

638 Oak Hill Road
Litchfield, ME 04350
April 28, 2015

Robert English, Chairman
RSU #4 School Board
971 Gardiner Road
Litchfield, ME 04350

Dear Members of the School Board,

The Litchfield Budget Committee has reviewed the RSU #4 budget proposed by the School Board on April 8, 2015. We believe that the proposed FY 2016 budget of \$18,824,945, which is an increase of \$705,084 or 3.9% over the present year budget, is excessive and not sustainable by the voters of Litchfield. We ask that the School Board reconsider the proposed budget and reduce the total to a smaller increase of \$452,997 or 2.5% over the FY 2015 budget.

We have enclosed a table that shows the local assessments under the current proposal and our new recommended amount. The proposed increase for Litchfield of \$159,406 or 4.57% comes at a time when we are struggling to make needed repairs to our roads and bridges and will contribute to a significant burden on our tax payers. We believe we can support an increase in Litchfield's share of \$45,084 or 1.3%

Also included are figures demonstrating the growth in operating expenses and revenues over the past three years. The amounts are taken from the materials distributed at the April 8 Board meeting and the Regional School Unit #4 Annual Report for the Year Ended June 30, 2014, pages 34-35.

The two-year growth in operating expenses is \$1,483,000 or 8.6%. This comes at a time when school population and debt service payments are steady or shrinking and there appear to be no exceptional demands. We would normally expect to see expenses grow at an annual rate closer to the rate of inflation of 2%.

The two-year growth in combined local contributions is \$1,018,559 or 13.8%. The only exceptional event appears to be a decrease in the State EPS contribution in FY 2015, and that is expected to be restored in FY2016. Given the expected \$451,008 increase in State aid this year, we would normally expect to see an off-setting reduction in local contributions.

Please consider this request and act to reduce the burden on local taxpayers. We hope that you are able to find ways to reduce the proposed budget and still provide quality educational services to our children. Please let us know if we can be of further assistance in resolving this matter.

Best regards,

David Blocher, Secretary
Litchfield Budget Committee

cc: RSU #4 School Board
James Hodgkin, Superintendent
Scott Eldridge, Business Manager
Litchfield Budget Committee

RSU #4 Budget Recommendations**Litchfield Budget Committee****School Board Proposed 3.9% Incr**

	FY 15-16	FY 14-15	Var	% Var
Total Budget	\$18,824,945	\$18,119,861	\$705,084	3.89%
Local Assessments				
Litchfield	\$3,647,471	\$3,488,065	\$159,406	4.6%
Sabattus	\$3,534,792	\$3,419,613	\$115,179	3.4%
Wales	\$1,261,779	\$1,216,157	\$45,622	3.8%
Total	\$8,444,042	\$8,123,835	\$320,207	3.9%

Litchfield Budget Committee Recommends 2.5% Incr

	SB Proposed FY15-16	Reduction Alloc %	LBC Rec Reductions	LBC Rec FY15-16	FY 14-15	Var	% Var
Total Budget	\$18,824,945		-\$252,087	\$18,572,858	\$18,119,861	\$452,997	2.5%
Local Assessments							
Litchfield	\$3,647,471	45.35%	-\$114,322	\$3,533,149	\$3,488,065	\$45,084	1.3%
Sabattus	\$3,534,792	40.17%	-\$101,264	\$3,433,528	\$3,419,613	\$13,915	0.4%
Wales	\$1,261,779	14.48%	-\$36,502	\$1,225,277	\$1,216,157	\$9,120	0.7%
Total	\$8,444,042	100.00%	-\$252,087	\$8,191,955	\$8,123,835	\$68,120	0.8%

3 Year Trend of Operating Expenses

Expense by Cost Center	Proposed FY 2016	Budget FY 2015	1 Year Var	Var %	Actual FY 2014	2 Year Var	Var %
Regular Instruction	\$6,412,126	\$6,497,683	-\$85,557	-1.3%	\$6,301,241	\$110,885	1.8%
Special Education	\$3,550,390	\$3,351,877	\$198,513	5.9%	\$3,208,648	\$341,742	10.7%
Other Instruction	\$373,531	\$359,883	\$13,648	3.8%	\$325,038	\$48,493	14.9%
Student & Staff Support	\$2,241,376	\$2,020,851	\$220,525	10.9%	\$1,813,603	\$427,773	23.6%
System Administration	\$980,261	\$771,942	\$208,319	27.0%	\$632,320	\$347,941	55.0%
School Administration	\$843,898	\$861,828	-\$17,930	-2.1%	\$823,273	\$20,625	2.5%
Transportation & Buses	\$1,195,426	\$1,165,470	\$29,956	2.6%	\$1,213,021	-\$17,595	-1.5%
Facilities Maintenance	\$2,173,420	\$2,026,682	\$146,738	7.2%	\$1,852,514	\$320,906	17.3%
Debt Svc. & Other Comm.	\$911,718	\$938,644	-\$26,926	-2.9%	\$1,047,995	-\$136,277	-13.0%
All Other	\$142,799	\$125,000	\$17,799	14.2%	\$124,361	\$18,438	14.8%
Total Current Operations	\$18,824,945	\$18,119,860	\$705,085	3.9%	\$17,342,014	\$1,482,931	8.6%

3 year Trend of Operating Revenues

State and Local Revenue							
State EPS Share	\$10,208,903	\$9,757,895	\$451,008	4.6%	\$10,032,711	\$176,192	1.8%
Local EPS Share	\$6,000,306	\$5,756,468	\$243,838	4.2%	\$5,650,161	\$350,145	6.2%
Local Additional	\$2,377,937	\$2,317,498	\$60,439	2.6%	\$1,639,523	\$738,414	45.0%
Local Debt Service	\$0	\$0	\$0		\$70,000	-\$70,000	-100.0%
Total Local Assessments	\$8,378,243	\$8,073,966	\$304,277	3.8%	\$7,359,684	\$1,018,559	13.8%