

ANNUAL REPORT 2009-2010

APRIL 2009

RSU 21 MISSION STATEMENT

The Mission of RSU 21 is to prepare all learners with the academic knowledge and personal skills needed to be responsible, contributing citizens in a global society.

MESSAGE FROM RSU 21 SCHOOL BOARD CHAIR

Thank you for your support of the RSU consolidation vote on November 4, 2008. The voters in Arundel, Kennebunk, and Kennebunkport chose to favor the merger by a two to one margin. The new district will focus on educational opportunities for the children and adults of the communities and on how to deliver these services in the most cost effective ways. Our goal as an educational community will be to work together in RSU 21 to be the best school system in the state.

On January 27, 2009, Arundel, Kennebunk, and Kennebunkport voters elected twelve RSU 21 board members. The Board's first meeting on February 5 marked the beginning of the official preparations for merging the Arundel School District and the MSAD 71 District for the July 1, 2009 opening. Since the consolidation vote in November, both boards have been working together to form the new district.

The whole project has been made more difficult by the weakened economy and the changing fiscal scene in Maine. As the Legislature struggles with the State budget, the school districts are receiving news of curtailments, Federal stimulus money that doesn't quite make up for the curtailment loss, further loss of General Purpose Aid, a bold new laptop program that will earmark technology money that many districts have already budgeted for other technology projects, shrinking revenue streams, and local foreclosures and layoffs.

The Finance Committees of Arundel, SAD 71, and RSU 21 worked with administrators and staff to craft the budget proposal before you. In spite of all the bad financial news, the new RSU 21 budget is brought to you at a 0% increase over last year's school budgets. The Board commends the administration and staff for their outstanding efforts to reach this budget. This newsletter and the supporting budget documents can be found at www.RSU21.net. The meetings and discussions are available through written minutes and also podcasts on the website.

The Facilities Analysis report, funded by the Maine Department of Education as part of the consolidation process, is being prepared by an independent firm and will provide the RSU 21 Facilities Committee and the Board with a complete analysis of current and projected uses of all buildings based on population, funding and costs, and other factors. The Board will use the results to discuss the district's future building needs and develop a long-range capital plan for carrying out those needs.

The Policy Committee is setting up the new district's governance structure and policies. The Human Resources Committee is preparing for contract negotiations and writing personnel policies. The Curriculum Committee will be pulled together soon to begin the important work of ensuring aligned curriculum among the schools; and a Communications Committee will be set up to improve the Board's and the District's communication with the public through website and e-newsletters along with traditional press communications.

In addition to the budget and committee work, the Board is conducting a superintendent search as Arundel's Superintendent, Mr. Alton Hadley, is retiring and MSAD 71's Interim Superintendent, Dr. Patrick Manuel, is returning to the Assistant Superintendent's position to direct curriculum. As soon as the Board has chosen candidates to interview, a community interview team will be assigned to assist with the interview process. The Board, however, will hold the final responsibility for choosing the new superintendent.

While all this work is going on, the Board is also attempting to provide ample discussion time for all the philosophical discussions about education that are needed to build a cohesive, well planned, efficiently run school district that will prepare all of our learners to be responsible contributing citizens in a global society. We cannot do this without the support, guidance, and input from our citizens. The Board looks forward to working with you, the administration and staff, and the students as we prepare to open RSU 21 on July 1. Again, thanks for your support!!

Maureen King, RSU School Board Chair

Message from the Finance Committee Chairman

Your Board and your Administrative Team are confident that this budget proposal sustains and improves our high quality of education in RSU 21 and also delivers the maximum financial relief practically possible to our RSU taxpayers in this difficult time. We remain committed to the principle of delivering the high quality education using efficient, cost effective methods. We have also worked hard to offset the highly negative impact of State tax law changes on our taxpayers, and will continue to do so in the coming years.

There is zero spending increase in this budget.

