

From the Superintendent - Mike Wilhelm

This has been a very difficult year financially for all of us. With gasoline and heating fuel prices rising, as well as staples like bread and milk, we all have had to make changes in our spending to adjust. School systems are not immune to these factors. Our Student Lunch Program, once self-sufficient, can no longer pay for the food and its preparation with what our students pay for a lunch. Our buses run on diesel fuel, and its cost has increased 30% over the course of the year. With 30 buses on the road 175 days of the year, that increased cost is significant.

At the same time, the State of Maine has had to cut its budget for 2008-09 by almost \$200 million. To do so, it has reduced General Purpose Aid to K-12 education by millions of dollars. This has translated into a loss of State subsidy to M.S.A.D. No. 75 of \$742,618 from the current year.

The District is also facing

the loss of \$305,000 in Medicaid Reimbursement due to changes in Federal regulations. These dollars flowed into the District as general revenue, and, therefore, have the same impact as a loss of State subsidy. Consequently, the School District has had to craft a budget that will receive \$1,047,618 less in revenue.

At the same time inflationary factors, as mentioned, are impacting District costs. If the District were to proceed into next year with the same budget items found in the current budget, the budget would increase by \$1,161,217. This is largely the result of increases in fuel, electricity, health insurance, and contractual obligations.

Facing the loss of subsidy and over a million dollars in increases, we worked to reduce next year's budget to a level that would not increase the local contribution substantially. An equally important goal was to find these

dollars without abandoning the system's efforts to deliver a quality education.

The administration and the Finance Committee found over \$1.7 million in budget reductions. This means the elimination of over 20 positions, and reducing spending in every aspect of the budget. The reductions will actually result in a budget that is \$456,880 less than the current operating budget while absorbing the fixed cost increases mentioned above.

We have not abandoned our goals. In fact, we used our goals and mission as a lens to view our financial challenge so that we could not only protect what is essential for the education of our students, but also to move forward. We believe every student can be successful. Our goal for successful students views the whole child as a healthy, capable learner and productive, responsible citizen.

Looking ahead, we do not believe that next year's

budget context or the economic climate will be markedly different than this year's. Therefore, we are beginning now to prepare. The Board's Comprehensive Planning Sub-committee has reconstituted itself to develop a strategic plan to guide the work ahead. The Committee will immediately begin to address the short-term issues presented by current circumstances, but will also look five to ten years into the future, as the decisions made to address current issues will affect our students through their 13 years of schooling and beyond.

Perhaps most essential to this work will be the way we approach it. We will strive to better understand how the economic and demographic environment affects us. We will gather the resources to better understand what our students need to be successful in our changing world. We will cultivate an outlook that embraces adaptation,

collaboration and continuous improvement.

Our Mission Statement articulates the mindset necessary to address these complex and changing times - committing to working together, to be fluent learners, critical thinkers and creative contributors to our society - and will guide us. We will look to the District community for help and support.

We continue to be so grateful to our parents and community members who give countless hours of volunteer time that enhance programming in all areas of our work. Volunteers who help in the classroom, support extra-curricular activities, read to our students, mentor, chaperone events and serve on various committees are a tremendous asset to the District. While we serve four different towns, we are united in our commitment to provide the best possible education for our students.

Budget Approval - A Two Step Process

Due to a new law, we now have a different method of voting on a school budget. This method requires two separate voting events – a “District Budget Meeting” and a “Budget Validation Referendum.” This new process works in the following manner:

The School District Budget Meeting

First a School District Budget Meeting will be held. At this meeting each warrant article is presented and explained. Voters will approve an amount for each article. At the conclusion of the meeting the voters will approve a total budget amount. This total amount is the basis for the article to be voted on at the next event, the District Budget Validation Referendum Election.

The School Board has set the School District Budget Meeting for Saturday, June 7, 2008 at 2:00 p.m. in the Orion Performing Arts Center at Mt. Ararat Middle School in Topsham.

District Budget Validation Referendum Election

State Law requires the District Budget Validation Referendum election be held within three (3) days of the School District Budget Meeting. This would occur on the Statewide referendum date of June 10, 2008.

Unlike previous referenda, the only question voters will be asked to vote on will be the total amount approved by voters at the District Budget Meeting held on June 7, 2008.

The article will read:

Article 1: Shall the Maine School Administrative District No. 75 budget for the 2008-2009 school year that was adopted at the District Budget Meeting on June 7, 2008 be approved?

The voting on the foregoing Article shall be by secret ballot referendum.

If the referendum fails, the School Board will reconvene and develop a new budget and hold a new District Budget Meeting followed by another referendum. This process will continue until there is an approved school budget for the 2008-2009 school year.

PLEASE BRING THIS BUDGET REPORT TO THE SCHOOL DISTRICT BUDGET MEETING