

**MSAD NO. 75  
FY 2025 BUDGET  
DISCUSSION WITH SELECT BOARDS  
AND TOWN MANAGERS**

Finance Committee Meeting

March 6, 2024



# FY 2025 MAINTENANCE-OF-EFFORT (MOE) BUDGET

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

Fiscal Year	Budget
FY 2024	\$52,674,927
FY 2025	\$55,221,493
\$ Increase	\$ 2,546,566
% Increase	4.8%

Types of MOE increase that are not new requests:

- Existing contract increases without adding services
- Utility costs rising
- Cost of services increasing (example: business office software)
- Insurance premiums

\* Does not include Adult Education



# FY 2025 MOE Budget by Warrant Article

Article	Purpose	FY 2023 Approved	FY 2024 Approved	FY 2025 MOE	\$ Change	% Change	Comment
2	Regular Instruction	\$16,576,816	\$16,889,386	\$17,925,721	\$1,036,335	6.1%	
3	Special Education	\$9,866,682	\$10,259,497	\$10,699,349	\$439,852	4.3%	
4	Career and Technical Education	\$264,934	\$390,402	\$409,922	\$19,520	5.0%	
5	Other Instruction	\$799,957	\$864,022	\$918,656	\$54,634	6.3%	
6	Student and Staff Support	\$5,200,667	\$5,668,015	\$6,033,211	\$365,196	6.4%	
7	System Administration	\$1,504,506	\$1,664,010	\$1,785,166	\$121,156	7.3%	
8	School Administration	\$2,253,631	\$2,297,455	\$2,426,338	\$128,883	5.6%	
9	Transportation and Buses	\$3,311,871	\$3,699,203	\$3,917,665	\$218,462	5.9%	
10	Facilities Maintenance	\$4,935,174	\$5,140,259	\$5,394,546	\$254,287	4.9%	
11	Debt Service/Other Commitments	\$4,392,485	\$5,406,118	\$5,410,918	\$4,800	0.1%	
12	All Other Expenditures	\$346,219	\$396,559	\$300,000	(\$96,559)	-24.3%	Food Service
<b>Total - Operating Budget</b>		<b>\$49,452,942</b>	<b>\$52,674,926</b>	<b>\$55,221,493</b>	<b>\$2,546,566</b>	<b>4.8%</b>	
18	Adult Education/Adult Voc. Educ.	\$138,833	\$141,639	\$182,901	\$41,262	29.1%	-
<b>Total - All Articles</b>		<b>\$49,591,775</b>	<b>\$52,816,566</b>	<b>\$55,404,394</b>	<b>\$2,587,828</b>	<b>4.9%</b>	

# PERSONNEL COST AND BENEFIT ASSUMPTIONS

- Salaries & benefits are about 73% of the budget
- Teacher salaries are estimated to increase of 7% with approved salary schedules and position changes.
- Salaries for administrators and support staff align to the contract.
- Health insurance assumes an increase of 5%, and dental insurance assumes an increase of 4%
- It is assumed retirement and other payroll taxes shall remain steady but calculated 2-3% increase.

