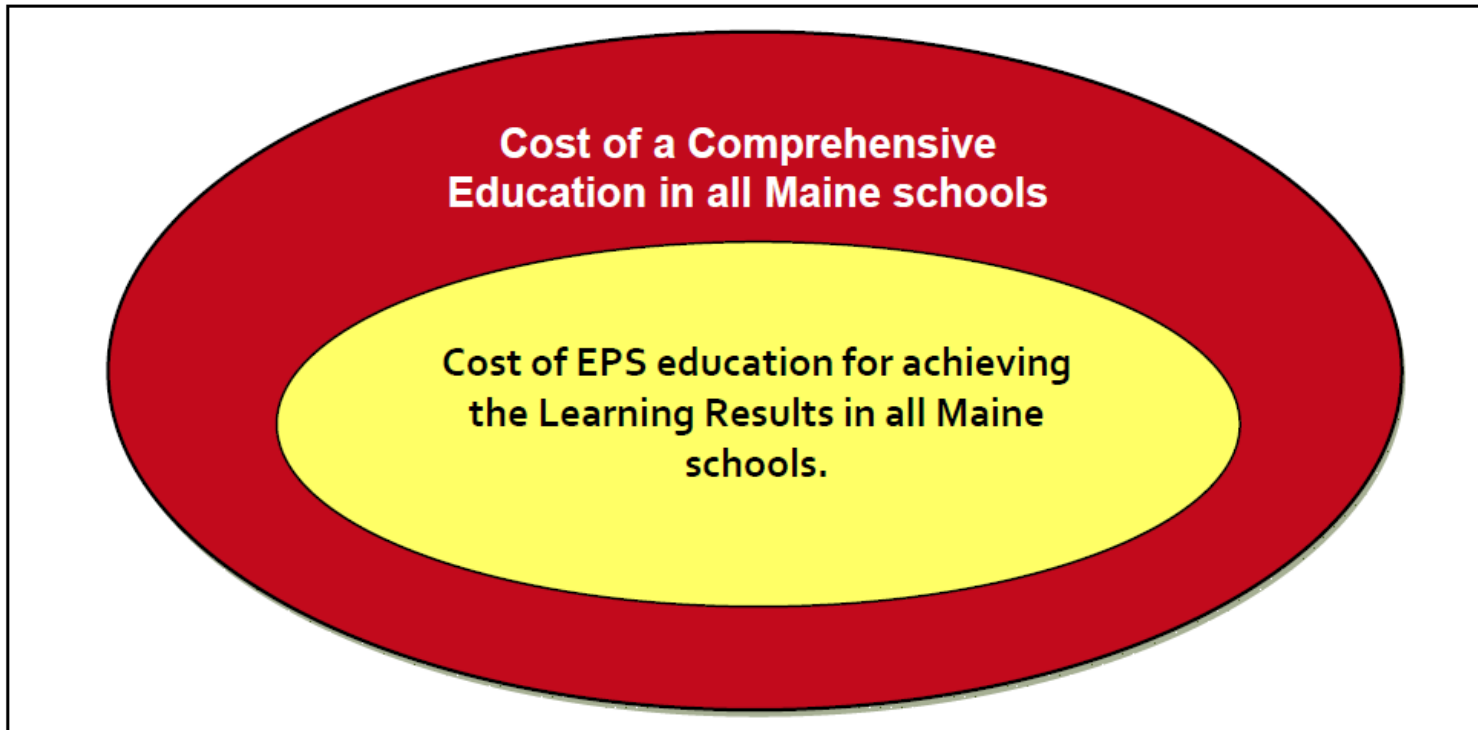
What is it?

- Maine voters passed Ballot Initiative 1 in 2004, which stated:
"the State shall pay at least 55% of the total costs of public education for kindergarten through grade 12, and 100% of the costs of special education services that are mandated by federal or state law."
- It was codified into law under Maine Statute 20-A MRSA §15671, sub-§7-B, Essential Services and Programs
- In summary, the Essential Programs & Services Funding Formula:
 - Determines the total cost of Essential Programs & Services for each district.
 - Determines the local contribution based on a town's "ability to pay".
 - Determines the State's contribution.

