

## **Camden/Rockport Joint Select Board Meeting**

Monday, October 22, 2018

6:30 p.m.

Geoffrey C. Parker Community Meeting Room, Rockport Opera House

Streamed at <http://livestream.com/Rockportmaine>

### **AGENDA**

- I. Call Meeting to Order**
- II. Raise the floor**
- III. Interactions with the School Board**
- IV. Possible joint ventures between the Towns**
- V. Adjournment**

# Raise the Floor

## Manager's Comments – Rick Bates

I don't normally do an agenda package for the joint meeting of the two Boards, but in this case, there is an item on the agenda that is more specific than normal and there is information to review.

Included in the packet is a copy of the Power Point presentation that will be used on Monday as well as a copy of the proposed change in the statute as well as the resolution that the Board of Selectmen did that started this whole movement.

In a nutshell, the State of Maine contributes to funding education of students using a complex EPS (Essential Programs and Services) formula that gives out money to local district depending on that formula what they are asking us to consider is joining a Statewide effort of all the communities that fall below the minimum 15% EPS expenditure. Currently, we are receiving about 9% funding.

The raise the floor effort set's a minimum that the State can send any district is 15%. Based on the calculations this would mean that there would be an additional \$654,531 coming into the Towns of Camden and Rockport to reduce the cost of education for the local taxpayers. This is significant.

One important factor is that the effort does not look to create the floor, by hurting other districts. They will continue to get the funding that they get, it just sets a minimum any district can get.

What they are asking is, that the Town's effected by the proposed change, contribute to the lobbying effort. As I understand it, the cost for the Town of Rockport and Camden would be \$3,670 based on student population.

Preti Flaherty has been hired to lead the lobbying efforts because of their success in the past in getting educational legislation passed in the past that would help communities financially. While the total effort is not cheap. If all the communities band together, it makes the effort much more affordable.

Mark Robinson, the Town Manager in Fayette, has been leading the charge on this. Megan and I met with him and several other managers and finance directors last Spring. Audra and I also met with him at the MTCMA Conference at Sunday River.

Kristin Collins and Dan Walker from Preti-Flarety will be on hand to make the presentation. As of this time, I am unsure if Mark will be in attendance or not.

At this point I do not have a suggested motion.

Here are some links you may be interested in.

<http://www.mainepublic.org/term/raise-floor#stream/0>

<https://www.pressherald.com/2018/10/08/our-view-new-group-right-to-spotlight-maine-school-funding-inequity/>

<http://www.seacoastonline.com/news/20180910/york-asked-to-raise-floor>

<http://www.fosters.com/news/20180916/coalition-seeks-to-boost-educational-funding-in-maine>

<http://www.seacoastonline.com/news/20180918/editorial-we-support-raise-floor-coalition>

# Raise the Floor

**A CAMPAIGN TO  
PROVIDE EQUITY IN  
SCHOOL FUNDING**

## ■ THE FACTS

- The Essential Programs and Services (EPS) formula for educational funding establishes a minimal state subsidy toward the educational costs of municipalities that are considered to have sufficient property tax resources.


- In practice, the EPS formula places a disproportionately high financial burden on towns with waterfront or industrial properties that drive up the property tax base.
- Measuring a towns ability to pay for education by evaluating only property values yet not taking into consideration such factors as age of population and median income sets many towns up to fail.
- The current system relies on a faulty assumption that sets some towns up to shoulder a high tax burden in order to fully fund the high costs of education.

- Minimum receiver communities receive an offset of their special education costs but nothing towards educating their children
- Current state funding in low receiver communities ranges from approximately 3% to 15% of total EPS educational costs. Many municipalities receive from 30% to 75% of their educational costs from the State. This is out of balance compared to the relatively small differences in per capita income between communities.




## THE CAMPAIGN

- Moving forward from grassroots efforts by the Town of Fayette, the law and lobbying firm of Preti Flaherty has been engaged to seek legislation, starting in the fall of 2018, to “raise the floor” by increasing the minimum subsidy available to all towns.

