

Understanding Saco's Budget

A high level review of the
City and School budget

School Board looking for direction from Council

- The proposed cuts to the school budget represent about 30% of the total budget gap. The other 70% of the school budget will increase the property tax levy.
- Public Hearing on 3/8 brought a lot of public opposition to the proposed cuts.
- School board is now looking to Council for direction on how to proceed.

School Budget (Maintenance of Effort)

- K-8 Expenditure increases
\$1,652,001
- TA Expenditure increases
\$1,205,424
- State aid formula used to determine our reimbursement has our revenue going down.
\$ 278,405
- Other Sources of New Revenue for FY18
\$ -298,410
- Total Budget Gap
\$ 2,837,420

Potential Action from School Board

- Proposed Increase to local tax levy of:

\$2,041,105

- Proposed Cuts of:

\$796,315

School Budget

2016-2017

2017-2018

\$22,214,917

\$24,256,022

City Budget

- Full City budget presentation is next Monday including CA priorities above the directive.
- The city will present a budget that meets a 0% increase on the tax levy.
- Absorbing the expected increase from the County and increasing the school amount after proposed cuts:
 - 2017 - \$40,242,016
 - 2018 - \$42,283,121

Combined Budget

Tax Levy	Tax Rate	Impact on 213k
\$40,242,016	19.42	\$0
<u>+ 2,041,105</u>		
\$42,283,121	20.40	\$208.74
<u>+ 796,315</u>		
\$43,079,436	20.79	\$291.81

Potential Opportunities

- Requests Above the Directive: RADs within the City Budget:
- EAN Revenues: \$250,000
- Economic Development Fund: \$210,000

Potential Opportunities

- Homestead Exemption:
going from 15k to 20k for owner occupied residents.
- Before any increase, this would save the median home tax payer \$97.10 on their bill.
- The tax levy could increase \$975,000 or .47 on the tax rate, keeping the tax bill the same for the owner occupied median home value

Potential Opportunities

- Increased taxable assessed value in the community
- An early conservative estimate puts Saco at a 1.7% increase. This has not been accounted for in the budget projections as of yet.
- If we were to consider this figure into the budget and do not increase the tax levy, the tax rate goes down .32 cents.
- This translates to \$675,000, bringing the tax rate back to 19.42.

Potential Opportunities

Combined Budget with Opportunities

Tax Levy	Tax Rate	Impact on 213k
\$40,242,016	19.42	\$0
<u>+ 2,803,175</u>		
\$43,585,181	20.43	\$112.98

$\$112.98 / 12 \text{ months} = \9.40 a month.

Solution going forward?

- Council needs to provide the School Board with direction so they can make their decision on Wednesday March 15th.
- Going forward:
 - Community campaign to advocate for change to the state aid formula (see article in [Press Herald](#))
 - Ad-hoc group of Council, School Board, and administrations to consider consolidation/collaboration efforts
 - Meet with Thornton Academy to discuss options