The Maine Essential Programs & Services Program

Key Principles

- Provides a basis for adequacy and greater equity in the funding of K-12 education
- It does not cover the full costs of a comprehensive education.
- It is cost driven, NOT expenditure driven — 70% direct per pupil costs



Source: “The History and Developments of Maine’s Essential Programs and Services Program”, Maine Education Policy Research Institute

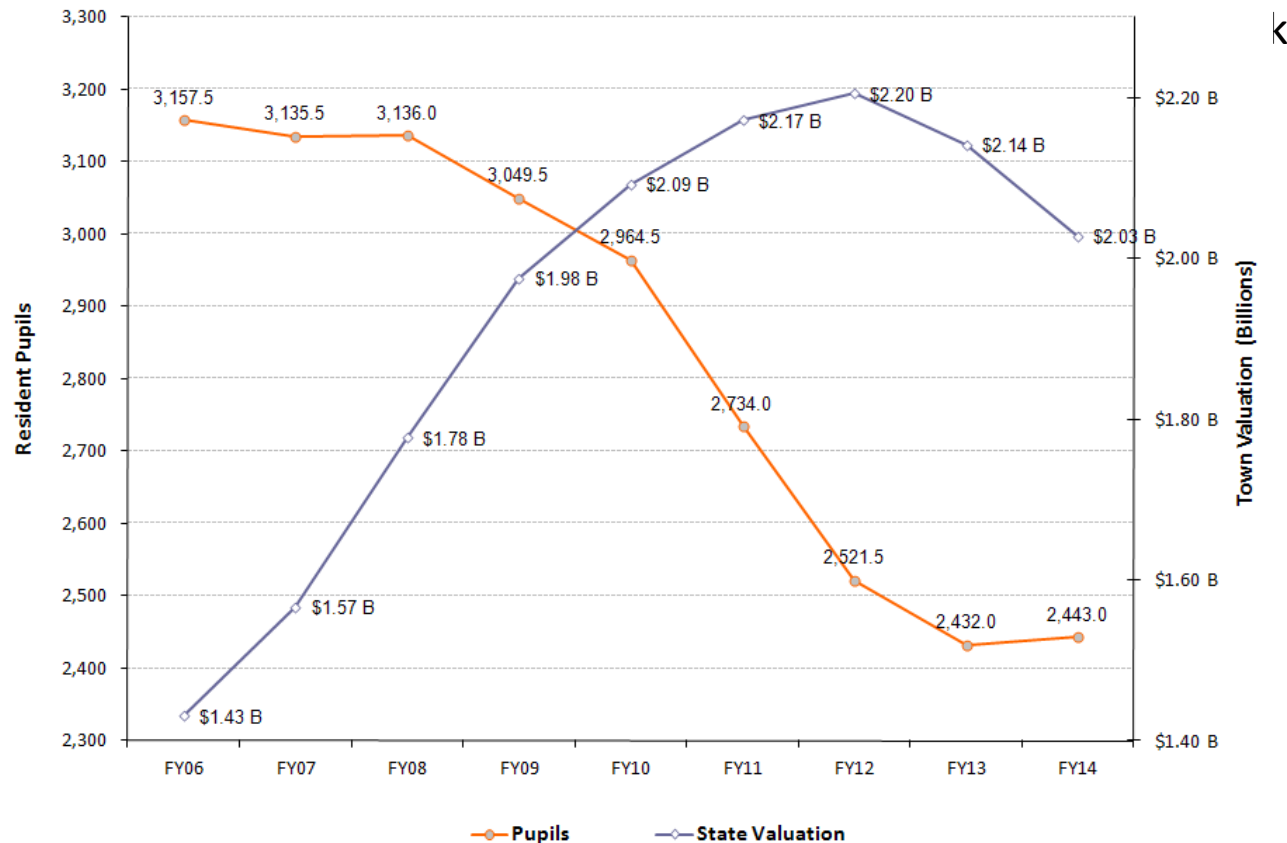
Applying the Formula to Brunswick

The Maine Essential Programs & Services Program

FY13 funding Components — ED279 Reports

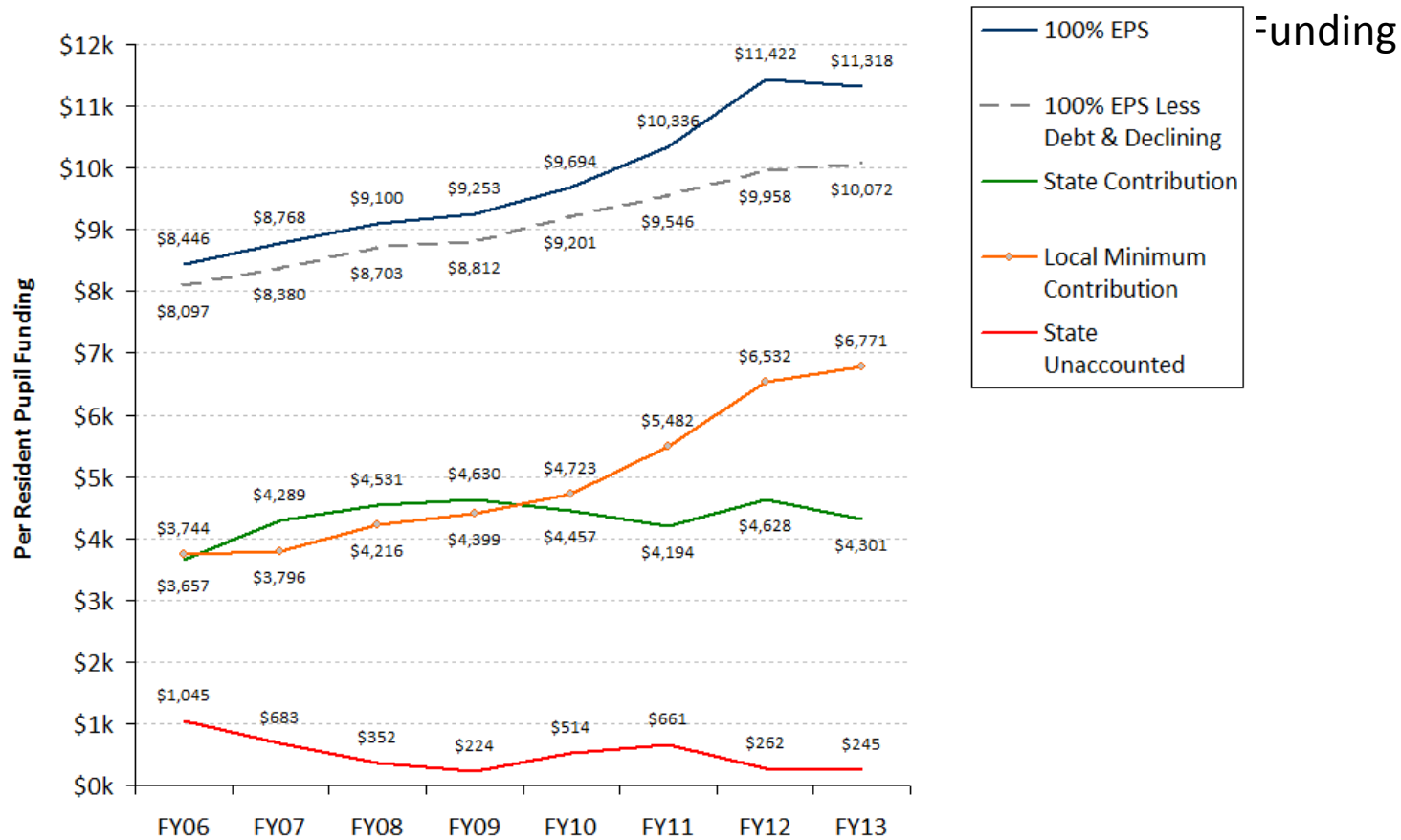
- Basic Counts: \$19,294,164 — Pupil Driven (97% Covered)
 - K-8 Pupils: \$11,154,065 (Declining Adjustment: \$678,827)
 - 9-12 Pupils: \$6,272,147 (Declining Adjustment: \$201,643)
 - K-12 Disadvantaged: \$851,509
 - K-12 Technology: \$395,973
 - K-2 Targeted: \$345,403
 - Limited English Proficiency: \$129,388
 - K-12 Student Assessment: \$101,430
 - Other: \$44,239
- Other Subsidizable Costs
 - Special Education: \$3,172,036
 - Transportation: \$1,353,952
 - Vocational: \$740,788
 - Gifted & Talented: \$235,921
- Debt Service: \$2,122,628
- Total: \$26,919,489 → 100% EPS = \$27,516,216

Two EPS Funding Drivers Heading in Opposite Directions



- Between FY06 and FY13, budgeted Resident Pupils has declined at a rate of 3.66% per year.
- Between FY06 and FY 13, the Town Valuation has increased at a rate of 5.93% per year.
- Additionally, Mill Rate expectations have increased 13.3% since FY09.
- » **Impact** = The State expects the local municipality to pick up a greater share → 62% vs. 53.7%