Budget Category	Object Code	Budget	Budget	Proposed MOE	Change in Budget		% of entire
		FY 2023	FY 2024	FY 2025	\$	%	budget
Salaries - Teacher	1010-1018	18,300,112.30	18,561,515.20	19,861,450.47	\$1,299,935	7.0%	35.97%
Salaries - Ed Techs/Duty Aides	1020-1023	2,757,037.89	3,003,934.93	3,083,845.37	\$79,910	2.7%	5.58%
Salaries - Administrators & Supervisors	1040-1170	2,802,344.22	3,066,588.78	3,116,580.74	\$49,992	1.6%	5.64%
Salaries - Secretaries/Support	1180	903,736.48	949,496.20	1,042,108.63	\$92,612	9.8%	1.89%
Salaries - Groundskeepers & Custodians	1181-1185	1,166,132.00	1,369,317.40	1,417,373.85	\$48,056	3.5%	2.57%
Salaries - Drivers & Mechanics	1186-1188	1,270,465.00	1,475,596.77	1,630,372.66	\$154,776	10.5%	2.95%
Salaries - School Board	1190	20,000.00	20,000.00	20,000.00	\$0	0.0%	0.04%
Salaries - Substitutes	1235	535,150.00	529,325.00	531,125.00	\$1,800	0.3%	0.96%
Salaries - Additional & Overtime	1310-1380	191,096.11	217,399.00	211,149.00	(\$6,250)	-2.9%	0.38%
Salaries - Stipends	1500-1560	506,071.84	541,770.32	580,630.01	\$38,860	7.2%	1.05%
Insurance - Health	2110-2180	6,500,016.92	6,924,013.05	7,270,870.24	\$346,857	5.0%	13.17%
Insurance - Dental	2111-2181	159,932.46	167,930.88	174,648.94	\$6,718	4.0%	0.32%
Social Security/Medicare	2200-2291	662,590.75	675,489.69	689,335.18	\$13,845	2.0%	1.25%
Maine Retirement	2300-2380	791,810.62	807,646.78	851,266.12	\$43,619	5.4%	1.54%
Course Reimbursement	2510-2580	169,500.00	169,500.00	169,500.00	\$0	0.0%	0.31%
Unemployment Costs	2600-2680	20,000.00	20,000.00	20,000.00	\$0	0.0%	0.04%
Workers Compensation Insurance	2700-2780	361,900.00	361,900.00	369,138.00	\$7,238	2.0%	0.67%
Contract Services	3100-3500	807,500.00	933,600.00	944,450.00	\$10,850	1.2%	1.71%
Staff Development	3300-3400	138,045.00	144,610.00	150,180.00	\$5,570	3.9%	0.27%
Contract Services - Legal	3440, 3450	120,000.00	120,000.00	120,000.00	\$0	0.0%	0.22%
Repairs & Maintenance	4200-4320	742,526.00	799,910.00	809,874.00	\$9,964	1.2%	1.47%
Software Licenses	4330	368,285.00	381,486.00	538,850.41	\$157,364	41.3%	0.98%



Contract Services - Property	4390	121,000.00	105,000.00	126,000.00	\$21,000	20.0%	0.23%
Leases - Eqpt./Technology/Facilities	4410-4900	267,930.00	265,830.00	263,830.00	(\$2,000)	-0.8%	0.48%
Capital Maintenance Projects	4500	385,000.00	400,000.00	500,000.00	\$100,000	25.0%	0.91%
Transportation - OOD/Co-curricular	5100	39,500.00	42,000.00	82,000.00	\$40,000	95.2%	0.15%
Insurance - Property & Liability	5210-5225	169,856.00	174,952.00	234,254.01	\$59,302	33.9%	0.42%
Communications (Postage/Phone)	5310-5400	83,700.00	83,050.00	87,000.00	\$3,950	4.8%	0.16%
Printing & Copying	5500-5510	40,900.00	39,750.00	38,200.00	(\$1,550)	-3.9%	0.07%
Tuition - Out of District Placements	5630	200,000.00	200,000.00	300,000.00	\$100,000	50.0%	0.54%
Region 10 Assessment	5690	264,934.00	390,402.00	409,922.10	\$19,520	5.0%	0.74%
Staff Travel	5800	22,680.00	24,600.00	20,550.00	(\$4,050)	-16.5%	0.04%
Supplies	6000-6120	554,780.00	594,944.00	573,156.00	(\$21,788)	-3.7%	1.04%
Utilities (NG, Oil, Propane & Electricity)	4110, 6200	836,580.00	756,869.00	796,857.00	\$39,988	5.3%	1.44%
Motor Fuel	6260	265,000.00	330,000.00	330,000.00	\$0	0.0%	0.60%
Books & Periodicals	6400-6460	111,800.00	117,817.00	111,913.00	(\$5,904)	-5.0%	0.20%
Supplies - Technology & AV Materials	6500-6600	6,797.00	5,900.00	6,150.00	\$250	4.2%	0.01%
Supplies - Transportation	6700-6710	141,600.00	123,000.00	109,500.00	(\$13,500)	-11.0%	0.20%
Equipment	7301-7390	477,200.00	503,200.00	413,550.00	(\$89,650)	-17.8%	0.75%
Dues & Fees	8100-8160	124,631.00	129,640.00	149,965.00	\$20,325	15.7%	0.27%
Debt Service & Capital Leases	8310, 8320	5,486,081.00	6,532,884.00	6,548,397.00	\$15,513	0.2%	11.86%
Contingency	9000	212,500.00	217,500.00	217,500.00	\$0	0.0%	0.39%
Interfund Transfers (Food Services)	9100, 9200	346,219.00	396,559.00	300,000.00	(\$96,559)	-24.3%	0.54%
<b>TOTAL</b>		<b>\$49,452,941</b>	<b>52,674,927.00</b>	<b>55,221,492.73</b>	<b>\$2,546,566</b>	<b>4.8%</b>	<b>100.0%</b>