The Board would like to note that your Administrative Team and the staff of SAD71 successfully found over \$900,000 of savings in the past year in response to the Governor's demand for an immediate curtailment of State aid. While many of the cuts are things we can do only once without hurting long term education quality, we are doing what we can to respond to the recession. The Arundel staff saved about \$100,000 and has carried forward over \$360,000 from prior years' reserve funds. These are being used to reduce tax bills one time only in the 2009 – 2010 tax assessment. We will continue to work for every possible future saving that is consistent with quality education and welcome your suggestions in this continuing process.

We respectfully request that you approve this budget as submitted.

John Sharood, Finance Committee Chairman

RSU 21 SCHOOL BOARD MEMBERS	Term Ends	RSU 21 SCHOOL BOARD MEMBERS	Term Ends
Norm Archer	2011	Leia Lowery	2011
Robert M. Domine	2012	Jack F. Reetz	2012
Timothy Hussey	2012	John Sharood	2012
Maureen King	2011	James B. Smith	2010
Kevin Knight	2011	Gayle M. Asmussen Spofford	2010
Art Leblanc	2010	Pamela Richard-Wuerthner	2010

SPENDING BY MAJOR CATEGORIES FOR GENERAL FUND BUDGET

Total Costs	RSU 21 Proposed 2009/10	% of Total	Combined SAD 71 and Arundel 2008/2009	% of Total
Salaries	19,287	53%	18,954	52%
Benefits	4,825	13%	4,772	13%
Salaries and Benefits	24,112	66%	23,726	65%
Net Operating Costs	5,455	15%	5,370	15%
Capital Improvements	285	1%	581	2%
Debt & Lease Payments	3,101	9%	3,149	9%
Tuition	3,321	9%	3,681	9%
TOTAL SPENDING	36,274	100%	36,507	100%
% Increase over Prior Year	-0.6%			

DISTRICT ADMINISTRATION COST

Includes Curriculum Development, Business and Superintendent's office costs.

(This cost is included in the total above, but is shown separately below for informational purposes)

Total Costs	RSU 21 Proposed 2009/10	% of Total	Combined SAD 71 and Arundel 2008/2009	% of Total
Salaries	618		665	73%
Benefits	136		145	16%
Salaries and Benefits	754		810	88%
Net Operating Costs	119		107	12%
Total Administration Costs	873		917	100%
% Increase over Prior Year	-4.8%			

RSU 21 OVER EPS 2009/2010

The State EPS formula excludes certain important costs from the EPS calculation. This is our best estimate as to how the differences are broken out.

RSU 21	Budget	2009/2010 EPS Allowance as per State	Over EPS	% excluded
Service mandated by law, but cost artificially excluded from EPS calculation to cut state aid commitments due to state budget shortfalls.				
Special Education	6,075,560	3,691,282	2,384,278	39%
Operations & Maintenance	3,667,270	2,604,445	1,062,825	29%
Transportation	2,073,812	1,632,057	441,755	21%
Technology K-12	723,205	448,178	275,027	38%

These are areas where local York County average salary costs are higher than averages set by the State; however, RSU 21 staffing in terms of numbers of persons is close to or at State recommendations.

Regular Teaching Salaries	8,536,117	7,781,185	754,932	9%
District Administration	873,000	535,605	337,395	39%

Areas where RSU 21 chooses to invest more than the State recommends

Athletics & Extra Curricular Stipends	270,756	144,962	125,794	46%
Gifted and Talented	258,335	234,537	23,798	9%
Food Service	23,718	-	23,718	100%
Other Areas	145,029	-	145,029	100%

Total Over EPS 5,574,551

District Administration includes the activities of the Business Office, Superintendent & Curriculum Office. The State sets their allocation at \$210 per student.

Other Areas include Substitute Teachers Support, Supplies & Materials and Professional Development.

