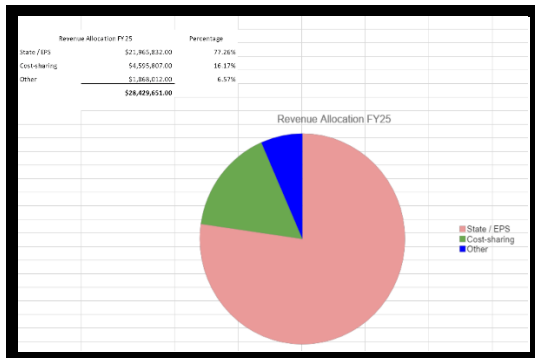


RSU16 Cost-Sharing Committee Report April, 2025

Context & Process

The RSU16 Cost-Sharing Committee was formed in accordance with the Reorganization Plan (adopted when the three towns created RSU16) to address concerns raised during last year's school budget process about the ways in which additional local costs are shared across the district. The cost-sharing formula applies to 17% of the overall current year budget: what is called the “additional local share” (costs that go beyond the minimum funding required by the state) and school construction projects. This would also include items such as Adult Education, CIP (capital improvement) and other funds that the budget meeting may authorize to share. This is the green section of the pie chart below



The nine members of the committee – three representatives appointed by each town - met several times in the first few months of 2025 to begin to review the funding formula. The Committee collected and reviewed historic data about cost-sharing in RSU16, looked at how other school districts across the state handle their funding formulas, collected input from community members via a survey, and looked at demographic information about the three towns. The Committee also tested alternative funding formulas to better understand their impact.

Key learnings from this process include:

- Regional School Units across the state use cost-sharing formulas that factor in town property valuations and student enrollment. More than half base their cost-sharing formulae solely on valuation, while others split the formula with some portion based on valuation and the remainder by student enrollment.
- 57% of those responding to the survey (229 respondents overall) felt the current formula is somewhat or strongly inequitable and 32% of respondents felt it was somewhat or strongly equitable. 11% were neutral. Key concerns raised by survey respondents were that Poland is paying a disproportionate share of the costs for RSU16 and whether the cost-sharing formula should be based primarily on property valuation.
- Only dramatic changes in the cost-sharing formula would appreciably reduce the impact (in both dollars and percentage paid) in Poland – but those changes would require Mechanic Falls and Minot to take on significant additional costs that may be beyond their ability to pay.

Recommendation & Rationale

The question before the Committee was what, if any, changes should be made to the cost-sharing formula. The Committee heard the strong concerns from the community about the fairness of the current formula. It also was clear to the Committee that there is no “magic formula” that will work for all three towns (or all residents of any given town). The goal is to create an equitable system, ensuring all three towns contribute while working together to support every RSU 16 student.

As stated above, once it ran the numbers the Committee could see that only significant changes in the formula would bring a level of relief that Poland was seeking – but it could also see that such a swing in the formula would result in a burden for Mechanic Falls and Minot that the Committee was concerned the towns would likely be unable to meet. There was a temptation, then, to not make any change to the formula. However, as the Committee further discussed this, it ultimately decided that some kind of shift needed to be made in order to address concerns raised and to let community members know that those concerns had been heard.

The Committee therefore recommends a shift in the cost-sharing formula from its current 90% valuation/10% pupil count to 80% valuation/20% pupil count, and to make that change over two years. These changes would go into effect in the 2026-27 and 2027-28 school years and their related budgets. After that time, the RSU16 School Board would re-examine the formula to determine if further adjustments are needed. The 80/20 formula would remain in effect until it is changed.

Proposed Phase-In of Cost Sharing Method for RSU16

Fiscal Year	% Property Valuation	% Pupil Count
2025-26	90%	10%
2026-27	85%	15%
2027-28	80%	20%

The Committee felt that these smaller steps over a shorter time frame would be appropriate so that communities don't experience significant swings in what is expected from their tax base. In addition, the Committee acknowledges that there are significant uncertainties at both the state and federal level in terms of school funding. In particular, the Maine Legislature is currently exploring changes to the statewide school funding formula. A set of recommendations will be issued this spring for its consideration. While no decisions have been made regarding the state's approach to funding Essential Programs and Services (EPS) of schools, if there are changes at the state level that could impact local school budgets. It is too soon to know what changes might be made and what impact they would have on RSU16. But knowing this is under consideration informed the Committee's recommendation on both timing and scope of the changes to our additional local cost-sharing formula.

Next Steps

Since the Cost-Sharing Committee is recommending a change, the next step as outlined in the Reorganization Plan is a referendum on the ballot in all three towns. This will take place on June 10. It must be approved by a majority of voters across all three towns in order to pass – a majority of everyone who votes, not a majority within each town. This is the same as the school budget approval process. If the Cost-Sharing referendum is approved, it will go into effect during the next school budget process (ie 2026-27 school year).

The 2025-26 school budget will be voted on first on May 20th at the District Budget Meeting (town meeting-style) and then whatever budget comes out of that process will be voted on June 10th.

RSU16 Cost-Sharing Committee Members:

Mechanic Falls: Mary Martin, Darrell Young, Danielle Loring

Minot: Brittney Hemond, Angela Swenson, Colleen Quint

Poland: Steve Robinson, Lisa Albee, Joe Parent