

RSU 14 Changes in Cost Sharing Formula

PLEASE VOTE

A Regional School Unit Meeting will be held at Windham High School Auditorium, 406 Gray Road, Windham, Maine at 5:30 P.M. on Wednesday, March 25, 2015. The purpose of this meeting is to explain the changes in the cost sharing formula that exists between Windham and Raymond with regards to education expenses – and also to change the method of handling capital costs. A hands vote will be taken at 6:00PM to approve or disapprove the new formula. Therefore, attendance by Raymond taxpayers and voters is very important and your attendance is strongly encouraged.

Explanation

The Raymond-Windham School unit – RSU 14 - has made some significant changes in the cost sharing formula and also the allocation of capital costs. The cost sharing formula addresses the difference between the State of Maine Essential Programs and Services requirements and the RSU actual costs - estimated to be approximately 4 million dollars in the 2015/2016 budget year. The Raymond share of this re-allocation will decrease from 45% in FY2015 to 36% in FY 2018. This re-allocation of costs is projected to save the Town of Raymond's taxpayers approximately \$231,000.00 over the three year period. This is a definite advantage to Raymond taxpayers.

Additionally, the sharing of capital expenses outside the RSU funding authorized by The State of Maine will be borne by the individual community that creates the capital expense. Any new construction involving a change in a building footprint is a capital expense. Any other maintenance/repair costs will be shared.

Text of Formula

“” Each member municipality shall be responsible for its percentage share of additional local funds and adult education costs raised by the RSU, and shall receive the benefit of any balance forward from the prior year applied to the RSU's annual budget, calculated on the basis of each member municipality's valuation over the past three years (i.e., fiscal capacity, as currently provided annually to RSU 14 on the Maine Department of Education's Form ED 279); provided, however, that this cost sharing method shall be phased in over a three year period by providing that all such costs shall be allocated to each member municipality for FY 2016, FY 2017, and FY 2018 as follows:

	2016	2017	2018
Raymond	42%	39%	36%
Windham	58%	61%	64%

This local cost sharing formula applies only to the amount, if any, of additional local funds and adult education costs raised by the RSU. It does not apply to the required local contributions raised by each municipality pursuant to 20-A M.R.S.A. § 15688. The Town of Raymond will contribute to the debt service for Windham High School issued prior to the formation of the RSU, pro-rata, based on the prior 2-year average enrollment of students from Raymond in Windham High School. Otherwise, the bonds, notes and lease-purchase agreements issued by the Raymond and Windham SAUs before the operative date shall not be assumed by the RSU.

All future local-only debt service for major capital costs shall be allocated to the member municipality in which the school facilities for which the obligation is incurred are located, provided, however, that a pro rata adjustment shall be made based on the prior 2-year average enrollment of students from the other member municipality attending the school at which the school facilities for which the obligation is incurred are located. "Major capital costs" shall have the meaning ascribed by section 15672 (18- A) of Title 20-A of the Maine Statutes as amended.

Additionally, notwithstanding the foregoing, expenditures for major capital costs, not funded by issuance of RSU debt , shall be allocated as costs to the member municipality in which the school facilities are located, in the same manner as local only debt service, with the same pro-rata adjustment."''