- 
- The legislative effort will be directed by a coalition of interested towns willing to engage in and fund the campaign.
  - The campaign seeks to implement a minimum state subsidy of 15% of the total EPS cost per pupil. This would amount to an approximate \$22 million increase in the general fund.



- 
- The minimum subsidy would not take away from any educational funding available to municipalities that are not minimum receivers. It would require a \$22 million increase in general fund appropriations that would be allocated to provide for the increased subsidy. This money would be on top of, not in place of, money already available to schools.



- The campaign would not change the Essential Programs and Services formula in any way. It would simply provide a backstop to ensure that formula does not result in towns getting less than 15% of their educational costs from the state.



- The Coalition is asking new members to contribute \$5 per pupil towards the campaign.
- 
- This amount is very modest in terms of the gains that would be realized by minimum receiver towns if we are able to successfully pass the legislation sought.



# CONTACT

- Dan Walker or Kristin Collins,  
Attorneys at Preti Flaherty, 623-5300;  
[dwalker@preti.com](mailto:dwalker@preti.com);  
[kcollins@preti.com](mailto:kcollins@preti.com)
- Mark Robinson, Manager, Town of  
Fayette, 685-4373;  
[Fayette@myfairpoint.net](mailto:Fayette@myfairpoint.net)



# RTF Questions and Answers

- What is the history of the Raise the Floor initiative (scope of efforts)? And what work has been already done with the lobbyist? **To date all the work done has been focused on researching the plight and issue of low receiverships and vetting a concept that would bring a form of equity to the funding process. We had our first organizational meeting at Preti last August just over 1 year ago that led to the outreach effort in March and subsequent outreach events held in Blue Hill, Damariscotta and Wells.**



- What is the specific plan for pursuing legislative support for increasing funding for minimum receiving school districts?

We are waiting for sufficient contributions to begin the lobbying work. At this point, we have studied the issue, are working to coordinate the towns and school units and identify who will serve as spokespeople for the effort. Once the election occurs, we will identify one or more sponsors.

Past efforts haven't yielded movement on this very issue. What's different this time?

The basis of confidence lies in the fact that this approach worked successfully the last time we applied it and protected over 8 million in subsidy for those of us that defied the mandate to consolidate in 2008-9. This is an easier ask given it is serving a significant number of municipalities and unlike 2008 we are not competing for EPS dollars. To our knowledge there has never been a proposal in the Legislature to create a new minimum for minimum receivers, as we are attempting to do. Some differences this time are a new governor, a surplus, recent endeavors to improve state contributions (which does not help minimum receivers and actually exacerbates the inequities), and clear language that won't take away from any other school unit.

Do you have any other entities supporting this initiative beyond School Districts? The bulk of the response is from municipalities working jointly with their respective districts. Once we have more fully developed the coalition (about a month from now), we will be approaching MSMA, Superintendents' Association, Principals' Association and MMA to request their support and educate the difference of this approach and why it should not be perceived as a threat to their current funding.