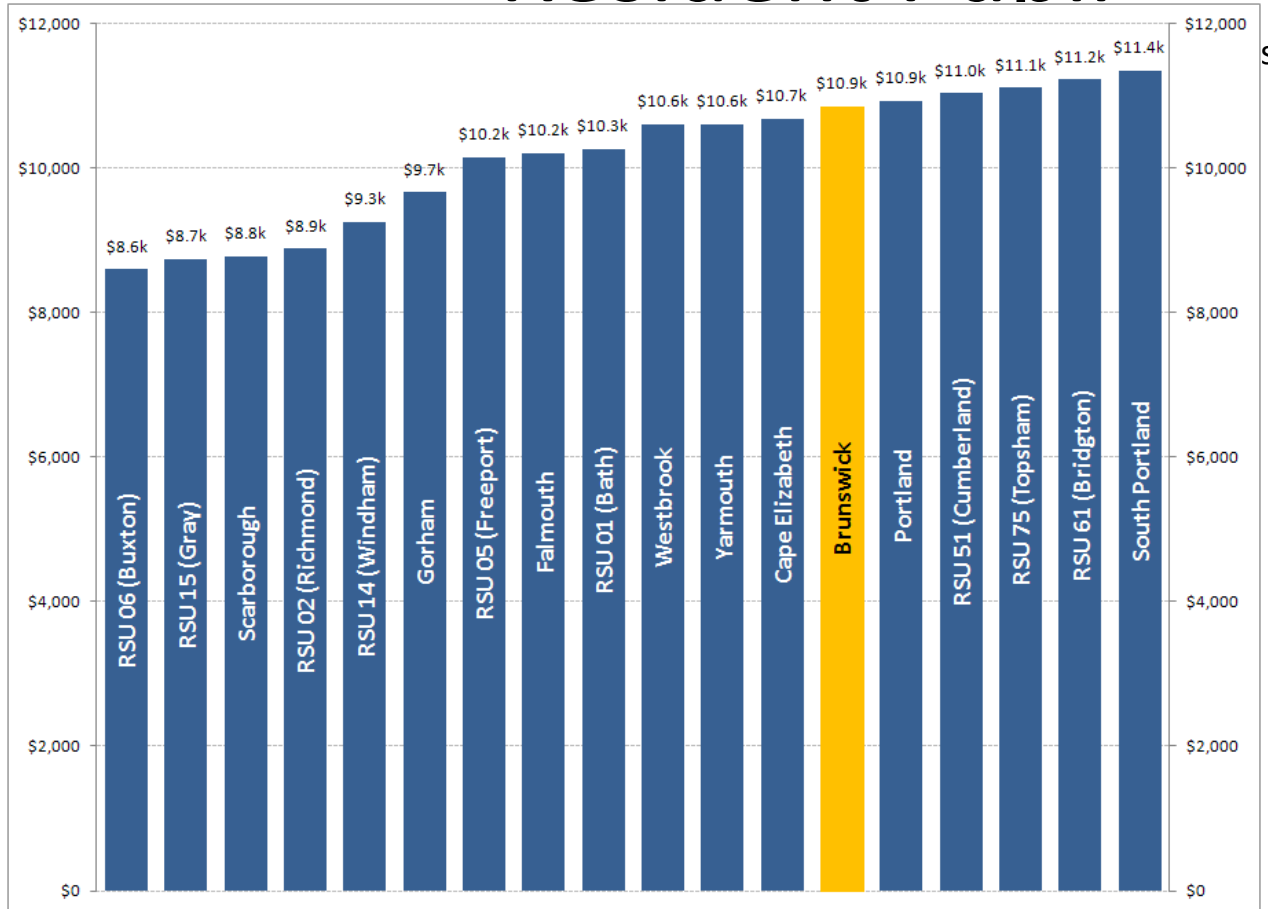
Who Pays for Essential Programs & Services?



- EPS per pupil, excluding Debt Service & Declining Adjustments, has increased at a rate of 3.17% per year
- State share per pupil has declined from a peak of 50% in FY09 to a low of 38% proposed for FY13
- » **Impact** = Expected Local Contribution per pupil has increased at a rate of 8.83% per year or 54% since FY09

