

Town of Blue Hill

# GSA Excess Tuition Charge Hearing and 2025 Budget Review

# Agenda

- Public Hearing: GSA Excess Tuition Charge (Article 3 of the Warrant)
- Budget for 2025 Fiscal Year
- Estimated Property Tax Implications

*(public hearings for the proposed 2025 Comprehensive Plan (Article 4) and the "Carbon Fee and Dividend" resolution (Article 5) have already been held)*

# GSA Excess Tuition Charge

## Question:

Shall the Town raise and appropriate \$164,900 from Property Tax in Excess Tuition Charges for George Stevens Academy (in excess of the maximum allowable tuition and Insured Value Factor payments set by the state) and authorize the School Committee to pay George Stevens Academy during the school fiscal year 2025-2026 an additional \$1,700 per student, for up to 97 students, the maximum number of Blue Hill students estimated to attend George Stevens Academy during the 2025-2026 school year?

All such amounts appropriated will be additional local funds which exceed the state's Essential Programs and Services allocation model for this purpose.

# Budget Introduction

- This “budget” is presented on the assumption that the Town votes to approve all articles presented in the Warrant for the Annual Town Meeting
  - Not every article has received a “yes” recommendation from the Select Board, the Budget Committee, or the School Committee
  - No recommendations were made for:
    - The GSA excess tuition charge request (\$164,900 in Article 3)
    - The “third-party donation” requests (\$265,136 in Articles 50-64)
- As a reminder, the Municipal and County Tax portions of the “budget” are for calendar 2025, whereas the Education portion is for the 2025/26 school year

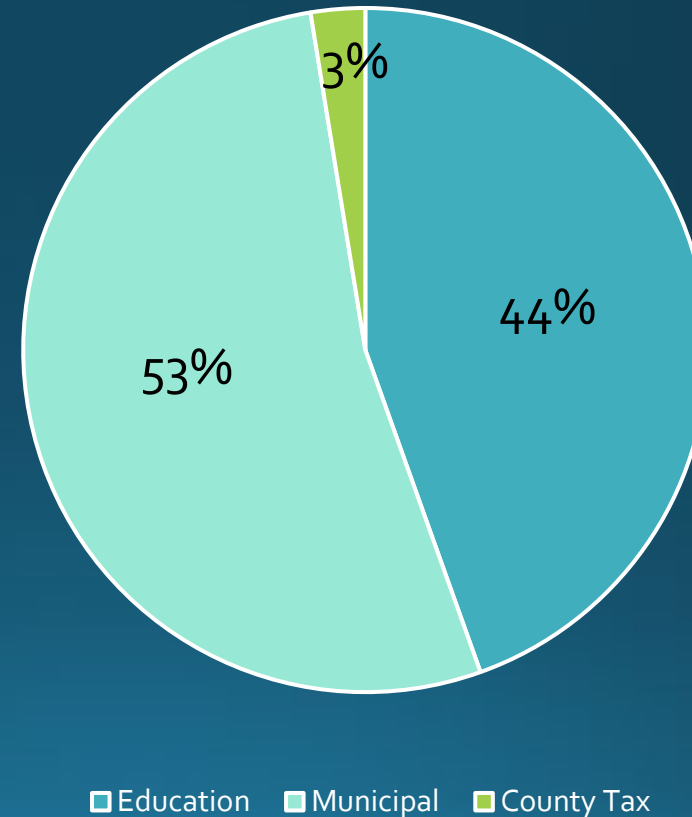
# 2025 Expenditures by Major Use

Possible expenditures total \$20.6 million, in three major components:

- Education (\$8.9 million)
- Municipal (\$10.6 million)
- Hancock County Tax (\$0.5 million)

The Hancock County tax does not appear in the Warrant as an appropriation – the Town is obligated to raise and pay this tax regardless of a Town vote results.

Potential Expenditures by Component



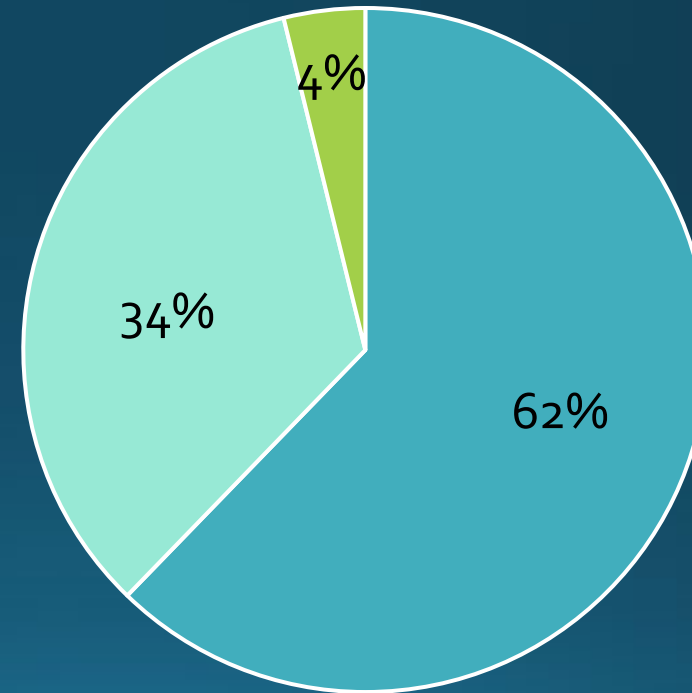
# 2025 Appropriations by Major Use

A substantial portion of the municipal budget doesn't appear in this year's warrant:

