



Finance Subcommittee Report

Date: December 15, 2016
Committee: Finance Committee
Chair: John Morang
In attendance: Kate Brown, Michelle Ritcheson and Dr. Becky Foley
Guests: Mark Eastman, Michelle Lickteig
Meeting Date: December 15, 2016

Agenda Items and Discussion:

Review of Cost Sharing Formula:

Mark Eastman handed out portions of the current agreement for RSU5 and talked about what the current agreement states about cost sharing, how often the agreement should be reviewed and explained RSU5's agreement has a combination of pupil and state valuations in order to compute the sharing of costs. After reviewing the ED279 and doing comparison calculations, it was Mark's opinion the committee that drafted the agreement put great effort and enormous thought into the sharing of costs to make it equitable. See comparison below.

Review of ED279:

Mark Eastman handed out the ED279 and explained the calculations MDOE does to get to the EPS state funded amount. He went through line by line and answered questions as he went along. This gave a better insight to how MDOE looks at student to staff ratios versus how our schools actually operate. Michelle Lickteig pointed out that it's much harder to accommodate the ratios MDOE thinks is appropriate when you have more than one building servicing the same grade levels. MDOE doesn't take multiple building locations into account in their calculations. After this review, calculations were done for cost sharing based on pupils alone, state valuation alone and those were compared to the current agreement. See the comparisons below.

Update on Audit:

Mark was notified that a draft would be available for review by Friday, December 17, 2016.

Next Meeting:

January 11, 2017

Comparison:

	Current	Pupil Only	State Valuation	50/50 (pupil/state valuation)
Durham	21.42%	31.53%	18.36%	24.97%
Freeport	65.98%	58.47%	71.37%	64.93%
Pownal	12.60%	10.00%	10.27%	10.10%

Submitted by: Michelle Lickteig, Director of Finance