Benchmarking Costs

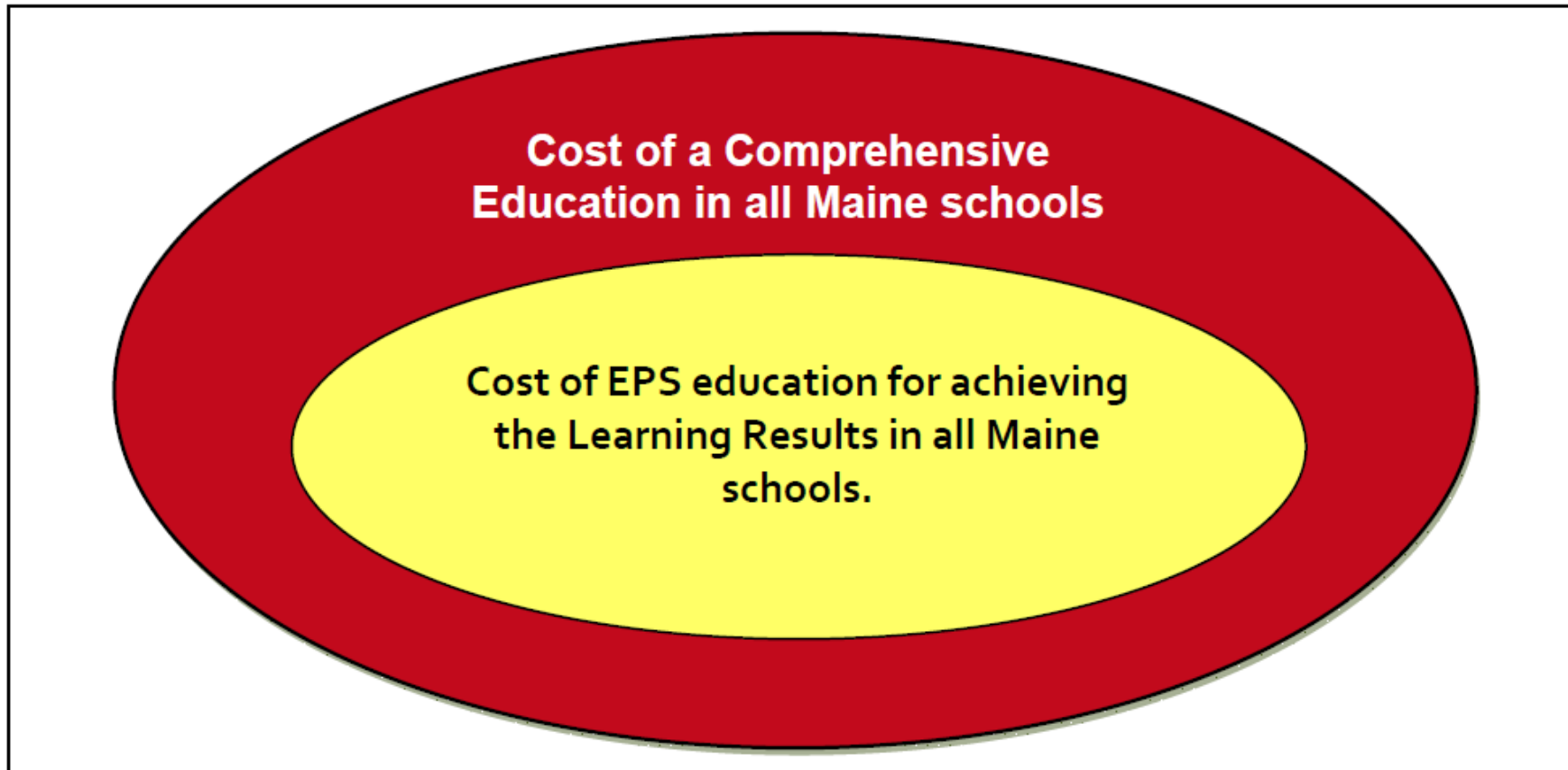
FY11 Operating Expenditures Per Resident Pupil



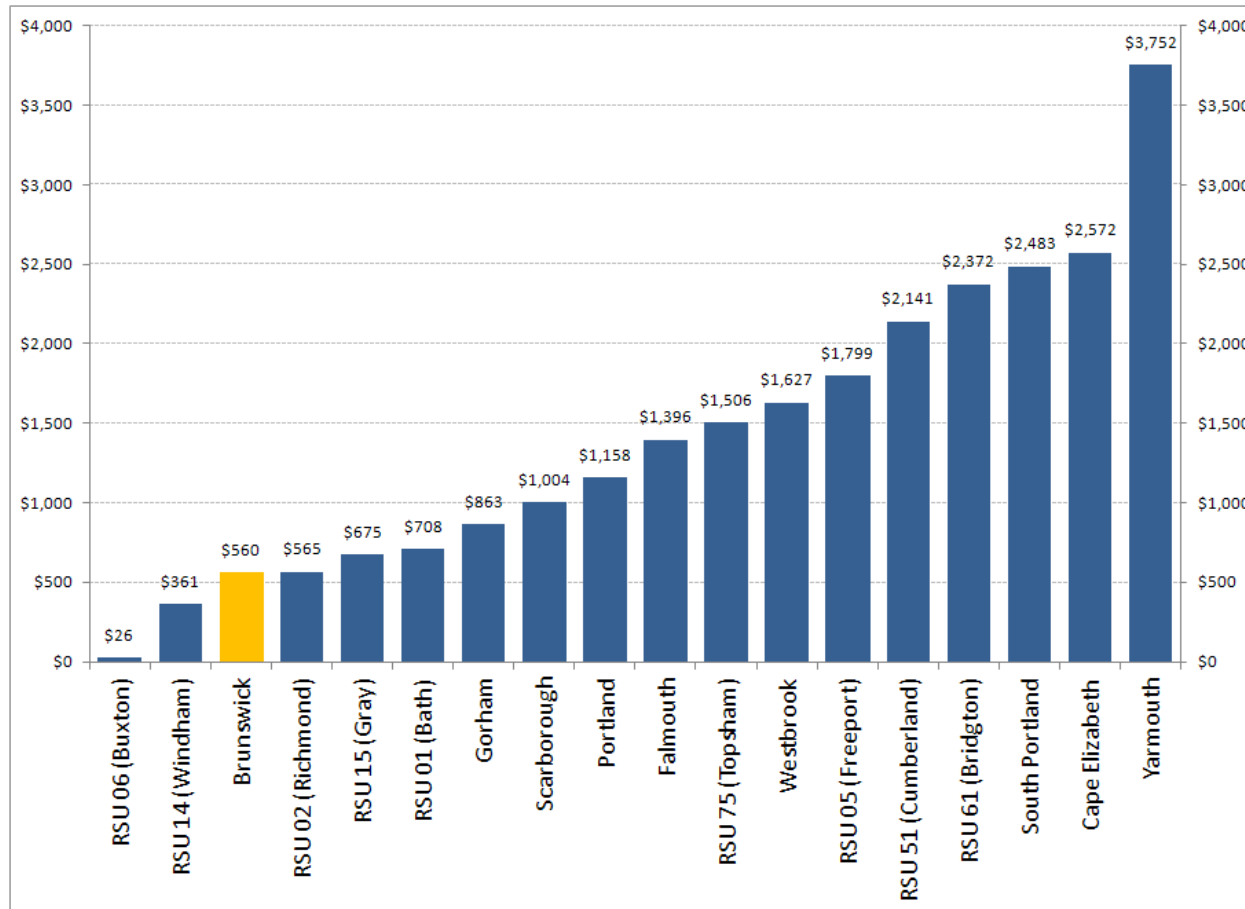
- Sample represents all school districts in Cumberland & Sagadahoc Counties
- Per Pupil Operating Expenditures is in line with other county schools & aligns with aspirational group
- FY12 budget adjustment not in place.