RSU Proposed Budget Snapshot

	<u>2009/2010</u>	<u>2008/2009</u>	<u>Change</u>	
Spending	\$ 33,275,379	\$ 33,452,907	\$ (177,528)	-0.5%
Debt Service	\$ 2,998,612	\$ 3,054,612	\$ (56,000)	-1.8%
Budget Total	\$ 36,273,991	\$ 36,507,519	\$ (233,528)	-0.6%
Local Revenue	\$ (259,365)	\$ (563,000)	\$ 303,635	-53.9%
Net Total	\$ 36,014,626	\$ 35,944,519	\$ 70,107	0.2%
Staff Persons	436	440	(4)	-0.9%
Students	2,776	2,818	(42)	-1.5%
Town Shares	<u>Local Tax Shares</u>	<u>Local Tax Shares</u>	<u>Difference</u>	
Arundel	\$ 3,316,943	\$ 3,639,292	\$ (322,349)	-8.9%
Kennebunk	\$ 18,444,821	\$ 18,342,718	\$ 102,103	0.6%
Kennebunkport	\$ 6,603,844	\$ 6,766,103	\$ (162,259)	-2.4%
New RSU	\$ 28,365,608	\$ 28,748,113	\$ (382,505)	-1.3%

TOTAL SCHOOL BUDGET SUMMARY

Total RSU 21 Budget Summary by State Mandated Warrant Article format

Article 1	Regular Instruction	\$15,606,490
Article 2	Special Education	6,075,560
Article 3	Career & Technical	38,208
Article 4	Other Instruction	860,587
Article 5	Student & Staff Support	2,334,150
Article 6	System Administration	1,366,863
Article 7	School Administration	1,507,251
Article 8	Transportation	2,073,812
Article 9	Facilities Maintenance	3,667,270
Article 10	Debt Service	2,720,082
Article 11	All Other Expenses	23,718
Total RSU 21 Budget		\$36,273,991

STUDENT ENROLLMENT AND STAFFING

		RSU 21 Projected 2009/10	Combined SAD 71 and Arundel 2008/2009
Student Enrollment			
Elementary	K-5	1,166	1,176
Middle School	6-8	663	680
High School	9-12	947	962
Total		<u>2,776</u>	<u>2,818</u>
Decrease from prior year		(42)	
% Decrease		-1.5%	

District enrollment has been declining modestly for several years. Current demographics suggest that the decline will continue for a few more years, then level off. Early elementary enrollment is showing signs of offsetting the expected future decrease at the high school level in three to four years. The District monitors this trend closely.

		RSU 21 Projected 2009/10	Combined SAD 71 and Arundel 2008/2009
Staffing (in FTE's)		435.9	439.9
Decrease from prior year		(4.0)	
% Decrease		-0.9%	

The District's policy is to comply with the state's recommendation within reason. The District also strives for continual improvements in support staff efficiency. The District has been able to reduce staffing levels at an equivalent rate to student decreases because of the creativity shown by District staff and administrators.

FTE = Full Time Equivalent employee

Additional local Funds

The state mandates a certain level of school spending that it deems necessary to provide the state minimum level of education "The EPS at 100% cost". Like the vast majority of towns and RSUs in Maine, RSU 21 has determined that the state minimum will not provide an adequate education.

The State legislature has determined that the State cannot afford to fund aid for education at that level, so it has reduced EPS by 3% .

State law requires RSU 21 to calculate the difference between this minimum "EPS" level and the recommended RSU budget. Voters are required to vote this sum in Article 14 of the warrant.

