

# POTENTIAL COST SHARING FACTORS

1. Valuation (2007 - 100% EPS)
2. Pupil population
3. Census
4. Free/reduced Lunch rate
5. Market area (median income of community)  
Use Labor Department market area research for individual communities
6. Carry in agreed upon fixed % over EPS effort
7. Carry in current above-EPS % from 2007-08 budget
8. K-8 funded at EPS by RSU; above EPS - the responsibility of individual towns  
9-12 funded by RSU; costs shared using any combination of the above factors
9. Any of the above in any combination
10. Any of the above with or without debt

## POTENTIAL COST SHARING FACTORS\*

(FOR COSTS ABOVE EPS)

FACTOR	LIKELY TO WORK WELL	UNLIKELY TO WORK WELL
<b>1. VALUATION</b> Best to use 2007 rates & 100 % EPS	<ul style="list-style-type: none"> <li>➤ Where communities are of similar size and similar valuations</li> <li>➤ Merging of SAD's using 100% valuations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Where communities with high valuation &amp; low student population are combining with low valuation &amp; high student population</li> <li>➤ Districts w/significant disparity in valuation</li> </ul>
<b>2. PUPIL POPULATION</b>	<ul style="list-style-type: none"> <li>➤ Where communities with similar pupil populations are joining</li> <li>➤ Where communities share similar economic conditions</li> </ul>	<ul style="list-style-type: none"> <li>➤ Districts with wide disparities in student numbers are combining</li> </ul>
<b>3. CENSUS (general population)</b>	<ul style="list-style-type: none"> <li>➤ May work best in combination w/other factors (ex. 1 &amp; 2 above)</li> </ul>	<ul style="list-style-type: none"> <li>➤</li> </ul>
<b>4. FREE/ REDUCED LUNCH RATE</b>	<ul style="list-style-type: none"> <li>➤ Works best in combination with other factors</li> <li>➤ Where communities share similar economic conditions</li> </ul>	<ul style="list-style-type: none"> <li>➤</li> </ul>
<b>5. MARKET AREA (MEDIAN INCOME OF COMMUNITY)</b> Use Labor Dept. market area research for individual communities	<ul style="list-style-type: none"> <li>➤ Where communities have high valuation and low income</li> <li>➤ Works best in combination w/other factors</li> </ul>	<ul style="list-style-type: none"> <li>➤</li> </ul>

## POTENTIAL COST SHARING FACTORS\*

FACTOR	LIKELY TO WORK WELL	UNLIKELY TO WORK WELL
<p><b>6. CARRY IN AN AGREED UPON FIXED AMOUNT OVER EPS</b></p>	<ul style="list-style-type: none"> <li>➤ Where communities have a wide disparity in amounts over EPS</li> <li>➤ Best used in combination w/other factors</li> </ul>	
<p><b>7. CARRY IN CURRENT ABOVE-EPS % (07-08)</b></p>	<ul style="list-style-type: none"> <li>➤ Works best as ONLY a temporary transition plan</li> <li>➤ Works in the widest range of combinations</li> </ul>	
<p><b>8. K-8 FUNDED @ EPS BY RSU; ABOVE EPS FUNDING BY INDIVIDUAL COMMUNITIES----</b></p> <p><b>9-12 ABOVE EPS COSTS FUNDED ACROSS RSU W/ONE OR MORE OF THE ABOVE FACTORS</b></p>	<ul style="list-style-type: none"> <li>➤ Where towns have a history of 'school union' experience</li> <li>➤ Where there is a need to flatten disparities in valuations</li> </ul>	<ul style="list-style-type: none"> <li>➤ Where multiple communities have K-12 programs coming together (i.e. multiple high schools)</li> </ul>
<p><b>9. COMMERCIAL/ RESIDENTIAL VALUATION RATIOS</b></p>	<p style="text-align: center;">NOT RECOMMENDED AS A FACTOR BECAUSE OF THE COMPLEXITY &amp; VARIATION OF DATA</p>	
<ul style="list-style-type: none"> <li>• Very important to review all of the implemented factors after two years</li> <li>• Best to try combinations of these factors</li> <li>• All of these factors are intended for use above EPS</li> </ul>		