Reminder

EPS does not represent the Comprehensive Cost of an Educational Program



FY11 Total Spending over 100% EPS per Resident Pupil



- Brunswick has been consistent in this funding level for the past five budgets ranging from to \$474 to \$575
- Funding for programs not covered by EPS exceeds the \$560 per pupil over 100% EPS
- **Conclusion:** Brunswick is achieving a level of adequacy

Looking Forward

The Maine Essential Programs & Services Program

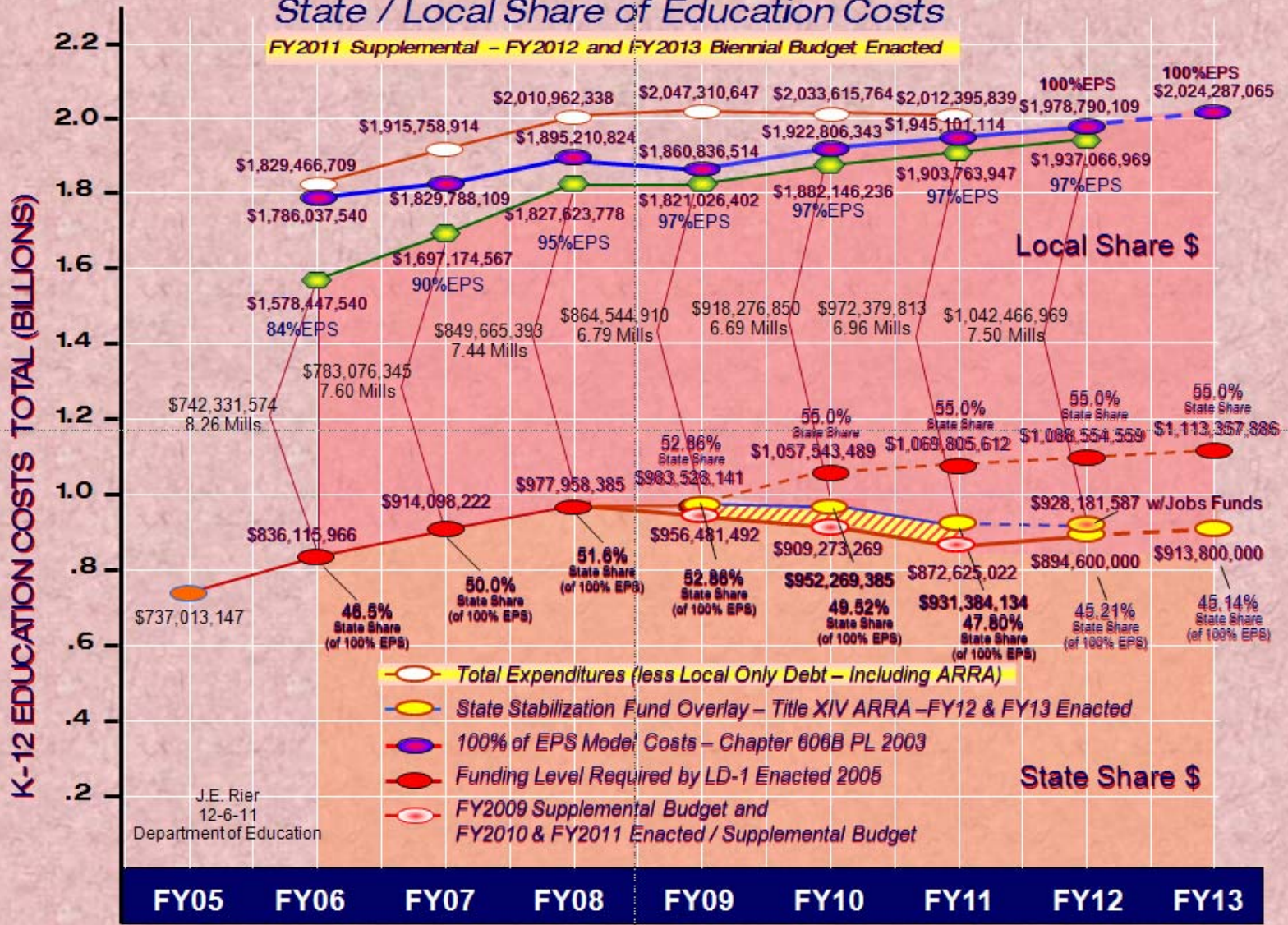
Progress Towards 55%

- The original legislation called for a phased-in implementation with FY09 as the date to reach 55%. We are four years overdue.
 - Progress towards reaching 55% peaked in FY09, at 52.9%, but has declined in each of the last four years to its current level of 45.1%.
 - In 2011, the Maine Department of Education altered its definition of the “total cost of education” to include teacher retirement.
 - This follows the lead of long standing Maine Heritage Policy Institute positioning.
 - This serves as a way to reach 55% without having actually reached 55%.
 - This ignores the definition from the ballot initiative passed by Maine voters.
- » **The bottom line:**
- In the short term, the State is unlikely to make any progress towards closing the \$175 million dollar gap in funding Education at 55%, and it may even retreat further.
 - Additional Federal funding is not on the short-or long-term radar.
 - **Impact** = Funding of education will shift further onto the shoulders of the town.

Education Funding Law Implementation

State / Local Share of Education Costs

FY2011 Supplemental – FY2012 and FY2013 Biennial Budget Enacted



J.E. Rier
12-6-11
Department of Education

Projecting 100% EPS & Future State Revenue

What factors can we project

- Pupil Projections (scenarios)
- EPS Reimbursement Rates (steady 3.2% Annual Increase)
 - » These factors impact a large majority of EPS and State Funding
- Other Subsidizable Costs (scenarios)
- Debt Service
- Planned Investments

What is more difficult to predict

- Town Valuation (multiple scenarios)
- Mill Rates that drive Percent Share
- Federal Funding Intervention

Questions

Brunswick Data

Paul Perzanoski
Jim Oikle

Annual Total Budget

	Approved Budget	Annual Change	% Change
2006 - 07	\$ 31,538,703		
2007 - 08	\$ 32,738,737	\$ 1,200,034	3.80 %
2008 - 09	\$ 33,620,870	\$ 882,133	2.69 %
2009 -10	\$ 33,471,083	- \$ 149,787	-0.45 %
2010 -11	\$ 33,319,985	- \$ 151,098	-0.45 %
2011-12	\$ 33,301,672	- \$ 18,313	-0.05 %

State GPA by Year

	Approved	\$ Change	% Change
2007 - 08	\$ 14,245,846		
2008 - 09	\$ 14,150,910	- \$94,935	- 0.67 %
2009 - 10	\$ 13,246,383	- \$904,527	- 6.39 %
2010 - 11	\$ 11,499,630	- \$1,746,753	- 13.19 %
2011 - 12	\$ 11,670,013	\$170,383	1.48 %
2011 - 12	\$ 10,459,136	- \$1,210,877	- 10.38 %

Reason Why

The reasons that our subsidy is $-\$1,244,392$:

- 1.The K-12 enrollment decreased 127 students from 2010 to 2011.
- 2.The declining enrollment adjustment, where they give us credit for students to lessen the blow, declined from 181.6 to 102.
- 3.Special education funding went down \$170,000.
- 4.The Mill Rate increased from 7.52 to 7.69.
- 5.The state lost Maine Care revenue.
- 6.Legislation from last year moved more money for education to the northern districts.