Total School Budget	36,273,991
EPS @ 97% per State ED 279	(28,495,770)
District Generated Revenues	(1,638,080)
Non-State Funded Debt Service as shown in Article 13	
Debt Service Total from Spreadsheet	2,965,932
State Debt Service per State ED279	<u>(2,400,342)</u>
Total Article 14	<u>5,574,551</u>

COST SHARING TEMPLATE FOR 2009/2010

<u>Categories</u>	<u>Arundel</u>	<u>Kennebunk</u>	<u>Kennebunkport</u>	<u>Total</u>	
1) State laws determine town eligibility for financial aid based upon State determined property values for each town					
<u>2008 State Property Valuation</u>	433,950,000	2,326,650,000	1,828,650,000	4,589,250,000	
%	9.46%	50.70%	39.84%	100%	
2) State laws determine town shares of State mandated education costs based upon the State's count of pupils by town					
<u>Average Pupil Count</u>	633.0	1,749.5	449.0	2,831.5	
%	22.36%	61.78%	15.86%	100%	
3) Old SAD 71 debt service is shared via the prior SAD 71 charter formula between Kennebunk and Kennebunkport only					
Kennebunk/Kennebunkport Original Charter Formula (70% Valuation & 30% Pupil)					
Value		2,326,650,000	1,828,650,000	4,155,300,000	
		55.99%	44.01%	100.00%	
Pupils		1,749.5	449.0	2,198.5	
		79.58%	20.42%	100.00%	
2009/2010 Charter %		63.07%	36.93%		
4) Finally, all other local costs for education are shared via the formula agreed by the RSU voters in the RSU formation plan					
<u>RSU Formula</u>					
For Distributing Additional Local Costs (60% Valuation & 40% Pupils)	V P	433,950,000	2,326,650,000	1,828,650,000	4,589,250,000
		9.46%	50.70%	39.84%	100%
		633.0	1,749.5	449.0	2,831.5
		22.36%	61.78%	15.86%	100%
2009/2010 Formula %		14.62%	55.13%	30.25%	100%

RSU 21 BUDGET AND COST SHARING BY TOWN

	<u>Arundel</u>	<u>Kennebunk</u>	<u>Kennebunkport</u>	<u>Total</u>
Steps to sum up Total Budget				
Cost To Raise locally for State mandated EPS costs	\$2,764,262	\$14,820,761	\$4,622,729	\$22,207,751
Plus Costs covered by Federal Stimulus aid	488,162	505,654	0	993,816
Plus Costs covered by State aid	2,600,512	2,693,690	0	5,294,202
Net State and Federal Aid	3,088,674	3,199,344	0	6,288,018
Equals Article 12				
Sum of local Spending before local revenues or debts	<u>5,852,936</u>	<u>18,020,104</u>	<u>4,622,729</u>	<u>28,495,769</u>
Plus Part of Article 14				
Local costs shared on RSU formula	1,013,682	3,823,813	2,098,057	6,935,552
Plus Article 13 Local Debt Service Costs	-	367,878	215,428	583,306
Plus Costs Covered by Local Revenues	37,919	142,988	78,458	259,365
Equals Article 15 Gross Budget to be Voted	<u>\$6,904,537</u>	<u>\$22,354,783</u>	<u>\$7,014,672</u>	<u>\$36,273,992</u>
Steps to Calculate Local Tax assessment				
Less Costs covered by Federal Stimulus aid	(488,162)	(505,654)	0	(993,816)
Less Costs covered by State aid	(2,600,512)	(2,693,690)	0	(5,294,202)
Net State and Federal Aid	(3,088,674)	(3,199,344)	0	(6,288,018)
Less Local Revenues	(37,919)	(142,988)	(78,458)	(259,365)
Less other part of Article 14				
Savings from prior year district/town budgets	(461,000)	(567,630)	(332,370)	(1,361,000)
Equals Net local assessment 2009/2010	<u>\$3,316,944</u>	<u>\$18,444,822</u>	<u>\$6,603,844</u>	<u>\$28,365,609</u>

**WARRANT TO CALL REGIONAL SCHOOL UNIT 21
BUDGET MEETING
(20-A M.R.S.A. §1305-A)**

TO: Dawn Pooler, a resident of Regional School Unit 21 composed of the Towns of Kennebunk, Kennebunkport and Arundel, State of Maine.

