

RSU 18 Budget Workshops
This Tuesday and Wednesday (3/28 and 3/29)
6PM Messalonskee Middle School Oakland

Parents, voters & concerned real estate tax payers, I encourage you to attend these budget workshops. This is your opportunity to impact the RSU 18 2017/18 budget.

The Good news:

Our goal is to be sure our Rome students get the best educational start in life we can afford. Further the School Board aspires to have RSU 18 set the standard of excellence for public school education in Maine. While we still have a good distance to go to get there, we are making progress. For example:

1. Our Math Counts team finished very well recently in the State. I believe RSU 18, in this case, set the standard of academic excellence for public school education in Maine. A special congratulations to Taryn Drolet, a grade 8 student at Messalonskee Middle School. Taryn took 2nd place at the State MathCounts Championship and will move on to represent Maine in the Nationals in Orlando, FL!
2. Our graduation rate is 94%. This is well above the 84% rate when the RSU was formed and **significantly** above the Maine State rate and the national rate.
3. Our high school dropout rate is 2.7% well below the State and National rates.
4. The District got a \$31,530.00 reimbursement check from Efficiency Maine for the good work it has done in making our facilities more energy efficient.
5. The RSU was awarded \$255,000 in State “revolving renovation” loans to make structural and safety upgrades to three of our schools including Belgrade Central. These are a good thing since ultimately the State “forgives” 44% of the loan. This means the State is essentially handing us \$112,200.00
6. In our 2017/18 budget (being developed) we are allocating 45.17% of the budget to “regular instruction.” That means money actually going to teaching. This is better than the State average of 40.76%.
7. Our “System and School Administration” portion of the budget is just 5.68% of the budget versus a State average of 8.41%. **So we are devoting more of the budget to teaching and less to administration than the Maine State average!**
8. And our girl’s basket team took **first in the State** and the boy’s came in second!

The not quite as good news:

1. It appears the **State may reduce its funding** to our school district by \$774,695.89 versus last year. This is not known for sure but may happen. That would mean that the tax payers would have to make up 2.15% of the budget’s “lost” revenue.
2. Our food service operation has been caught in a bind of increased Federal food specifications, increased numbers of “free and reduced” meals we are serving, and a “capped” State and Federal compensation and reimbursement system. The net result is that the **food service has been operating at a substantial loss** for years.
 - a. Our auditors have told us this cannot continue and we need to make up the loss.

- b. The food service operation is projected this year to be cumulatively about ½ a million dollars in debt. That must somehow be made up.
 - c. We, the Board, have approved a very modest lunch price increase but the service will continue to lose money given the Federal and State constraints.
 - d. As a result the shortfall will fall to us, the tax payers, to makeup. This year that will be approximately \$50,000 in additional funds needed from us all.
 - e. In order to retire this substantial unfunded debt the tax payer contribution amount is projected to rise over time to an ultimate value of \$275,000 per year (10 years from now).
3. We continue to absorb an ever greater portion of the **teacher retirement fund obligations**. These were in the past covered by the state however that cost has been systematically transferred to the local school districts. This year we pick up another \$100,370.00.
 4. **Health care costs** for our employees continue to rise. This year (despite our very successful “wellness Program”) those premiums will go up \$265,937.80 (5.75% increase).
 5. Our **special needs student population** has risen. This year it is up 10% to >480 students (roughly 16% of our total school population). This has resulted in an 8.83 % increase in that budget line item.
 6. In addition each of our **school buildings** is in need to attention. These are older buildings that have served us all well, but just like your home and car, they need attention and maintenance. And just like your home and car, because these schools house our children, it is critically important that we take care with their health and safety.
 - a. For this reason the Board just approved the preparation of applications for several addition projects from the State “Revolving renovation Fund.”
 - b. However even that is inadequate. As our Community Facilities Committee has determined that we have a substantial (>\$25M) amount of remedial investment we need to make in these wonderful schools – and we have not yet addressed that topic fully.
 7. And for sure our **school scores on various standardized tests** are not where we want them to be. We are not yet “setting the standard of excellence for public school education in Maine.” We are improving but we, to quote Robert Frost, have “miles to go before we sleep!”

The bottom line:

We are doing better for those important young men and women of Rome who are under our collective stewardship. But it is costing us more.

My rough calculations from the first draft expense and revenue budget the Superintendent presented last week suggests that the Rome Tax payer contribution will increase 5.23% versus last year despite a steadily declining Rome school population.

So is it worth it? Should you support this school district? My perspective:

1. We in Rome are getting a great deal. We are paying \$15,668.89/student in Rome for their education. Consider:

- a. The Maine average private school tuition is \$21,576!
- b. A large portion of our school taxes are paid by nonresidents. Regrettably I don't have an exact figure as to what portion of our taxes are paid by non-Rome residents. I have heard numbers ranging from 50% to 85%. The table below shows, using these figures and how much we, the residents actually pay per student.

Tuition paid by Rome residents

Estimated nonresident % Contribution to our total taxes	Resident effective per student tuition
50%	\$7834
85%	\$2350

- 2. These are very low tuition figures. **This education is, for us, a great deal!**
- 3. Consider the impact on the children under our stewardship, and the potential impact on our town of getting these young men and women an excellent academic start in life.
 - a. If we assume, for an average education, each of them earns \$50,000/yr. for their 40 year career then their total earnings would be \$2M.
 - b. If however we help them to get an excellent education, the best in Maine, it would be reasonable to expect their average earnings would be \$100,000/yr. That would yield life time earnings of \$4,000,000 – a doubling of their earnings!
 - c. And indeed some of them would likely do much better! Remember, you don't have to be faster than the bear, just faster than the other guy!
 - d. And for sure they will remember that great place they lived (and grew up) and want to return, with their children – to live or just for the summer. But they will return! And they will bring business (their money, or even their own businesses) with them.
 - i. Think big – yes we could be the home of the next Microsoft, Google, Twitter, PayPal, SpaceX, credit card call center, server hub, Amazon warehouse, ...
 - ii. It can happen. There is no special reason why it cannot happen here!
 - iii. There is a special reason why it can – those 117 scholars under our care!
 - e. In fact our 117 scholars in Rome represent \$500M in life time earning potential (or more!). This is serious money. These are serious people. They deserve our serious attention and for sure it is well worth it for us to make a serious investment in their future.
- 4. Candidly, and this may surprise you, I think we are significantly underspending on their education. That is one of the reasons why the Town voted recently to form an "Academic Options Committee." We want to look at the situation, the cost and the academic result and see if we can do even better for these young men and women.

Do I think we should cover for the State's reduction in funding? **For sure.**

Do I think we need to fund the food program, especially for those who are in need? **Absolutely.**

Do I think we need to make safety and structural investments in our schools? **Unequivocally.**

Do I think we can and must do better academically? **Resolutely.**

Do I think each of us, the adults responsible for these young men and women, will be rewarded in the many years ahead for our attention to their future? **No question.**

It is the right thing for us to do, for them, for us and most importantly for our little town – Rome a great place to grow up and live!

In any event I hope you can come to the budget workshops. We need to hear your voice. There are always those who wish to cut a dollar here and 50 cents there. There are a very few who can see the bigger picture and longer term impact for our town. And they almost never speak up! Regardless of your perspective, your insight and voice is much needed.

See you there!

Yours in helping RSU 18 set the standard of excellence for public school education in Maine

Your School Board Director

Dr. Andrew Cook
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