

PROPOSED RSU 23 2016-2017 BUDGET

Superintendent's Presentation @ Community Budget
Workshops on Wed. Mar. 9th & Tues. Mar. 22nd

2016-2017 RSU 23 Proposed Budget

- Goal was to come in with a 2016-2017 Budget Proposal that reflects a 3% increase over the 2015-2016 school budget
- 2015-2016 RSU 23 Budget = \$12,682,631
- **Proposed 2016-2017 RSU 23 Budget = \$13,061,145**
(a 3% budget would be \$13,063,110)
- Difference represents a 2.98% increase

2016-2017 RSU 23 Proposed Budget

- Challenges to keep 2016-2017 Budget
Proposal to a 3% Increase over 2015-2016
- Portion of the RSU budget represented by costs related to personnel salaries and benefits is 82.8% of the overall 2016-2017 budget
- Projected increase in costs for personnel Salaries & Benefits from 2015-2016 to 2016-2017 is \$1,167,731.68 which represents a 10.82% increase (Salaries represent 8.70% increase vs. Benefits which represent a 17.77% increase) * Note: The 10.82% projected increase is somewhat inflated due to positions that were unintentionally left out of the budget initially and had to be later added
- Additionally we have had to increase operational costs in this 2016-2017 proposed budget from \$1,890,986 to \$2,114,029 - an increase of \$223,043 or 11.8%. This increase is needed to include items that are essential to meet the fiscal obligations of our district moving forward

2016-2017 RSU 23 Proposed Budget (Challenges to get budget to 3% Cont'd)

- The District is carrying a projected Negative Fund Balance of approximately \$570,000 due to:
 - \$256,000 left from reconciliation from the withdrawal
 - \$214,000 Summer Insurance costs that we are responsible for
 - \$100,000 for Food Services

2016-2017 RSU 23 Proposed Budget

- Reasons for a Proposed 12% increase in Operational Costs for 2016-2017
 - Annual Modular Lease Payment = \$37,500
 - Summer Insurance Costs = \$53,500 (represents .25 portion of \$214,000) our auditors are recommending that we pay
 - Increase of 4% for ADS (Budget software program) = \$4000
 - One more year of debt service at a reduced amount = \$3750
 - SPC Copiers & Printers Lease (under budgeted in 2015-2016 budget = \$17,725
 - Drummond & Woodsum Settlement (from 2011-2012) = \$25,000

2016-2017 Proposed RSU 23 Budget (Reasons for Operational Cost Increases cont'd)

- Increase of Legal Services = \$24,000-----\$40,000
- Increase in CIP (Capital Improvement Projects) = \$45,000-----\$90,000
- Harriman Architect Contract (Re: New School Construction Project) = \$100,000
- Grub Control Treatment = \$8,000
- Projected Stipend Increases = \$102,426
- Budgeting for Cash-In-Lieu = \$46,000
- Custodial & Transportation Overtime = 22,000
- Putting Food Services into general budget = \$86,000

2016-2017 Proposed RSU 23 Budget

- Additional Personnel Costs to be included:
 - Sick Day Payout for potential retirees (4) = \$45,929
 - Retirement Incentive for potential retirees (4) = \$60,000
 - Workman's Comp rate increases = \$24,000
 - Retro Payout for support staff contract = \$38,712

2016-2017 Proposed RSU 23 Budget

- Staff Reductions to realize needed savings were distributed somewhat equitably across the district to reach the \$1,327,334 amount needed
 - OOBHS 9-12 = \$305,764 (25%)
 - PreK-8 = \$306,464 (25%)
 - Special Education = \$238,769 (20%)
 - District Administration = \$301,080 (24.7%)
 - Custodial Reductions = \$68,145 (5.6%) / Total = \$1,220,223

2016-2017 Proposed RSU 23 Budget (Additional Reductions Needed)

- Food Services = \$25,000
- Health Insurance = \$79,079
- Dental Insurance = \$30,322
 - Total = \$107,111 / \$1,327,334