In the name of the State of Maine, you are hereby required to notify the voters of each of the municipalities within Regional School Unit 21, namely, the Towns of Kennebunk, Kennebunkport and Arundel, that a District Budget Meeting will be held at Kennebunk High School Gymnasium, 89 Fletcher Street, Kennebunk, Maine at 7:00 p.m. on May 5, 2009, for the purpose of determining the Budget Meeting articles set forth below.

ARTICLE 1A: To elect a moderator to preside at the meeting.

**ARTICLES 1 THROUGH 11 AUTHORIZE EXPENDITURES IN COST
CENTER CATEGORIES**

ARTICLE 1: Shall the Regional School Unit be authorized to expend \$15,606,490.00 for Regular Instruction?

ARTICLE 2: Shall the Regional School Unit be authorized to expend \$6,075,560.00 for Special Education?

ARTICLE 3: Shall the Regional School Unit be authorized to expend \$38,208.00 for Career and Technical Education?

ARTICLE 4: Shall the Regional School Unit be authorized to expend \$860,587.00 for Other Instruction?

ARTICLE 5: Shall the Regional School Unit be authorized to expend \$2,334,150.00 for Student and Staff Support?

ARTICLE 6: Shall the Regional School Unit be authorized to expend \$1,366,863.00 for System Administration?

ARTICLE 7: Shall the Regional School Unit be authorized to expend \$1,507,251.00 for School Administration?

ARTICLE 8: Shall the Regional School Unit be authorized to expend \$2,073,812.00 for Transportation and Buses?

ARTICLE 9: Shall the Regional School Unit be authorized to expend \$3,667,270.00 for Facilities Maintenance?

ARTICLE 10: Shall the Regional School Unit be authorized to expend \$2,720,082.00 for Debt Service and Other Commitments?

ARTICLE 11: Shall the Regional School Unit be authorized to expend \$23,718.00 for All Other Expenditures?

**ARTICLES 12 THROUGH 14 RAISE FUNDS FOR THE
PROPOSED SCHOOL BUDGET**

ARTICLE 12: Shall the Regional School Unit appropriate \$28,495,769.51 for the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and shall the Regional School Unit raise and assess the amounts set forth below as each municipality's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act in accordance with the Maine Revised Statutes, Title 20-A, section 15688?

Total Appropriated (by municipality):

Town of Arundel: \$ 5,852,654.32

Town of Kennebunk: \$ 18,020,386.00

Town of Kennebunkport: \$ 4,622,729.19

**School Regional School Unit Total
Appropriated:**

(Sum of above) \$28,495,769.51

Total raised (and Regional School Unit assessments by municipality):

Town of Arundel: \$ 2,764,261.50

Town of Kennebunk: \$ 14,820,760.50

Town of Kennebunkport: \$4,622,729.19

**School Regional School Unit
Total Raised:**

(Sum of above) \$22,207,751.19

Explanation: The Regional School Unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act is the amount of money determined by state law to be the minimum amount that the Regional School Unit must raise and assess in order to receive the full amount of state dollars.

ARTICLE 13: Shall the Regional School Unit raise and appropriate \$565,590.00 for the annual payments on debt service previously approved by the Regional School Unit voters for non-state-funded school construction projects, non-state-funded portions of school construction projects and minor capital projects in addition to the funds appropriated as the local share of the Regional School Unit's contribution to the total cost of funding public education from kindergarten to grade 12?

Explanation: Non-state-funded debt service is the amount of money needed for the annual payments on the Regional School Unit's long-term debt for major capital school construction projects and minor capital renovation projects that are not approved for state subsidy. The bonding of this long-term debt was previously approved by the Regional School Unit voters.

ARTICLE 14: (Written ballot required). Shall the Regional School Unit raise and appropriate \$5,574,551.00 in additional local funds which exceeds the State's Essential Programs and Services allocation model by \$4,940,410.00 as required to fund the budget recommended by the Regional School Unit Board?