RSU for Alton, Bradley, Greenbush, Milford and Old Town

SAU	Valuation	Pupils	% Val.	% Pupils	Addt'l Loc.	Bal. Fwd.	Total	% add. L only	Req. local	%re. loc.
Alton	\$ 32,100,000	131.5	4.54%	6.44%	\$ 123,346	\$113,171	\$ 236,517	6.23%	\$ 238,824	4.54%
Bradley	\$ 70,050,000	230	9.91%	11.26%	\$ 275,984	\$200,000	\$ 475,984	13.93%	\$ 521,172	9.91%
Greenbush	\$ 47,300,000	256.5	6.69%	12.56%	\$ 287,742	\$210,000	\$ 497,742	14.53%	\$ 351,912	6.69%
Milford	\$142,900,000	428.5	20.22%	20.98%	\$ 506,597	\$355,000	\$ 861,597	25.58%	\$1,063,176	20.22%
Old Town	\$414,300,000	996	58.63%	48.76%	\$ 787,018	\$100,000	\$ 887,018	39.73%	\$3,082,392	58.63%
Total	\$706,650,000	2,042.50	100.00%	100.00%	\$1,980,687	\$978,171	\$2,958,858	100.00%	\$5,257,476	100.00%

Cost Share Plan using 50/50 Pupils/Valuation											
SAU	Pupils	Valuation	% pupils	%valuation	Add'l Loc	%Addt'l Loc	Local Debt	% loc.debt.	budget	% budget	
Old Town	987	\$475,250,000	49.42%	57.05%	913,225.00	43.56%	\$438,657	94.31%	3,869,410	53.46%	
Greenbush	240	\$57,500,000	12.02%	6.90%	284,542.00	13.57%	\$0		639,654	8.84%	
Alton	119	\$35,750,000	5.96%	4.29%	131,342.00	6.27%	\$10,837	2.33%	362,170	5.00%	
Bradley	233	\$85,250,000	11.67%	10.23%	294,550.00	14.05%	\$8,912	1.92%	797,156	11.01%	
Milford	418	\$179,350,000	20.93%	21.53%	472,602.00	22.54%	\$6,705	1.44%	1,569,773	21.69%	
<b>Total</b>	<b>1997</b>	<b>\$833,100,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>2,096,261.00</b>	<b>100.00%</b>	<b>\$465,111</b>	<b>100.00%</b>	<b>7,238,163</b>	<b>100.00%</b>	
SAU	FY 2012 - std.	2 factors new	Total	Yr./Yr. chg.	std.	Fy 2013 - 2 Factors new	Total	yr./yr.ch.			
Old Town	\$ 684,919	\$ 278,986	\$ 963,905	\$ 50,680	\$ 456,613	\$ 557,973	\$ 1,014,585	\$ 50,680			
Greenbush	\$ 213,407	\$ 49,576	\$ 262,983	\$ (21,559)	\$ 142,271	\$ 99,153	\$ 241,424	\$ (21,559)			
Alton	\$ 98,507	\$ 26,859	\$ 125,365	\$ (5,977)	\$ 65,671	\$ 53,717	\$ 119,388	\$ (5,977)			
Bradley	\$ 220,913	\$ 61,145	\$ 282,058	\$ (12,492)	\$ 147,275	\$ 114,772	\$ 262,047	\$ (20,011)			
Milford	\$ 354,452	\$ 111,257	\$ 465,709	\$ (6,893)	\$ 236,301	\$ 222,515	\$ 458,816	\$ (6,893)			
Standard	1,572,196				1,048,131						
New Form.	524,065				1,048,130						
	2,096,261				2,096,261						
	FY 2014 - 2 factors standard	new	Total	yr./yr/ ch.	new	FY 2015 - 2 Factors yr./yr/ ch.					
Old Town	\$ 228,306	\$ 836,959	\$ 1,065,266	\$ 50,680	\$ 1,115,946	\$ 50,680					
Greenbush	\$ 71,135	\$ 148,729	\$ 219,865	\$ (21,559)	\$ 198,306	\$ (21,559)					
Alton	\$ 32,835	\$ 80,576	\$ 113,412	\$ (5,977)	\$ 107,435	\$ (5,977)					
Bradley	\$ 73,637	\$ 172,158	\$ 245,796	\$ (16,251)	\$ 229,544	\$ (16,251)					
Milford	\$ 118,150	\$ 333,773	\$ 451,923	\$ (6,893)	\$ 445,030	\$ (6,893)					
Standard	524,065.00				\$ 2,096,261						
New Form.	1,572,196.00										
	2,096,261.00										

