

**CAPE ELIZABETH SCHOOLS
SUPERINTENDENT'S PROPOSED BUDGET FY2011**

OVERVIEW:

Over the next six weeks, the CE School Board will review a spectrum of options for the FY 2011 School Budget as presented by Superintendent Alan Hawkins on Tuesday, March 9, 2010. The options under consideration include a 0.00% tax increase from FY 2010 (**Scenario A**) that would require significant cuts to programs and services, a budget that maintains current service levels (**Scenario C**) with reductions based on a variety of factors and would require a property tax increase of 5% (roughly \$159 a year for a median home of \$253,800 in Cape Elizabeth), and a third option which reflects a midpoint budget (**Scenario B**) that includes expenditure cuts and a tax increase.

The CE School Board review will be focused on ensuring that CE schools meet the learning needs of all CE students through quality educational programs instructed by an experienced, qualified teaching staff and administrators. The School Board will also focus on protecting the community's investment in its schools.

All of the budget options presented will maintain Cape Elizabeth's cost efficient status within Maine's School Consolidation laws, enabling CE schools to remain locally independent. In addition, they each maintain all state and federal mandated services and their related costs.

	FY 2010	FY 2011	\$/# CHANGE	% CHANGE
TOTAL BUDGET	\$20,005,086	Scenario A: \$20,150,094 Scenario B: \$20,571,907 Scenario C: \$20,992,799	\$145,008 \$566,821 \$987,713	0.72% 2.83% 4.94%
STATE REVENUE ALLOCATION	\$2,571,272	\$2,823,784	\$252,512	9.82%
TOTAL STUDENT POPULATION	1,708	1,687	-21	-1.2%
TOTAL NON-PROPERTY TAX REVENUES	\$3,259,082	\$3,283,784	\$24,702	0.76%
SCHOOL TAX MILL RATE	\$12.54	Scenario A: \$12.54 Scenario B: \$12.85 Scenario C: \$13.17	\$0.00 +\$0.31 +\$0.63	0.00% 2.50% 5.00%
CE MEDIAN HOME TAX IMPACT	\$3,182.65 Total Annual Property Tax	Scenario A: \$3,182.65* Scenario B: \$3,262.25* Scenario C: \$3,341.67*	\$0.00 /year +\$79.60/year +\$159.02/year	0.00% 2.50% 5.00%

(*Reflects the \$ change on the taxes on that median home (\$3,182.65) based on projected dollar changes in tax impact above.)

The most significant factors, driving the total budget changes from FY 2010 are increases in uncontrollable and controlled expenses combined with some noted declines in revenues. These are identified below.

MAJOR EXPENSE INCREASES FROM FY2010 (some are uncontrollable):

CONTRACTUAL SALARY AND BENEFIT INCREASES	+\$515,113
NET ENERGY COSTS	+\$27,300
REQUIRED OUT OF DISTRICT TUITION EXPENSE	+\$63,000
LEGAL SERVICES RELATED TO REQUIRED SERVICES	+\$42,000
NET CHANGE	+\$647,413

Based on current negotiated contracts, salaries and benefit increases will total \$515,113. Within that number, health insurance costs will increase by 2%. Heating oil is budgeted at \$2.50 per gallon, an increase of \$64,800, and electricity costs are expected to decrease by \$37,500 due to energy conservation efforts, netting energy cost increases of \$27,300. Federal and state mandated services are causing anticipated increased expenses in out of district tuition costs and increased legal services.

MAJOR REVENUE DECREASES FROM FY 2010:

MEDICAID REIMBURSEMENT	(\$29,810)
TOWN UNDESIGNATED FUNDS	(\$200,000)
NET CHANGE	(\$229,810)

School revenues include State General Purpose Aid (GPA) to Education funds, current federal ARRA funds, Medicaid reimbursements, along with some miscellaneous revenues. State GPA will increase by \$252,512 or 9.82% in FY 2011 primarily due to reductions in Cape Elizabeth state property valuations compared to average state levels. Town undesignated funds provided in FY 2010 will not be available and Medicaid funds are expected to decline. There is also an increase of \$2000 in high school activity fees. All other revenue is expected to be flat. Donations from the CE Educational Foundation, the Parent Associations at each of the schools also help to supplement school programs. In recent years, the contributions from parents (either in the way of donations, booster fees, or fees imposed for extra-curricular activities) have resulted in several hundred thousand dollars of revenues for the schools.

MAJOR IMPLICATIONS:

Achieving a 0% tax increase from FY 2010 would potentially require the loss of 12.85 FTE positions for a savings of \$701,375 (includes salaries and benefit packages). Additionally, school families will see an increase in High School athletic fees that are currently \$125 per year. Routine maintenance such as repair of a Middle School/Pond Cove divider wall in the cafetorium and repair of tile work at the High School will be postponed. Some staff development expenses will be decreased.

Finally, school undesignated funds have declined significantly and should be rebuilt to recognize the likely need to repair or replace the High School boilers and the anticipated loss of \$905,058 in federal ARRA dollars for FY 2011.

WHERE TO LEARN MORE AND SHARE YOUR THOUGHTS:

Workshops. There will be two School Board Workshops: the first on Monday March 15 and the second on Thursday, March 18. If you are unable to attend, both workshops will be videotaped and broadcast on CETV in subsequent weeks.

Public Meeting. This year, a Public Meeting will be held on Tuesday, March 30 starting at 7PM in the **High School Cafeteria** with school department leadership and School Board members prior to the School Board adoption of the budget. The public will be able to hear from Superintendent Hawkins about the budget options presented and to ask clarifying questions.

Website Updates. In addition, the Town and School’s websites will provide all budget documents and background information for the public. Individuals may add their email addresses to an “Interested Parties” list if they wish to be kept updated periodically on the review progress by the School Board.

Email. The public may email members of the School Board regarding the budget through the Town Website at any time.