The Regional School Unit Board recommends \$5,574,551.00 for additional local funds and gives the following reasons for exceeding the State's Essential Programs and Services funding model by \$4,940,410.00: **\$23,718.00 represents local costs of the food service program and the balance of \$5,550,833.00 represents local costs to support the Region's school programs that are not included in the state's funding model including costs for special education programming, transportation, co-curricular and extra-curricular programs and teacher salaries.**

Explanation: The additional local funds are those locally raised funds over and above the Regional School Unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act and local amounts raised for the annual payment on non-state funded debt service that will help achieve the Regional School Unit budget for educational programs.

ARTICLE 15 SUMMARIZES THE PROPOSED SCHOOL BUDGET

ARTICLE 15: Shall the Regional School Unit authorize the Regional School Unit Board to expend \$36,273,991.00 for the fiscal year beginning July 1, 2009 and ending June 30, 2010 from the Regional School Unit's contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act, non-state-funded school construction projects, additional local funds for school purposes under the Maine Revised Statutes, Title 20-A, section 15690, unexpended balances, tuition receipts, state subsidy and other receipts for the support of schools?

ARTICLE 16 AUTHORIZES THE ADULT EDUCATION PROGRAM AND RAISES THE LOCAL SHARE

ARTICLE 16: Shall Regional School Unit No. 21 appropriate \$99,736.00 for adult education and raise \$53,121.00 as the local share; with authorization to expend any additional, incidental, or miscellaneous receipts in the interest and for the well-being of the adult education program?

ARTICLE 17 AUTHORIZES A TRANSFER TO THE CAPITAL RESERVE FUND

ARTICLE 17: Shall the Regional School Unit Board be authorized to transfer up to 25% from unexpended balances, if any, at the end of the 2008-2009 fiscal year to the School Capital Reserve Fund provided that the final determination of the amounts to be transferred will be made after review of the audits for that fiscal year and further provided that said funds may only be expended upon express authorization of the Regional School Unit voters?

ARTICLE 18 AUTHORIZES EXPENDITURE OF GRANTS AND OTHER RECEIPTS

ARTICLE 18: Shall the Regional School Unit Board be authorized to expend such other sums as may be received from federal or state grants or programs or other sources during the fiscal year for school purposes provided that such grants, programs or other sources do not require the expenditure of other funds not previously appropriated?

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Regional School Unit 21

This year, the school budget approval process will be different due to changes in state law. The budget validation process will now be a two-step process.

The first step is on **Tuesday, May 5, 2009**. There will be a RSU 21 Budget Meeting held in the high school gym at 7:00 p.m. During this meeting, eighteen Budget Warrants will be decided. Those registered voters of Kennebunk, Kennebunkport and Arundel in attendance will have the opportunity to discuss and ultimately vote on each of these budget warrants. Babysitting will be available in the high school cafeteria.

The second step, on **Tuesday, May 19, 2009**, will be the Budget Validation Referendum. Registered voters of each community will have the opportunity to vote at their respective polling locations on ONE QUESTION. That one question is:

**“SHALL THE 2009-2010 SCHOOL BUDGET ADOPTED AT THE DISTRICT
BUDGET MEETING ON MAY 5, 2009 BE APPROVED?”**

Each of these dates is important. During the budget meeting on May 5, changes could be made to the budget. At the end of the meeting, the final amounts will be set. The Budget Validation Referendum on May 19 will decide if the final numbers will be approved. Please take the time to attend the RSU 21 Budget Meeting on May 5, and to vote on the Budget Validation Referendum on May 19.

RSU 21 BUDGET MEETING: May 5, 2009-Kennebunk High School Gym-7:00 p.m.

**Referendum—May 19, 2009:
Kennebunk—Town Hall
Kennebunkport—Village Fire Station
Arundel—Fire Station
8:00 am to 8:00 pm**