Note: This page assumes that the relative comparison of valuation and pupils will remain constant.

Cost Share Plan Using Pupils/Valuation/%Addt'l Local											
SAU	Pupils	Valuation	% pupils	%valuation	Addt'l Loc	%Addt'l Loc	Local Debt	% loc.debt.	budget	% budget	
Old Town	987	\$475,250,000	49.42%	57.05%	913,225.00	43.56%	\$438,657	94.31%	3,869,410	53.46%	
Greenbush	240	\$57,500,000	12.02%	6.90%	284,542.00	13.57%	\$0		639,654	8.84%	
Alton	119	\$35,750,000	5.96%	4.29%	131,342.00	6.27%	\$10,837	2.33%	362,170	5.00%	
Bradley	233	\$85,250,000	11.67%	10.23%	294,550.00	14.05%	\$8,912	1.92%	797,156	11.01%	
Milfod	418	\$179,350,000	20.93%	21.53%	472,602.00	22.54%	\$6,705	1.44%	1,569,773	21.69%	
<b>Total</b>	<b>1997</b>	<b>\$833,100,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>2,096,261.00</b>	<b>100.00%</b>	<b>\$465,111</b>	<b>100.00%</b>	<b>7,238,163</b>	<b>100.00%</b>	
SAU											
	FY 2012 - 3 FACTORS				2013 - 3 factors						
	standard	new	Total	Yr./yr.ch.	standard	new	Total	yr./yr./ch.			
Old Town	\$ 684,919	\$ 262,093	\$ 947,012	\$ 33,787	\$ 456,613	\$ 524,186	\$ 980,799	\$ 33,787			
Greenbush	\$ 213,407	\$ 56,763	\$ 270,169	\$ (14,373)	\$ 142,271	\$ 113,526	\$ 255,797	\$ (14,373)			
Alton	\$ 98,507	\$ 28,851	\$ 127,357	\$ (3,985)	\$ 65,671	\$ 57,702	\$ 123,373	\$ (3,985)			
Bradley	\$ 220,913	\$ 62,803	\$ 283,716	\$ (10,834)	\$ 147,275	\$ 125,606	\$ 272,881	\$ (10,834)			
Milford	\$ 354,452	\$ 113,555	\$ 468,007	\$ (4,595)	\$ 236,301	\$ 227,110	\$ 463,411	\$ (4,595)			
Standard	1,572,196				1,048,131						
New Form.	524,065				1,048,130						
SAU											
	Fy2014 - 3 factors				FY 2015 - 3 Factors						
	standard	new	Total	yr./yr./ch.	new						
Old Town	\$ 228,306	\$ 786,279	\$ 1,014,585	\$ 33,787	\$ 1,048,372	\$ 33,787					
Greenbush	\$ 71,135	\$ 170,288	\$ 241,424	\$ (14,373)	\$ 227,051	\$ (14,373)					
Alton	\$ 32,835	\$ 86,553	\$ 119,388	\$ (3,985)	\$ 115,404	\$ (3,985)					
Bradley	\$ 73,637	\$ 188,410	\$ 262,047	\$ (10,834)	\$ 251,213	\$ (10,834)					
Milford	\$ 118,150	\$ 340,666	\$ 458,816	\$ (4,595)	\$ 454,221	\$ (4,595)					
Standard	524,065.00										
New Form.	1,572,196.00				\$ 2,096,261						
Note: Cost sharing calculation is based upon the current additional local amount.											
This page assumes that the relative comparision of pupils and valuations will remain constant.											

