

FY27 Budget Executive Summary

Prepared for Town Select Boards | March 18, 2026

Key Dates

Apr 15 Board Final Budget Vote
May 13 Annual Budget Meeting, 7 PM
Jun 9 Town Referendum Vote

\$24,363,273

FY27 Total Budget

+2.89% over FY26 (\$23,678,865)

-\$611,591

Cut from First Draft

1st Draft: \$24,974,865

-\$678,636

State EPS Funding Decrease

11% reduction: \$6.14M → \$5.47M

+\$1,065,510

Total Local Assessment Increase

6.75% across all four towns

WHY DID LOCAL TAXES GO UP?

The increase is driven by a reduction in state funding – not by increased district spending.

Maine's EPS formula ties state aid to assessed property values. When values rise, communities contribute more, and the state contributes less.

- Property valuations rose 16.36% district-wide (\$1.42B → \$1.65B), triggering an 11% cut in state EPS aid.
- Required local match increased \$665,241 (7.68%) – entirely formula-driven, not a spending increase.
- The mill rate actually decreased (6.10 → 5.645), but higher valuations more than offset it.
- Fayette's tuition revenue (\$940K) cannot offset enrollment-driven state aid losses.
- **This is structural, not temporary. As enrollment declines, per-pupil state aid declines with it – fixed costs do not.**

REVENUE SUMMARY

Where the money comes from – how it changed FY26 - FY27

- State EPS Allocation: \$6,144,120 → \$5,465,484 (-\$678,636)
- Other Rev/Carry Forward: \$1,780,656 → \$2,078,189 (+\$297,533)
- Required Local Match: \$8,661,898 → \$9,327,139 (+\$665,241)
- Additional Local Dollars: \$7,092,191 → \$7,492,460 (+\$400,269)
- Total Revenue: \$23,678,865 → \$24,363,273 (+\$684,408)**

The FY27 Carry Forward of \$984,189 will be applied to directly offset local property taxes on a dollar-for-dollar basis. In addition, \$400,000 is recommended for transfer to the Capital Reserve and \$75,000 to the Special Education Reserve. It is also worth noting that the district's unassigned fund balance stands at just 3% of total expenditures – well below the 9% statutory ceiling established under 20-A M.R.S. §15689-B.

LOCAL DOLLAR IMPACT BY TOWN: Each town's total local contribution (required match + additional local dollars).

Town	FY27 Total Local \$	Increase \$	Increase %	Enrollment	\$ per Student
Manchester	\$5,155,473	\$274,095	5.62%	342	\$15,074
Mt. Vernon	\$3,940,186	\$378,604	10.63%	215	\$18,326
Readfield	\$4,698,671	\$239,253	5.37%	352	\$13,349
Wayne	\$3,065,270	\$173,558	6.00%	145	\$21,140
District Total	\$16,859,599	\$1,065,510	6.75%	1,054	\$15,996

Enrollment from October 1, 2025.; Mt. Vernon's higher percentage reflects its proportionally larger share of the valuation-driven funding shift. Per-pupil variation reflects enrollment size relative to fixed costs across four buildings.

THREE CONVERGING REALITIES

Declining Enrollment

Elementary enrollment has dropped 24% since 2018–19, from 580 to 439 students.

- Pre-K/K pipeline fell from 139–152 annually to just 91 this year.
- 45 students lost in 2025–26 – the largest single-year drop outside COVID.
- District projected to decline to approximately 880 students by 2035.

Aging Facilities

All four buildings date to the 1950s–60s and carry full infrastructure costs regardless of how many students serve.

- Structural crack – Wayne Elementary
- Slab defect – Mt. Vernon Elementary
- Ventilation failure – Manchester Elementary
- Failed well & 1955-era septic – Readfield Elementary

Structural Funding Shift

State aid is permanently receding while fixed costs hold steady – a widening gap that only worsens over time.

- Per-pupil state aid declines with every student lost.
- Fixed building and operational costs do not decline.
- Resources tied up in underutilized buildings cannot reach students and classrooms.

Cost Containment

The district reduced the budget by \$611,591 from the First Draft through staffing and operational decisions.

- Attrition and retirement (5 positions eliminated): \$435,766 savings
- Reduction in Force (3 positions): \$174,452 savings
- **Total staffing savings: \$610,218**

Other Budget Adjustments

- CATC Adjustment: -\$21,392
- Maintenance Garage removed: -\$140,000
- Bus fleet reduced from 2 to 1: -\$30,000
- Summer School restored for highest-need students: +\$51,818
- Health insurance projection updated 10% → 15%: +\$133,201
- SRO updated to KC Sheriff salary schedule: +\$5,000

ONE-YEAR ACTION PLAN: BUILDING STRONGER TOGETHER – BOARD APPROVED MARCH 11, 2026

Effective July 1, 2026. Pre-K and Kindergarten are consolidated into Manchester and Readfield Elementary. Grades 1–5 continue in all four buildings, fully staffed. Nearly all students are unaffected. Every building retains a full instructional staff and an administrative assistant, and has access to a dedicated nurse, school counselor, and social worker.

School	Grades Served	Key Change	Staffing Δ
MES – Manchester	Pre-K – 5	Kindergarten continues at Manchester Elementary	12 FTE +1.5
RES – Readfield	Pre-K – 5	Kindergarten continues at Readfield Elementary	12 FTE -1
MTVES – Mt. Vernon	1 – 5	Pre-K and Kindergarten transition to MES and RES	5 FTE -1.5
WES – Wayne	1 – 5	Kindergarten transitions to MES and RES	5 FTE -1
BUDGET DATES		District Total	34 FTE -2

- March 18** Tonight – Select Board Workshop
- April 15** Board votes on Final Budget
- May 13** Annual Budget Meeting 7:00 PM
- June 9** Individual Town Referendum Vote

Questions?
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