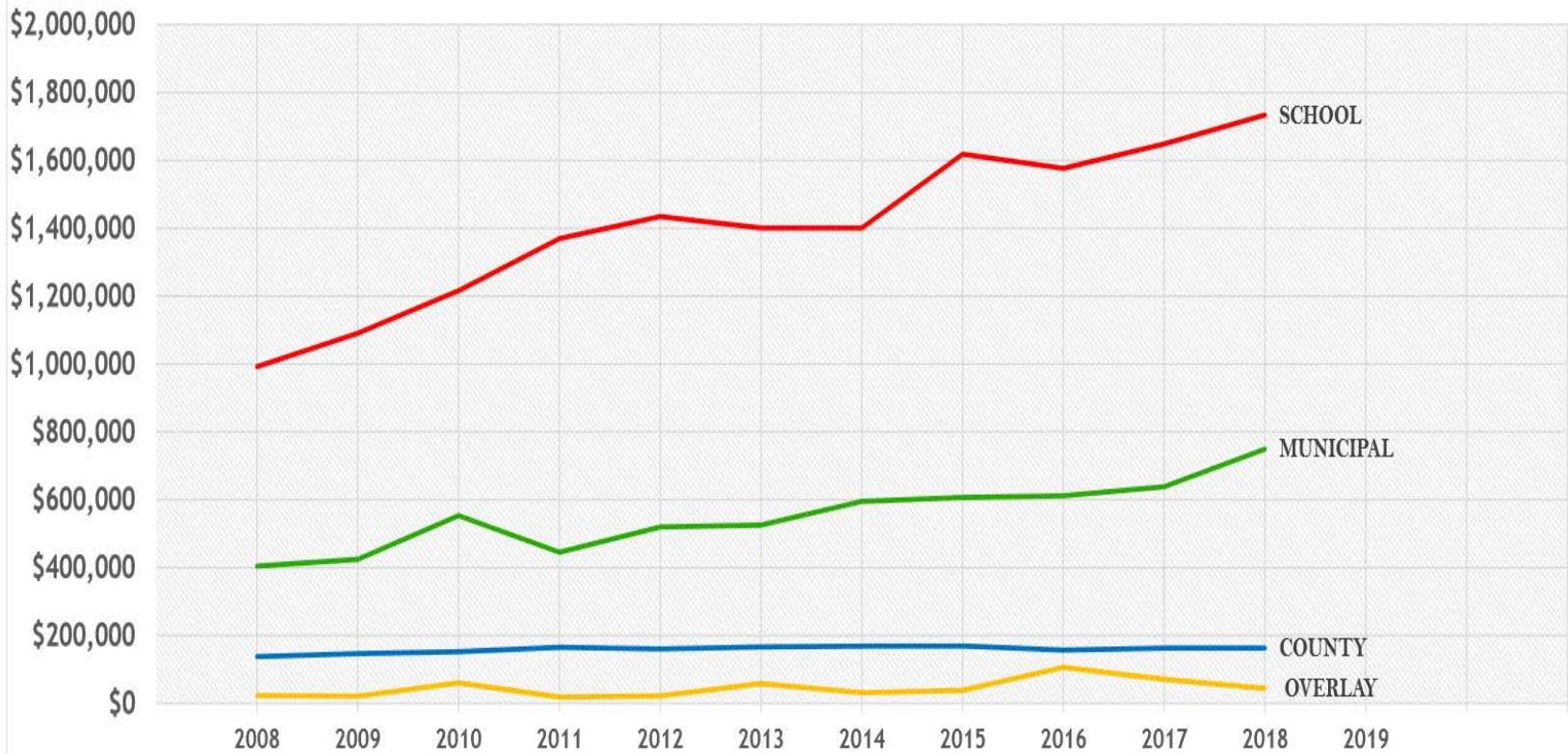
Whereas there is a law that requires educational services to adequately meet the needs of every child and Andover is a community that takes pride in providing excellent school services as well as encouraging all families that locate in Andover to best advance the interests of their kids.

Whereas there is a method to fund education with State resources, which is named the Essential Program and Services (EPS) funding formula, that has a goal of focusing State funding to school districts equitably through the State so that school districts can assure that basic State defined measures of education are delivered to all Maine children regardless of where they live. It is also recognized that not all towns are treated with fiscal equitability by the current State funding methodology.

Be it therefore recognized that there is an increase in local financial burden for those communities that are characterized as low to minimal receivers and a new separate source of State funding should be considered for all school districts and towns that receive less than 15% funding of the total EPS expenditure allocation as determined by its annual ED279 reporting calculation.