Comparison of current additional local efforts with 100% pupils and 100% valuation											
SAU	Pupils	Valuation	% pupils	%valuation	Addt'l Loc	%Addt'l Loc	Local Debt	% loc.debt.	budget	% budget	
Old Town	987	\$475,250,000	49.42%	57.05%	\$ 913,225	43.56%	\$438,657	94.31%	3,869,410	53.46%	
Greenbush	240	\$57,500,000	12.02%	6.90%	\$ 284,542	13.57%	\$0		639,654	8.84%	
Alton	119	\$35,750,000	5.96%	4.29%	\$ 131,342	6.27%	\$10,837	2.33%	362,170	5.00%	
Bradley	233	\$85,250,000	11.67%	10.23%	\$ 294,550	14.05%	\$8,912	1.92%	797,156	11.01%	
Milfod	418	\$179,350,000	20.93%	21.53%	\$ 472,602	22.54%	\$6,705	1.44%	1,569,773	21.69%	
<b>Total</b>	<b>1997</b>	<b>\$833,100,000</b>	<b>100.00%</b>	<b>100.00%</b>	<b>2,096,261.00</b>	<b>100.00%</b>	<b>\$465,111</b>	<b>100.00%</b>	<b>7,238,163</b>	<b>100.00%</b>	
	<b>Current Addt'. Local</b>		<b>100% Val.</b>	<b>Difference</b>	<b>100% Pupils</b>	<b>Difference</b>	<b>60%/40% pupils/valua.</b>				
Old Town	\$ 913,225	\$ 1,195,832	\$ 282,607	\$ 1,036,059	\$ 122,834	\$ 1,099,968	\$ 186,743				
Greenbush	\$ 284,542	\$ 251,929	\$ (32,613)	\$ 251,929	\$ (32,613)	\$ 209,031	\$ (75,511)				
Alton	\$ 131,342	\$ 124,915	\$ (6,427)	\$ 124,915	\$ (6,427)	\$ 110,931	\$ (20,411)				
Bradley	\$ 294,550	\$ 244,581	\$ (49,969)	\$ 244,581	\$ (49,969)	\$ 232,552	\$ (61,998)				
Milfod	\$ 472,602	\$ 438,777	\$ (33,825)	\$ 438,777	\$ (33,825)	\$ 443,779	\$ (28,823)				
Note: Calculations based on 09 fiscal year numbers.											

(Based Upon Sheet 2)  
Area RSU  
Potential Cost Sharing Agreement

July 23, 2008

The School Administrative Units coming together in this Regional School Unit agree to share those costs that are above the 100% EPS allocation (also known as "additional local funds") in the following manner.

Using the current amount raised in each SAU in the school year immediately preceding the year the RSU is formed for "additional local funds", a percentage for each SAU of the total amount of "additional local funds" will be established. This percentage will be applied to the total amount of "additional local funds" that are raised in the budget for the RSU in each of the first two years of operation. This percentage as applied in the first year of operation shall become the standard "additional local" amount to be utilized in calculating the "additional local" shares. In the first two years of operation, if the amount of "additional local funds exceeds the standard amount, the excess will be raised using the same percentage as for the standard amount. In the case of a community that does not currently raise any "additional local funds"; the percentage applied in the first two years to these funds shall be 0%. Thereafter, in years three and beyond, each of the communities will share in the "additional local funds" in the manner that is outlined for operational years three and beyond. In the event that changes in the state funding formula (currently known as EPS) and/or changes in the student and property value relationships among the member units in the RSU create inequities in this formula, the process for review and potential revision to the formula that is stated in the "Altering the Cost Share Agreement" section within this plan shall be utilized to make adjustments to the cost sharing agreement.