Reduction Amounts 2012 to 2013

Item	2011 – 12	2012 – 13	Difference
Jobs Bill	\$ 692,868	\$ 0	- \$ 692,868
Tuition	\$ 369, 524	\$ 220, 821	- \$ 148,703
Impact Aid	\$ 157, 945	\$ 0	- \$ 157, 945
Surplus	\$ 3, 500,000	\$ 3,000,000	- \$ 500,000

Impact Aid from USDOE

	Students	Amount Received
2007 - 08	797	\$ 1,446,926.00
2008 - 09	814	\$ 1,372,405,.00
2009 - 10	727	\$ 1,150,917.00
2010 - 11	673	\$ 594,357.00
2011 - 12	454	\$ 157,945.00
2011 - 12	0	

Teacher Salary

	Budget	Actual	Actual % Change
2007 – 08	\$ 13,820,467	\$ 13, 503,748	
2008 – 09	\$ 14,135,972	\$ 13,959,035	3.37 %
2009 – 10	\$ 14,124,934	\$13,798,689	- 1.15 %
2010 – 11	\$ 14,001,523	\$ 13,908,303	0.79%
2011 – 12	\$ 13,097,731		

Health Insurance Cost

	Annual BSD Paid	% Change
2007 – 08	\$ 4,101,206.87	
2008 – 09	\$ 4,263,561.72	3.96 %
2009 – 10	\$ 4,344,138.96	1.89 %
2010 – 11	\$ 4,287,019.68	- 1.31 %
2011 – 12	\$ 4,180,849.08	- 2.48 %

Debt Service 2013

Fiscal 2013	Principal	Interest	Total Principal As of July 1, 2012	Total
Brunswick High School	\$ 900,000.00	\$ 45,475.00	Will retire 11/1/13 with final payment \$ 798,738.00	
Harriet Beecher Stowe School \$21,462,250	\$1,073,113.00	\$511,886.00	\$20,389,138.00	
Siemen Perf. Contract \$964,782 (2 of 5)	\$ 192,957.00	\$30,873.00	\$ 771,825.00	
Hawthorne Rehab \$375,000 (2 of 5)	\$75,000.00	\$ 12,000.00	\$ 300,000.00	
Air Quality (Junior High) \$ 408,650 (2 of 5)	\$ 81,730.00	\$ 13,077.00	\$ 326,920.00	
Total Principal and Interest	\$2,322,800.00	\$ 613,311.00		\$ 2,936,111.00
Debt Principal & Interest on school construction	\$1,973,113.00	\$ 557,361.00		
Other Maintenance	\$ 349,687.00	\$ 55,950.00		
Interest figured on 100% of outstanding principal @ 4 % for Siemens, Hawthorne and Air Quality Interest on BHS from Amortization schedule Interest on HBS from Amortization Schedule				
Actual Perf. contract net of credits \$ 964, 782 (Original was \$ 1,005,000)				

October 1st Student Count

	Number of students
2007	3204
2008	3093
2009	2741
2010	2568
2011	2457

Positions Affected by Reduction in Force

2010

Position	Number
Administrator	1
Librarian	1
Secretaries	1
Educational Technicians	1
Elementary Teachers	9
Junior High Teachers	1
High School Teachers	1
Bus Drivers	1
Noon Aides	18
Total	34

Positions Affected by Reduction in Force

2011

Position	Number
Resource Assistants	18
Elementary Teachers	3
Special Education Teachers	1
Junior High Teachers	1
High School Teachers	1
Secretaries	1
Watchmen	2
Total	27

Positions Affected by Reduction in Force

2012

Position	Number
Administrators	2
Secretaries	4
Educational Technicians	4
Elementary Teachers	10
Junior High Teachers	5
High School Teachers	5
Guidance Counselors	2
Librarians	1
Special Education Teachers	2
Custodians	2
Bus Drivers	1
Food Services Workers	1
Nurses	1
Resource Assistants	1
Total	41

Unemployment Budgeted 07 – 08 to Current

	Amount Budgeted
2007 - 08	\$5,000
2008 - 09	\$5,000
2009 - 10	\$50,000
2010 - 11	\$50,000
2011 - 12	\$291,000
2012 - 13	

Homeless Students

	Number of students
2007	6
2008	8
2009	11
2010	15
2011	23

Free and Reduced Lunches

2007	22.5 %	K - 12
2008	23.6 %	K - 12
2009	24.8 %	K - 12
2010	26.7 %	K - 12
2011	28.3 %	K - 12

Percentage of Special Education Students

Year	Total Student Population	Total Special Education Students	Percentage
2007	3204	429	14 %
2008	3093	459	15 %
2009	2741	394	15 %
2010	2568	369	15%
2011	2457	383	16 %

Public Comment:

Requested Areas for Feedback

- I. School Department Finance and Revenue
Administrative Service
- II. Elementary Programs K-5 (Special Education, ESL
Education , Gifted Education included)
- III. Junior High Program 6 – 8 (Special Education, ESL
Education , Gifted Education, Alternative Education included)
- IV. High School Program 9 – 12 (Special Education, ESL
Education , Gifted Education, Alternative Education included)
- V. Athletics, Extra Curricular Activities
- VI. Facilities and Transportation