

# Rockland Withdrawal

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Effects of Rockland Withdrawal from RSU #13

Initial thoughts?

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## Alternatives to Withdrawal

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- Evaluate Local Cost Sharing Formula
- Analyze Potential Costs
  - Rockland effect
  - RSU (remaining) effect
- Analyze Impact for RSU's future plans
- Consider Negotiation Risk (déjà vu)

# Decision to Pursue Withdrawal

## – Other Considerations (con't)

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- Evaluate Other “Crazy” Options
  - Consolidation with RSU #40
  - Consolidation with 28/69/Five-Town
  - Consolidate within Knox County (Lewiston)
    - Special AOS (with legislation)
    - Modified consolidation of Central Services
      - Finance, Spec Ed, Transportation, Technology, Food

# Risk of Withdrawal – 100% Rockland

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- State subsidy changes
- Property valuation increases (Prosperity = less subsidy)
- Student tuition-in variability
  - Charter Schools, On-line Schools, other area schools
- Attending student counts (Less students = less subsidy)
- Ability to borrow to fix aging infrastructure during and after a withdrawal effort is negatively impacted
- Loss of student opportunity and optimal class sizes



# Calculating Cost (B)

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- Cost Center /Article Approach (Bottom-up)
    - Eliminate All non-Rockland Cost Centers from budget
    - Increase Instructional Cost at East by 33% (add 9<sup>th</sup> grade)
    - Allocate district costs using:
      - Student Counts
      - Square footage
      - Special Ed allocations
      - Additional system administrative expenses
- \$2.2 Million Cost to Rockland Taxpayer**
- \$16 million estimated expenditures less tuition

# Calculating Cost (C)

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- Cost Center /Article Approach (Top down)
  - Current 41% of RSU Budget >> Increase to 44% (Student Count)
    - **Increase of \$1.4 million**
  - Increased Cost of Operating 9-12 High School (non-Rockland students)
    - **Increase of \$3.8 million (based on district 9-12 count)**
  - Special Ed – Additional 10% for location of programs/students
    - **Increase of \$275,000**
  - Extra-Curricular at near 100% for 9-12 Sports
    - **Increase of \$270,000**
  - System Admin (assume some savings from District total = 20%)
    - **Increase \$100,000**

# Calculating Cost (C) – con't

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- Cost Center /Article Approach (Top down)
  - Tuition Revenue of 80% of RSU 9-12 students
    - Reduction \$\$2.8 million
  - Additional State Aid
    - Estimated at \$0
  - Total Rockland Expenditures \$16,175,000
  - Rockland Tuition Revenue \$ 2,860,000
  - State Subsidy \$ 1,600,000
    - Net Rockland Share @ 100% \$11,715,000 v. \$8,735,000
  - **\$2.98 Million Cost to Rockland Taxpayer**
    - RSU #13 Approx \$1.5 million increase

# Calculating Cost - Rockland

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## -Calculation A

- \$1.5-2.6 Million Cost to Rockland

## -Calculation B

- \$2.2 Million Cost to Rockland

## -Calculation C

- \$3.0 Million Cost to Rockland Taxpayer

# Calculating Cost – Remaining RSU

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## – Calculation A & C

- \$1.5 Million to remaining towns

– Cushing	25.0%	\$375,000
– Owls Head	22.5%	\$337,000
– So. Thomaston	22.5%	\$337,000
– Thomaston	30.0%	\$450,000