Determining the percentage of additional local funds for each participating SAU:

<u>SAU</u>	<u>Amount over EPS</u>	<u>Percentage of Allocation</u>
Alton	131,342	4.29%
Bradley	294,550	14.05%
Greenbush	284,542	13.57%
Milford	472,602	22.54%
Old Town	913,225	43.56%
Total "additional local funds"	2,096,261**	100%

\*\*Reflects 2008-09 amounts.

Years Four (3) through eight (6):

Beginning in year 3, for a period of 4 years, the standard "additional local" amount will be reduced by 25%. In each of those years, the amount of "additional local" funds will be shared with the reduced

standard amount calculated on the established percentages above. The remaining additional local funds in each of those years shall be shared based upon a calculation that is based 1/3 on valuation, 1/3 on the current share of additional local funds and 1/3 on the number of pupils. In years 7 and forward, the standard amount shall no longer be in effect and "additional local" amounts shall be shared based on this formula, unless altered by the process outlined in this plan which is shown in the section entitled "Altering the Cost Sharing Agreement".

### Altering the Cost Sharing Agreement:

The RSU Board of Directors will have the authority to review and analyze the cost sharing formula within the first 3 years and in any subsequent year following incorporation of the RSU. If the Board in its sole discretion decides that the cost sharing formula should be revised, effective for operational year four or thereafter, to provide greater balance in the cost sharing agreement, the Board shall utilize the following procedure to make any changes it deems advisable.

1. The Board shall conduct a review and study of the cost sharing formula as it has been used during the prior years and the implications of its continued use for subsequent years. In doing so, the Board shall consider variations in local costs that have occurred as a result of implementation of the cost sharing plan.
2. The Board may choose to conduct the review as a full Board, or to assign it to an appropriate Board sub-committee. By majority vote, the Board may, determine to employ a qualified consultant or consultants to conduct the review and bring any recommended changes to the Board for consideration.
3. If cost sharing changes are recommended by the Board, the Board will present those changes for discussion and review in a public hearing held for the residents of the RSU.
4. Following the public hearing, the Board shall complete a final review and consideration of the recommended changes as part of a regularly announced Board meeting. The Board may amend the proposed changes to the cost sharing formula presented at the public hearing.
5. If the Board decides to proceed with changes to the cost sharing formula, the changes shall be presented to the public for ratification through a District wide referendum or a District wide meeting. The Board may also choose to include such changes as part of the regularly scheduled District Budget meeting or at the following District Budget validation referendum.
6. The meeting (or referendum) will be preceded by a public hearing on the proposed changes at which a complete impact analysis of the changes will be explained to the public both in writing prior to the hearing and verbally at the hearing. The writing shall be deemed sufficient if made available on the RSU website prior to the hearing and made available at the hearing. An objection to the availability, sufficiency or accuracy of the impact analysis or explanation shall not be a sufficient basis to enjoin or invalidate the public hearing or the subsequent District wide meeting (or referendum) if called by the Board, or to overturn the action of the voters at that meeting (or referendum).
7. The voting process and public hearings will otherwise be conducted in compliance with applicable state law and RSU Board policy.
8. The RSU Board shall review the cost sharing plan in the above manner at least every 5 years, for the purpose noted in statement #1 above. Any change in the cost sharing formula shall become effective for the first budget year commencing at least 90 days after the action of the voters, and shall remain in effect for a minimum of three (3) years.
9. Notwithstanding the previous subsection, should the Board decide not to consider any changes in the formula in the years designated for review, a petition signed by a number of voters that is at least 10% of the number of voters from the RSU who voted in the last gubernatorial election

shall cause the Board to conduct the review and to report the decisions that come from that review at a regularly scheduled meeting of the Board.

10. In the event State law is enacted permitting RSUs to amend their cost sharing formula, nothing contained in this Plan shall prevent the RSU from amending its cost sharing formula in accordance with that law.