**Budget Without Debt Service & Capital Leases**

**\$43,966,860    \$46,582,092    48,673,095.73    \$2,091,004    4.5%**

# DEBT SERVICE COSTS

Cost		FY 2024	FY 2025	\$ Decrease
HS Bond- Principal	\$	2,943,355	\$ 2,943,355	\$0
HS Bond- Interest	\$	1,392,619	\$ 1,334,193	(\$58,426)
Roof Bond- Principal	\$	118,800	\$ 118,800	\$0
Roof Bond- Interest	\$	16,709	\$ 14,351	(\$2,358)
MAMS/EDW Bond Principal	\$	900,000	\$ 900,000	\$0
MAMS/EDW Bond Interest	\$	<u>170,145</u>	<u>\$ 233,370</u>	<u>\$63,225</u>
Total	\$	5,541,628	\$ 5,544,069	\$2,441

Interest rates for HS and Roof bonds are decreasing as expected

Newest bond increased due to not capturing the total amount in FY24, will decrease by approx. \$28k in FY26.

Maine Municipal Bond Bank - Loan Schedules  
MMBB Series 2023A

Maine School Administrative District #75 Debt Service Schedule - Project Loan					
Date	Tax-Exempt Principal	Tax-Exempt Coupon	Tax Exempt Interest	Tax-Exempt Debt Service	Annual Net Debt Service
5/18/2023					
11/1/2023	900,000.00	3.290%	125,795.25	1,025,795.25	0.00
5/1/2024	0.00		124,110.00	124,110.00	1,149,905.25
11/1/2024	900,000.00	3.300%	124,110.00	1,024,110.00	0.00
5/1/2025	0.00		109,260.00	109,260.00	1,133,370.00
11/1/2025	900,000.00	3.130%	109,260.00	1,009,260.00	0.00
5/1/2026	0.00		95,175.00	95,175.00	1,104,435.00
11/1/2026	900,000.00	3.050%	95,175.00	995,175.00	0.00
5/1/2027	0.00		81,450.00	81,450.00	1,076,625.00
11/1/2027	900,000.00	3.020%	81,450.00	981,450.00	0.00
5/1/2028	0.00		67,860.00	67,860.00	1,049,310.00
11/1/2028	900,000.00	3.010%	67,860.00	967,860.00	0.00
5/1/2029	0.00		54,315.00	54,315.00	1,022,175.00
11/1/2029	900,000.00	3.010%	54,315.00	954,315.00	0.00
5/1/2030	0.00		40,770.00	40,770.00	995,085.00
11/1/2030	900,000.00	2.990%	40,770.00	940,770.00	0.00
5/1/2031	0.00		27,315.00	27,315.00	968,085.00
11/1/2031	900,000.00	3.030%	27,315.00	927,315.00	0.00
5/1/2032	0.00		13,680.00	13,680.00	940,995.00
11/1/2032	900,000.00	3.040%	13,680.00	913,680.00	0.00
5/1/2033	0.00		0.00	0.00	913,680.00

# THINGS TO CONSIDER - WORK TO BE DONE

- Administrators have compiled a list of needs for additional resources totaling just under \$1.24M in additional personnel and non-personnel costs, excluding vehicles and buses.
- Two collective bargaining agreements are or will be negotiated and will have an impact on budget numbers.
  - Merrymeeting Employees Association (Support Staff)
  - M.S.A.D. No. 75 Principals Association
- Meetings with Administrators to discuss requests, building needs, looking differently at budgets
- How can fund balance and reserves be used?

	FY Budget	Total Budget	Use of Fund Balance	Change
FY 21		\$46,200,245	\$1,100,000	175%
FY 22		\$47,300,003	\$1,400,000	27%
FY 23		\$49,452,942	\$1,700,000	21.40%
FY 24		\$51,797,233	\$1,700,000	0%