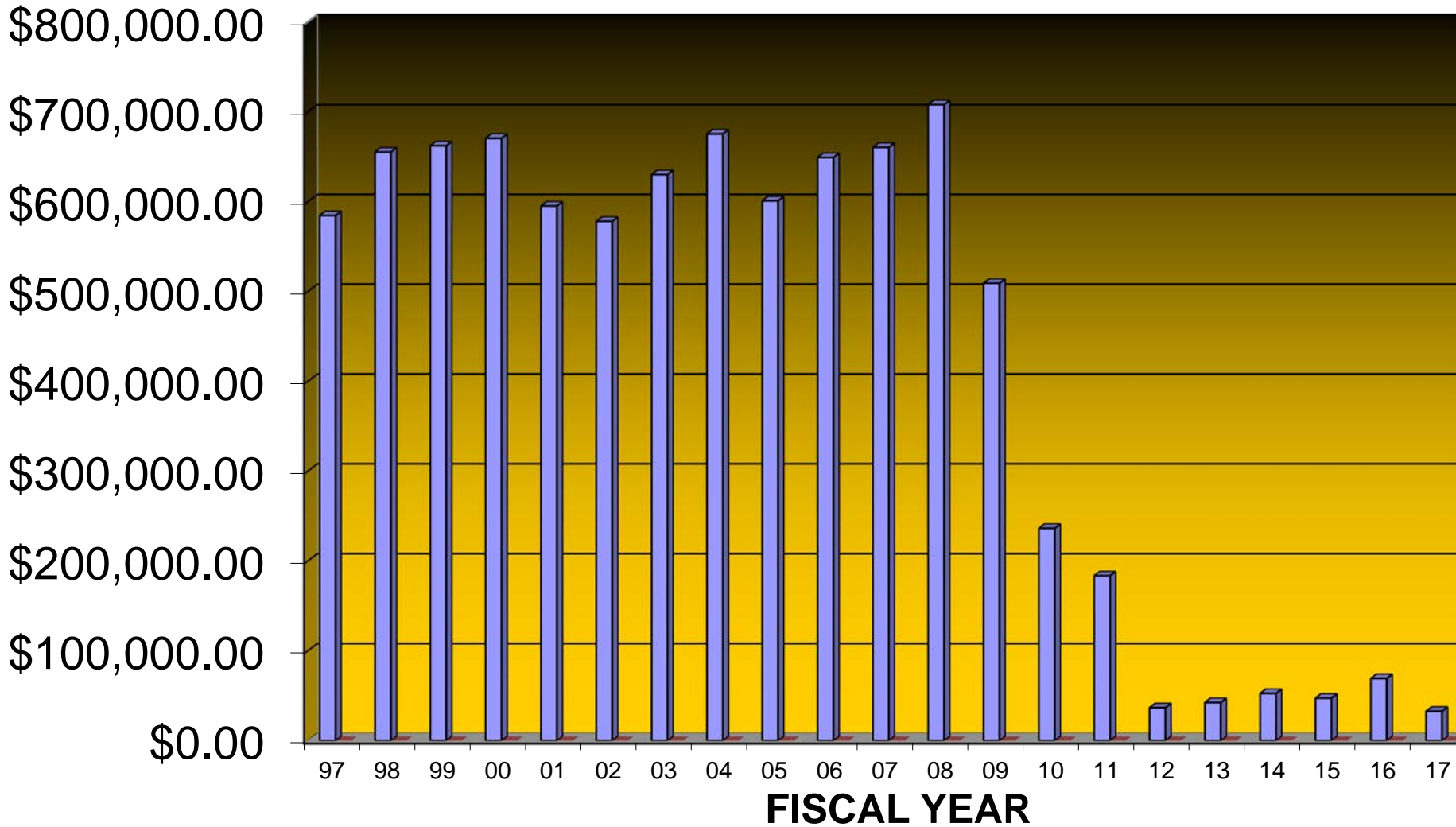
Be it therefore resolved that a separate second tier of state funding be established in the biannual budget of the State of Maine that serves to sustain and raise, or create, the minimal floor of funding to 15% for all districts that fall below the 15% funding threshold as measured by the EPS funding formula.

