



Finance Subcommittee Report

Date: April 11, 2018

Committee: Finance Committee

Chair: Kate Brown

In attendance: Kate Brown, John Morang, Michelle Ritcheson, Michelle Lickteig

Guests: Peter Joseph, Jessica Maloy, Dr. Becky Foley, John Egan, Eric Horne, Kevin Nadeau, Sarah Tracy, Jon Morris, George Anderson, and Tim Giddinge,

Meeting Date: April 4, 2018

Agenda Items and Discussion:

Talk about current cost sharing formula

Michelle L. shared with the everyone the current cost sharing formula. She stated that the RSU currently receives revenue from three sources. One is State Subsidy, one is miscellaneous income from things like MaineCare billing for providing services to students within the classroom and the final is through taxes. Under the “taxes” bucket, there are two types of taxes. One is called the “Required Local Contribution.” This is what the state says each town MUST raise in taxes for education based on what the state gives each town for valuation (known as State Valuation). The second is called “Additional Local Contribution.” This is the amount of tax to be raised to cover the difference that all of the other revenue does not cover for expenditures of the school budget. This Additional Local Contribution is the only part of the revenue that is subject to the cost sharing formula. This represents about 20% of the total revenue for RSU 5 education. The cost sharing formula was agreed to by the towns during the formation of the RSU and was based on what the EPS (Essential Programs & Services) funding was for each town at the time of the formation of the RSU. EPS is how the state determines the state subsidy of each town.

Talk about other cost sharing formulas

Michelle L then shared the document that the RSU’s attorney shared at a Board meeting in December 2017 about alternate funding formulas used throughout the state as well as different combinations of similar formulas. Michelle L also shared those same formulas with the FY 2018-2019 numbers now that the most recent ED279 has come out. All agreed they would like time to digest the information and come back with any questions at the next meeting.

Discuss next steps

The group discussed next steps including making a list of information each town would gather for informational purposes at future meetings. It was determined that the meeting that was to be held April 12, 2018 would be too soon and several would have to miss that meeting anyway. So, a new meeting was rescheduled for May 7, 2018 from 5:30-7p at the Freeport High School library. The towns will bring the information they have gathered at this next meeting. All were in agreement that thoughtful consideration and time should be taken in determining any changes to the cost sharing formula but would like to have something in place for the next budget of FY 2019-2020.

Next Meeting:

May 7, 2018 at 5:30p at Freeport High School Library

Submitted by: Michelle Lickteig, Director of Finance