2016-2017 Proposed RSU 23 Budget

Recommended Staffing Reductions:

OOB HS

- Computer Technology (1.0 FTE)
- RtI Coordinator (1.0 FTE)
- Guidance (.5 FTE)
- Art (.5 FTE)
- Office Secretary (1.0 FTE)

PreK - 8

- Gifted/Talented Retirement (.6 FTE)
- 6th Grade Teacher Retirement (1.0 FTE)
- 7th Grade Teacher (1.0 FTE)
- Jameson Nurse replaced by CNA
- LMS Guidance Counselor (1.0 FTE)
- World Language Teacher (.4 FTE)
- RtI Ed. Tech III (1.4 FTE)

2016-2017 Proposed RSU 23 Budget (Recommended Staffing Reductions Cont'd)

Special Education:

- Ed Tech I (1.0 FTE)
- Ed Tech I (1.0 FTE)
- Ed Tech I (1.0 FTE)
- Spec. Ed Teacher @
OOBHS (1.0 FTE)
- Spec. Ed Teacher @
Jameson (1.0 FTE)

District Administration:

- Superintendent (.5 FTE)
- OOBHS Principal (.5 FTE)
- Athletic Admin (1.0 FTE)
- Operations Director (1.0 FTE)
- IT Director (1.0 FTE)

Custodial Positions:

- LMS Night Custodian (1.0FTE)
- Jameson Night Custodian

2016-2017 Proposed RSU 23 Budget

- “Hard Reality” of why we need to make these “cuts”/staff reductions:
 - To present a fiscally responsible budget that reflects a little less than a 3% increase & incorporates needed increases in operational costs
 - Need to get our personnel cost increases from year to year under control in order to insure the sustainability of our school district moving forward (keeping our school district solvent long-term). We need to realize the gravity of the situation. We are in “dire straits”. To do nothing would put our district in potential jeopardy to close our doors within 3-4 years. We are a district that has been over-staffed for a number of years now - we can’t afford to maintain the present level of staffing going forward
 - To improve our bond rating in support of moving toward a New School Construction Project within the next 2 years. Because of our high personnel costs our bond rating is not very good