# LOCAL TAX REQUIRED SINCE THE 2007 REVALUATION DATA FROM THE ANNUAL TAX CERTIFICATE



FISCAL YEAR	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
COUNTY	\$137,779	\$146,315	\$152,801	\$164,812	\$160,292	\$166,414	\$168,456	\$169,146	\$156,390	\$162,691	\$163,323			
MUNICIPAL	\$404,280	\$423,774	\$553,682	\$445,028	\$519,229	\$525,992	\$595,271	\$606,668	\$611,672	\$638,271	\$749,433			
SCHOOL	\$992,055	\$1,090,205	\$1,215,402	\$1,369,480	\$1,434,101	\$1,400,361	\$1,400,361	\$1,618,557	\$1,576,737	\$1,648,324	\$1,733,870			
OVERLAY	\$22,729	\$20,667	\$60,475	\$18,641	\$22,529	\$58,032	\$31,315	\$38,107	\$106,249	\$70,830	\$44,667			

# 22 YEAR EDUCATION STATE SUBSIDY HISTORY FOR FAYETTE



The State has recognized the burdens caused by the minimal receiver designation.

A report commissioned in 2013 stated that “Using property values as the only measure for a district’s ability to pay can be problematic because property values alone do not accurately measure the current ability of a property owner to pay the tax imposed.” The same report suggested possible ways to fix the disparity, but the Legislature has yet to propose any of them. We simply need to encourage the State to now take action to solve these undisputed problems.

Thank you for your consideration

**A RESOLUTION OF THE  
BOARD OF SELECTMEN  
Town of Fayette, Maine**

Whereas there is a law that requires educational services to adequately meet the needs of every child and Fayette is a community that takes pride in providing excellent school services as well as encouraging all families that locate in Fayette to best advance the interests of their kids.

Whereas there is a method to fund education with State resources, which is named the Essential Program and Services (EPS) funding formula, that has a goal of focusing State funding to school districts equitably through the State so that school districts can assure that basic State defined measures of education are delivered to all Maine children regardless of where they live. It is also recognized that not all towns are treated with fiscal equitability by the current State funding methodology.

Be it therefore recognized that there is an increase in local financial burden for those communities that are characterized as low to minimal receivers and a new separate source of State funding should be considered for all school districts and towns that receive less than 15% funding of the total EPS expenditure allocation as determined by its annual ED279 reporting calculation.

Be it therefore resolved that a separate second tier of state funding be established in the biannual budget of the State of Maine that serves to sustain and raise, or create, the minimal floor of funding to 15% for all districts that fall below the 15% funding threshold as measured by the EPS funding formula.

BE IT FURTHER RESOLVED, The Town of Fayette supports the legislative effort purposed to Raise The Floor for all low and minimal receivership districts.

IN WITNESS WHEREOF, We have here unto set our hands and caused the Seal of the Town of Fayette, Maine to be affixed at Fayette, Maine this 24<sup>th</sup> day of September 2018.

Fayette Board of Selectmen of the Town of Fayette, Maine

---

Jon Beekman, Chair

---

Nancy Cronin, Vice Chair

---

Joseph Young

---

Lacy Badeau

---

Berndt Graf

## §15689. Adjustments to state share of total allocation

Beginning July 1, 2005, adjustments to the state share of the total allocation must be made as set out in this section. [2003, c. 712, §17 (NEW).]

**1. Minimum state allocation.** Each school administrative unit must be guaranteed a minimum state share of its total allocation that is an amount equal to the greater of the following: These funds must be an adjustment to the school administrative unit's state and local allocation after the state and local allocation has been adjusted for debt service pursuant to subsection 2. Beginning July 1, 2007, these funds must be an adjustment to the school administrative unit's state and local allocation in addition to the state and local allocation that has been adjusted for debt service pursuant to subsection 2.

A. The sum of the following calculations:

- (1) Multiplying 15% of each school administrative unit's essential programs and services per-pupil elementary rate by the average number of resident kindergarten to grade 8 pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1); and
- (2) Multiplying 15% of each school administrative unit's essential programs and services per-pupil secondary rate by the average number of resident grade 9 to grade 12 pupils as determined under section 15674, subsection 1, paragraph C, subparagraph (1); and [2017, c. 284, Pt. C, §49 (AMD).]