- The wastewater treatment plant project was previously approved with continued availability in 2025

This chart shows the appropriations to be voted on at the 2025 Town Meeting

Potential Appropriations by Component



Education Municipal County Tax

# Budget by Function

Functional Area	Expenditures	Property Taxes
<b>Education (school budget, GSA excess tuition charge, SU93 pass-through)</b>	<b>\$8,933</b>	<b>\$7,886</b>
Town Administration (office staff, tax assessment, elections, general assistance)	767	627
Enforcement/Public Safety (fire, code enforcement, animal control, sheriff)	317	285
Highway/Public Works	1,924	341
Marine Resources	166	72
Town Hall & Water St. Buildings	130	55
Parks/Cemeteries	40	32
Solid Waste (transfer station)	337	165
Wastewater Treatment (WWTP/septic disposal)	6,287	8
Boards/Committees	99	40
Third Party Donations	265	265
Debt Service	280	229
<b>Municipal</b>	<b>10,612</b>	<b>2,119</b>
<b>Hancock County Tax</b>	<b><u>514</u></b>	<b><u>514</u></b>
<b>TOTAL</b>	<b>\$20,058</b>	<b>\$10,519</b>

# Funding Our Appropriations

- As a general rule, we use the following guidelines for determining funding:
  - **Property taxes** are generally used to fund regular, annually recurring expenditures.
  - **Fees and state subsidies**, such as excise taxes, state subsidies and other fees are applied to offset the costs of the associated activities.
  - **Grants and donations** are applied for the purpose granted/donated.
  - **Loans** are used for major investments with long useful lives to spread the cost over time.
  - **Reserves** are established and used to smooth the tax impact of expenditures over time.
  - **Unassigned funds** are used to reduce property taxes whenever possible, consistent with maintaining a financial cushion for unforeseen circumstances.



# Non-property Tax Sources

There are \$9.5 million of potential expenditures in the 2025 budget not funded from property taxes. This table shows where those funds come from:

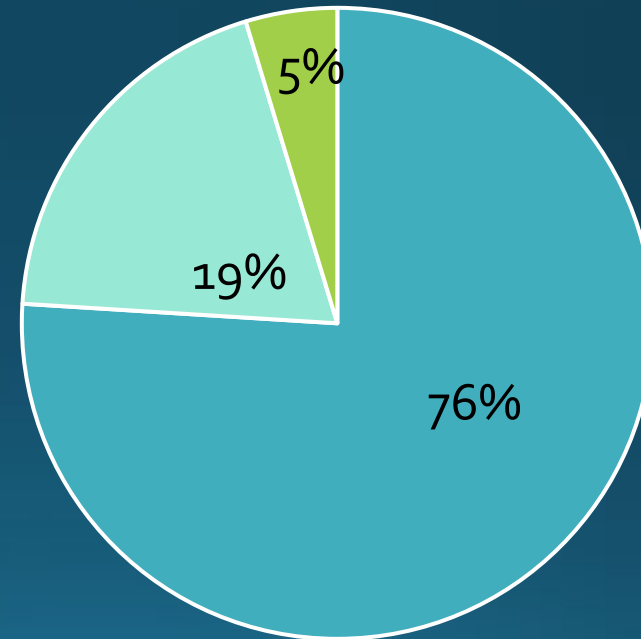
Source	Amount
USDA Grant (wastewater treatment plant upgrade)	\$3,250
USDA Loan (wastewater treatment plant upgrade)	2,750
State Subsidies (education, revenue share)	935
Excise Taxes (motor vehicles, boats)	684
Receipts from Other SUg3 Towns (education)	600
Fees (sewer, town office, rental, moorings, permits)	463
Releases from Specific Reserves	88
Other (interest income, donations)	74
Unassigned Funds	<u>695</u>
TOTAL	\$9,539

# Property Tax Appropriations by Major Use

If all articles are approved, ~\$10.5 million of property taxes would be committed for 2025.

The municipal / education split is consistent with prior years; the county tax proportion has grown over the years.