2016-2017 Proposed RSU 23 Budget

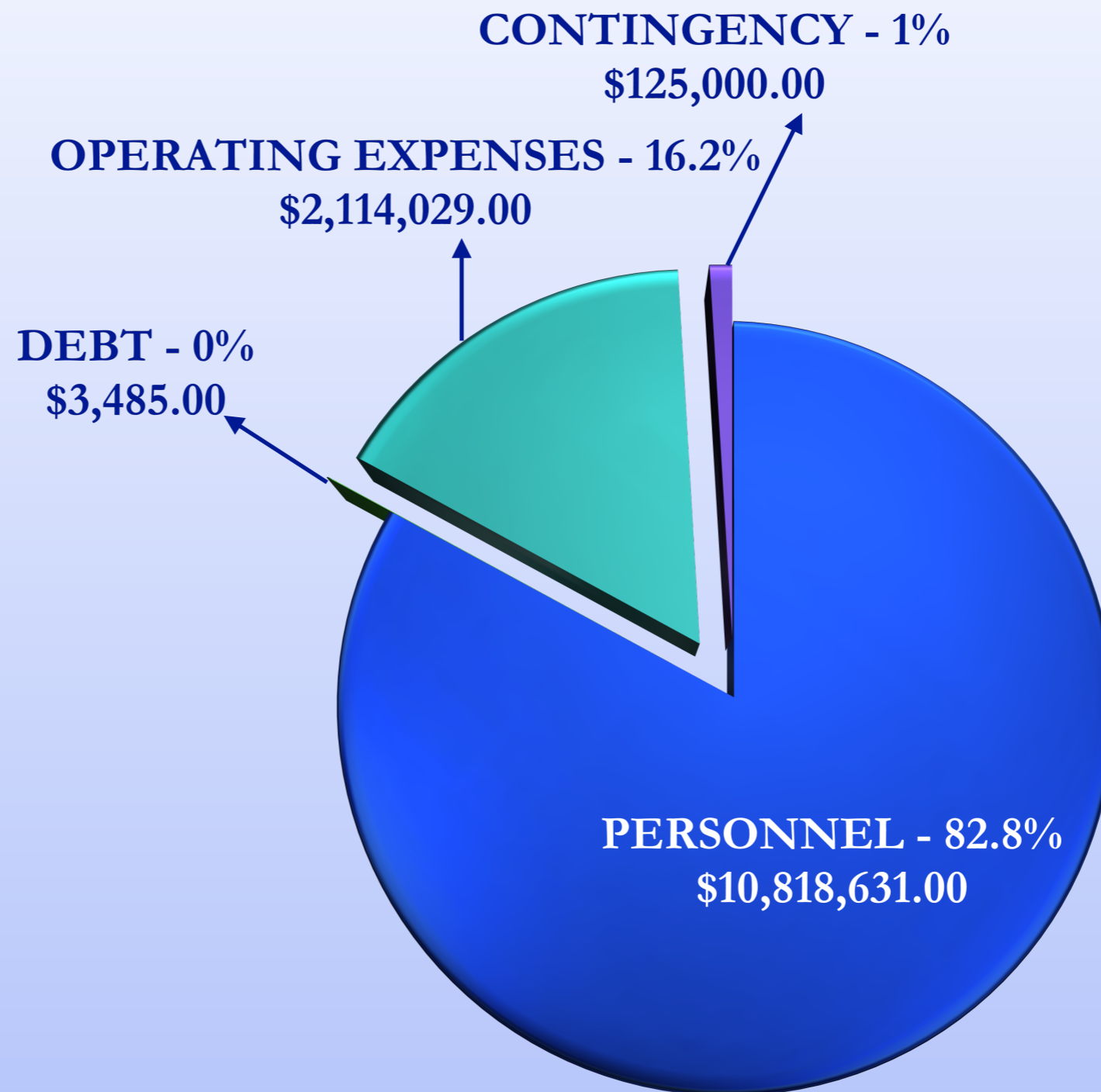
Old Orchard Beach/Saco Adult & Community Education

- Program Details:
 - Serves over 1,700 adult learners and offers over 350 courses yearly
 - 200 academic, 350 vocational, and 1,150 enrichment students
 - High School equivalency and diploma, ESL, college transitions, adult basic education, alternative education, certificate and vocational programs, information technology, career pathways, and a wide variety of enrichment courses
- Budget Overview-
 - FY17 proposed budget is \$492,917. The local contribution is \$229,605 which is split evenly between Saco and OOB.
 - Includes \$46,185 for the OOB/Saco Alternative Education Program, a collaborative effort with TA and OOB HS for serving at-risk secondary students from Saco and OOB.
 - The proposed budget reflects a 0% increase to Saco and Old Orchard beach taxpayers.