B. The school administrative unit's special education costs as calculated pursuant to section 15681-A, subsection 2 multiplied by the following transition percentages:

- (1) In fiscal year 2005-06, 84%;
- (2) In fiscal year 2006-07, 84%;
- (3) In fiscal year 2007-08, 84%;
- (4) In fiscal year 2008-09, 45%;
- (5) In fiscal year 2009-10, 40% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;
- (6) In fiscal year 2010-11, 35% including funds provided under Title XIV of the State Fiscal Stabilization Fund of the American Recovery and Reinvestment Act of 2009;
- (7) In fiscal year 2011-12, 30%;
- (8) In fiscal year 2012-13, 30%;
- (9) In fiscal year 2013-14, 35%;
- (10) In fiscal year 2014-15, 30%;
- (11) In fiscal year 2015-16, 30%;
- (12) In fiscal year 2016-17, 30%;
- (13) In fiscal year 2017-18, 33%;
- (14) In fiscal year 2018-19, 40%;
- (15) In fiscal year 2019-20, 45%; and
- (16) In fiscal year 2020-21 and succeeding years, 50%. [2017, c. 284, Pt. C, §50 (AMD).]

Deleted: ¶

**1-A. Adjustments to state contributions to member municipalities in certain school districts.**

[ 2011, c. 380, Pt. C, §5 (RP) .] [to be replaced with the following:]

A member municipality of a school administrative unit shall be guaranteed a minimum state contribution of 15% of the essential programs and services per pupil total as calculated by subsection 1, paragraph A for that municipality, and the total allocation to the school administrative unit shall be adjusted accordingly.

**REMAINDER OF SECTION 15689 TO BE UNCHANGED.**

Deleted: ¶

13473125.1

# **RAISE THE FLOOR**

## **A CAMPAIGN TO PROVIDE EQUITY IN SCHOOL FUNDING**

### **THE FACTS**

- The Essential Programs and Services (EPS) formula for educational funding establishes a minimum state subsidy toward the educational costs of municipalities that are considered to have sufficient property tax resources.
- In practice, the EPS formula places a disproportionately high financial burden on towns with waterfront or industrial properties that drive up the property tax base. This does not necessarily match up with the ability of a town or its taxpayers to fully fund the high costs of education.
- Current state funding in “minimum receiver” communities ranges from approximately 3% to 10% of total EPS educational costs. Municipalities that don’t fall within the “minimum receiver” category receive from 30% to 70% of their educational costs from the State. This is out of balance compared to the relatively small differences in per capita income between minimum and non-minimum receiver communities.

### **THE CAMPAIGN**

- Moving forward from grassroots efforts by the Town of Fayette, the law and lobbying firm of Preti Flaherty has been engaged to seek legislation, starting in the fall of 2018, to “raise the floor” by increasing the minimum subsidy available to high property value towns.
- The legislative effort will be directed by a coalition of interested towns willing to engage in and fund the campaign.
- The campaign seeks to implement a minimum state subsidy of 15% of the total EPS cost per pupil. This would amount to an approximate \$15 million increase in the general fund.
- The minimum subsidy would not take away from any educational funding available to municipalities that are not minimum receivers. It would require a \$15 million increase in general fund appropriations that would be allocated to provide for the increased subsidy. This money would be on top of, not in place of, money already available to schools.
- The campaign would not change the Essential Programs and Services formula in any way. It would simply provide a backstop to ensure that formula does not result in towns getting less than 15% of their educational costs from the state.



- The Coalition is asking new members to contribute \$5 per pupil towards the campaign. This amount is very modest in terms of the gains that would be realized by minimum receiver towns if we are able to successfully pass the legislation sought.

## **CONTACT**

- Dan Walker or Kristin Collins, Attorneys at Preti Flaherty, 623-5300; [dwalker@preti.com](mailto:dwalker@preti.com); [kcollins@preti.com](mailto:kcollins@preti.com)
- Mark Robinson, Manager, Town of Fayette, 685-4373; [Fayette@myfairpoint.net](mailto:Fayette@myfairpoint.net)