# BEYOND THE MAINTENANCE-OF-EFFORT BUDGET- FY 2025 STATE SUBSIDY: ESSENTIAL PROGRAMS & SERVICES (EPS)

Cost	FY 2023	FY 2024	FY 2025 Prel.	\$ Difference
Total EPS Allocation (Cost of Services)	\$36,685,044	\$37,397,637	\$38,219,409	\$821,773
Less Municipal Contributions	(\$16,419,710)	(\$16,864,101)	(\$17,376,984)	(\$512,883)
Harpswell Debt Service Circuit Breaker Debt Service per 20-A MRSA § 15689 sub-section 2	\$66,034	\$25,390	\$5,462	(\$19,928)
Other Adjustments	(\$205,936)	(\$132,150)	\$0	\$132,150
<b>Total State Subsidy</b>	<b>\$20,125,432</b>	<b>\$20,426,775</b>	<b>\$20,847,887</b>	<b>\$421,112</b>
Less Debt Service Allocation	(\$3,880,810)	(\$3,830,881)	(\$3,801,650)	\$29,231
State Subsidy Excluding Debt Service	\$16,244,622	\$16,595,894	\$17,046,237	\$450,343

# FUNDING AND REVENUE SOURCES TO MEET THE FY 2025 MOE EXCLUDING ADULT ED

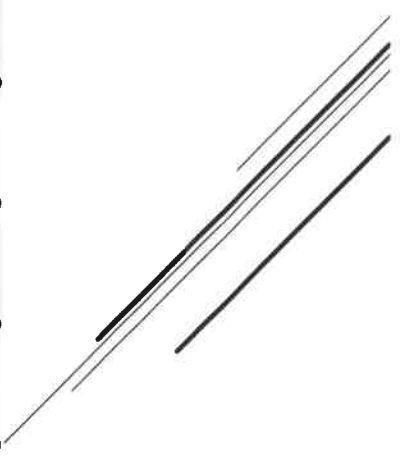
Description	FY 2024	FY 2025	\$ Increase (Decrease)	% Increase (Decrease)
State Contribution (Prel. EPS)	\$20,426,775	\$20,847,887	\$421,112	2.06%
<b>Local Share - Total</b>	<b>\$30,331,390</b>	<b>\$32,623,606</b>	<b>\$2,292,216</b>	<b>7.56%</b>
Other Revenues	\$50,000	\$50,000	\$0	0%
Fund Balance Carry-Over	\$1,700,000	\$1,700,000	\$0	0%
<b>Total Revenue</b>	<b>\$52,508,165</b>	<b>\$55,221,493</b>	<b>\$2,713,328</b>	<b>5.17%</b>

Adult Ed will add an additional \$182,901 to the total Local Share contribution

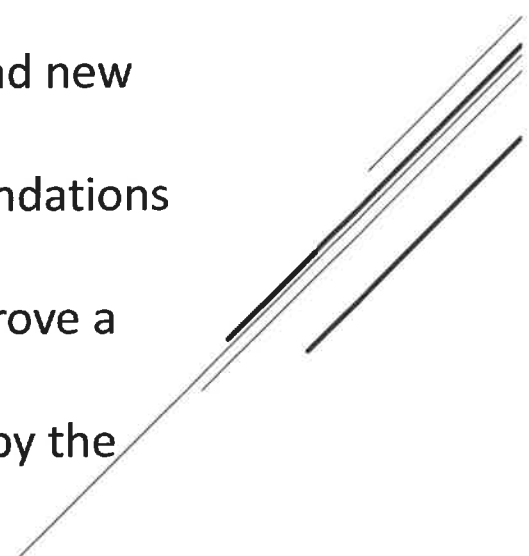


# FY 2025 MOE BUDGET – IMPACT ON LOCAL ASSESSMENTS

Town	FY 2024	FY 2025	\$ Increase	% Increase
Bowdoin	\$3,603,242	\$ 3,967,598	\$ 364,357	10.11%
Bowdoinham	\$4,083,504	\$ 4,367,262	\$ 283,758	6.95%
Harpswell	\$10,027,134	\$ 10,736,757	\$ 709,623	7.08%
Topsham	\$12,759,149	\$ 13,551,988	\$ 792,839	6.21%
Total Revenue	\$30,473,029	\$32,623,606	\$2,150,576	7.06%



# BUDGET REVIEW AND FINALIZATION TIMELINE

- Hear Region Ten budget presentation March 11<sup>th</sup>
  - The Superintendent is scheduled to make final budget recommendations at the March 11<sup>th</sup> Finance Committee meeting
    - The recommendation will include both potential reductions and new resource requests
  - Finance Committee is scheduled to make final budget recommendations to the Board at their April 3<sup>rd</sup> meeting.
  - The Board of Directors is scheduled to meet on April 11<sup>th</sup> to approve a budget for presentation to the voters.
  - The District Budget Meeting is scheduled for May 16<sup>th</sup> followed by the Budget Validation Referendum on June 11<sup>th</sup>.
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QUESTIONS?