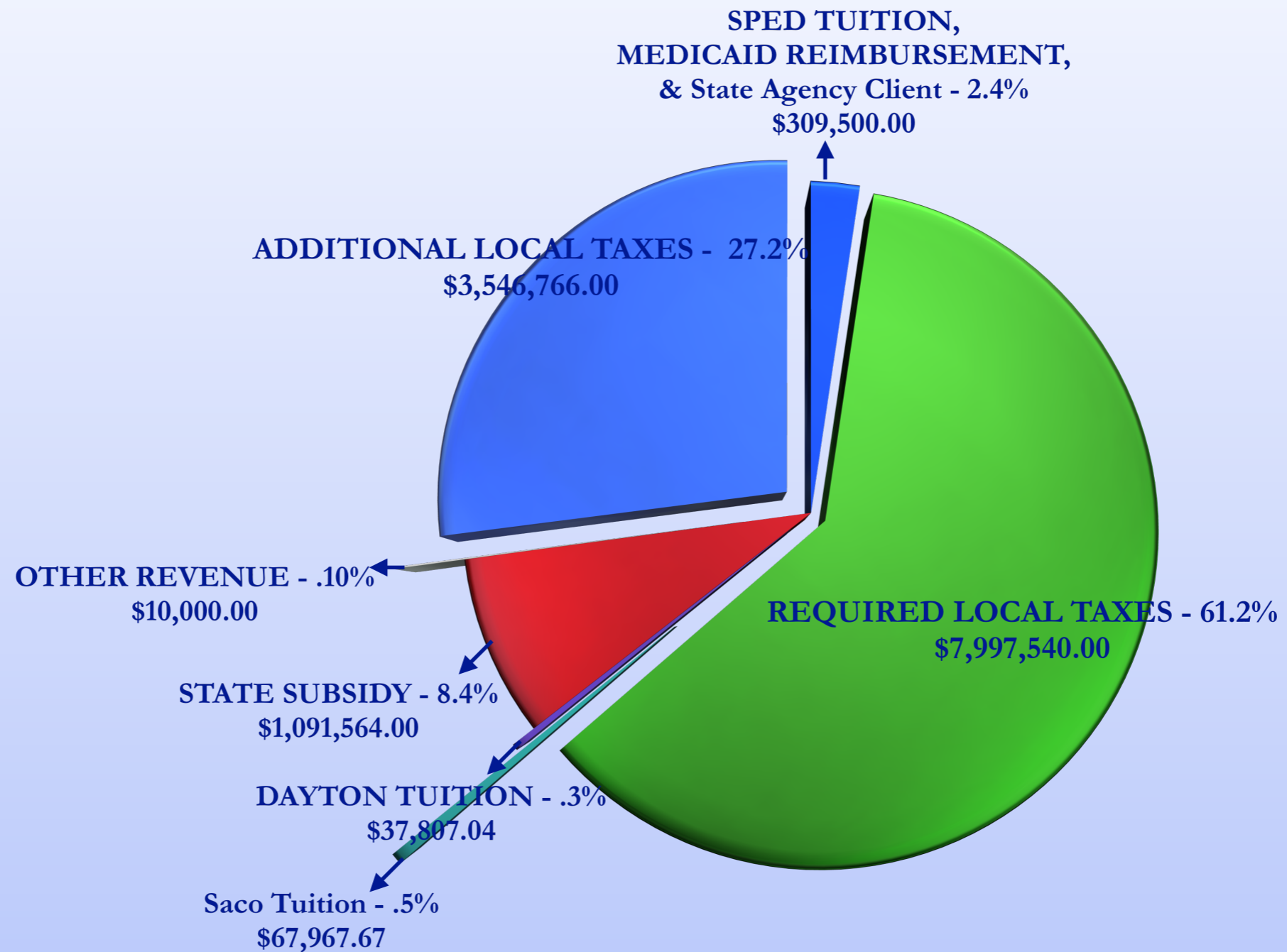
2016-2017 Proposed RSU 23 Budget Budget Tax Impact

- 2016-2017 Proposed Budget = \$13,061,145
 - Required Town Contribution = \$7,997,540
 - Additional Local Contribution = \$3,546,766
 - Total (Required & Add'l Local) = \$11,544,306
 - Add'l Local Increase over 2015-2016 = \$202,748
 - mil Rate for 2016-2017 = 7.57 vs. 7.44 in 2015-2016
 - mil Rate projected increase = .13 per \$1000
 - Impact on \$200,000 home (increase in taxes) = \$26.00
 - Represents a Tax Rate Increase of 1.79%

What Makes Up the RSU Budget (Expenditures)?



What are the RSU's Revenue Sources?



2016-2017 Proposed RSU 23 Budget

Questions?

A copy of tonight's presentation can be viewed at
www.rsu23.org

The next School Board Budget Workshop will be held on
March 22, 2016 at 6pm at the OOB HS Cafeteria