Potential Appropriations from Property Taxes  
by Component



Education Municipal County Tax

# 2025 Mill Rate Guesstimate

Although the property tax component of the 2025 articles is \$10.5 million, the actual property taxes to be committed will differ:

- Adjustment for different municipal and school fiscal years
- Changes in taxable property value (new builds/demolitions)
- “Overlay” and revenue sources that cannot be used to reduce property taxes

Total valuation base (estimated)	\$1,106,398
Assessments from property tax	
County tax	514
Municipal	2,118
Education (adjusted fiscal year)	7,592
“Overlay” (only state rebates this year)	150
<b>Total property tax commitment</b>	<b>10,375</b>
<b>Implied mill rate</b>	<b>9.51</b>
Implied growth in property taxes	8.7%

# So...what's driving the growth?

	2025 from Property Tax	Growth from 2024	
Hancock County Tax	\$514	14.5%	\$65
Municipal Budget	2,118	7.3%	143
Education Budget (adjusted fiscal year)	7,592	9.6%	662
<b>Budget appropriations</b>	<b>\$10,224</b>	<b>9.3%</b>	<b>\$871</b>
Overlay (minimum required by the state)	150	-15.5%	-28
<b>Estimated tax for commitment</b>	<b>\$10,375</b>	<b>8.7%</b>	<b>\$829</b>

- Of the major budget categories, mandatory county taxes had the largest percentage increase.
- Education, which is almost 75% of the total budget, was the largest dollar increase.
- To moderate property tax growth, we anticipate adopting the minimum “overlay” allowed by the state for fiscal 2025.

**FY 2026 Blue Hill School Budget**

Cost Center	FY25	FY26	Increase/Decrease	Notes
Regular Instruction	\$4,338,358.74	\$4,495,863.47	Increase of \$157,504.73 (3.63%)	<ul style="list-style-type: none"> <li>• Half of MTSS/Gifted and Talented Interventionist salary moved to Gift and Talented budget line to be reimbursed through the ED 279 school funding formula in FY27</li> <li>• Salaries/Health Benefits increased for staff</li> <li>• High School Tuition decreased for both public and private high schools due to lower enrollments</li> </ul>
Special Education	\$1,054,953.14	\$1,166,052.02	Increase of \$111,098.88 (10.53%)	<ul style="list-style-type: none"> <li>• GSA Special Education Surcharge increased by \$40,000</li> <li>• Addition of Assistant Special Education Director at the Union #93 Office to assist with growing Pre-K/High School Special Education population</li> <li>• Salaries/Health Benefits increased for staff</li> </ul>
Other Instruction	\$60,993.18	\$66,636.22	Increase of \$5,643.04 (9.25%)	<ul style="list-style-type: none"> <li>• Increase in student body activities</li> <li>• Increase in Extra-Curricular Stipends</li> </ul>
Student/Staff Support	\$358,119.41	\$386,186.42	Increase \$28,067.01 (7.84%)	<ul style="list-style-type: none"> <li>• Increase in Tech training</li> <li>• Salaries/Health Benefits increased for staff</li> </ul>
System Administration	\$202,308.98	\$219,832.68	Increase of \$17,523.70 (8.66%)	<ul style="list-style-type: none"> <li>• School Committee Services costs decreased</li> <li>• Office of Superintendent Budget</li> </ul>

				increased (Salaries/Benefits)
School Administration	\$331,253.26	\$377,742.22	Increase of \$46,488.96 (14.03%)	<ul style="list-style-type: none"> <li>• Added an Administrative Assistant to the Principal and eliminated a secretary position</li> <li>• Increase in administrative salary/benefits</li> <li>• New Photocopier Lease</li> </ul>
Transportation	\$351,191.14	\$362,177.68	Increase of \$10,986.54 (3.13%)	<ul style="list-style-type: none"> <li>• Lease of 11 Passenger Wheelchair Bus (Year 1 of 5)</li> <li>• Increase in Bus Driver Wages/Benefits</li> <li>• Decrease in bus fuel</li> <li>• Work Truck Lease (Year 2 of 3)</li> </ul>
Facilities/Maintenance	\$465,733.42	\$470,264.01	Increase of \$4,530.59 (0.97%)	<ul style="list-style-type: none"> <li>• Decrease in heating oil</li> <li>• Increase in salary/benefits</li> </ul>
Debt Services	\$127,492.33	\$121,349.75	Decrease of \$6,142.58 (4.82%)	<ul style="list-style-type: none"> <li>• Interest owed on 2019 renovation loan decreased</li> </ul>
School Lunch (Warrant Article Amount differs as a result of Lunch revenue per Maine DOE)	\$209,197.91 (\$49,197.91)	\$217,594.88 (\$56,594.88)	Increase of \$8,396.97 (4.01%)	<ul style="list-style-type: none"> <li>• Salary/Benefits Increase for Kitchen Staff</li> </ul>
Total	\$7,339,601.51	\$7,722,699.35	\$383,097.84 or 5.12% increase	

# Questions?