Notes on Proposed 2026-2027 School Budget Approved by School Committee 01/26/26

The proposed budget reflects needs based on an enrollment of four (4) PreK-8th grade & two (2) secondary student(s). Overall, the total expense budget is up ***4.02%*** and the impact to taxpayers is a ***7.75%*** increase. The higher increase in taxes is because we do not plan to use $20K in revenue from the Secondary Reserve account for FY27 like we did in FY26. We are trying to build up that account in order to soften future significant increases in secondary enrollment.

On the revenue side, the **state subsidy** for Monhegan is $9633.75, which is 7.3% less than last year. We typically allocate some money from the Plantation's **undesignated fund balance** to lower the tax assessment required to fund the proposed school budget. The undesignated fund balance at the end of FY24 was $67,993. Since the FY25 audit is not yet done, we don't know the exact amount of the undesignated fund balance at this time, but it is likely somewhat higher. Any unspent money in the 2025-26 school year will also be added to this balance. Of this, $30,000 is already committed to the current 2025-26 budget if needed. The proposal is to use $35,000 to offset the 2026-27 budget. Once the audit is available an update will be provided, including reporting of how much of the Education Undesignated Fund would remain for unexpected/emergencies.

The School has been fortunate to receive federal **REAP funding,** an annual grant program for rural schools. Though the funding isn't guaranteed, recently awards have been between $25,000-$27,275. The most recent funding award was $25,881. These funds can be used to *supplement* the regular school budget. With this in mind, the school committee maps out goals, reviews allowable uses, and creates spending plans for REAP funds. To help taxpayers understand the school's use of REAP funds, working plans for use of REAP funds are made available by request.

A **Local Tax Assessment** provides most of the revenue needed to operate the school. The assessment is determined after taking into account the budgeted expenses and all other sources of revenue.

The district has a number of other accounts that are used for restricted purposes. For instance, proceeds from **Schoolhouse Rentals** are estimated to net $1,800-$4,400 annually, are deposited into the Friends of Monhegan School account.

Friends of Monhegan School is a fundraising arm of the school that fundraises and accepts donations that can be used for field trips if needed, as well as for modest school expenses not directly tied to student needs (e.g. framing, piano tuning, landscape plantings honoring students and teachers). **Monhegan School Youth Arts** is another account that is funded by donations and was begun in 2015. These funds *enhance* the existing arts program funded by the annual school budget for both on-island and off-island experiences.

The **Outer Islands Teaching & Learning Collaborative** (TLC) is an academic and social collaboration among up to 7 island schools managed by a coordinator based at the Seacoast Mission. The TLC makes possible opportunities for overcoming challenges of isolation through regular academic interaction among teachers and students at the schools via technology, shared field trips and shared professional development. The collaboration is considered an important component of education at Monhegan School. Each island school contributes annually to the TLC's budget. The funding strategy is worked out in June of each year, but primarily comes from the aforementioned REAP grant.

Contact Daphne Pulsifer, Felicia Dunson or Maura Conley if you have questions.

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Applies to many Line Items:	For many line items, we used a 5% increase as a place-holder for increases in consumer goods and supplies.
Applies to all Travel Line Items:	IRS mileage reimbursement rate increased to $0.725 /mile. Boatline donation of $500 offsets some of our school needs for ferry & parking expenses.
1100-1000/1010 **Salaries, Teacher**	Increase based on typical teacher salary scale increase.
1100-1000/1020 **Salaries, Ed Tech**	Increase. Up to 6/7 time Ed Tech II level in case of need.
1100-1000/2110 **Health Insurance**	Adjusted for changes in health plans and the anticipated increase to premiums.
1100-1000/2120 **Health Insurance**	17% increase in health insurance for 6/7 FTE position.
1100-1000/2510 **Teacher Prof. Devel.**	Increased cost for 6 credits and money for a conference..
1100-1000/2615 **Teacher - ME Family Leave**	New law in 2025. 0.5% contribution by employer.
1100-1000/2625 **Ed Tech - ME Family Leave**	New law in 2025. 0.5% contribution by employer.
1100-1000/2635 **Substitute - ME Family Leave**	New law in 2025. 0.5% contribution by employer.
1100-1000/3200 **Contracted Education**	No change. Teacher mentor funding for teacher and other unexpected contracted costs.
1100-1000/6400 **Books/Textbooks**	No change. Grant funds can supplement, if needed.
1100-2700/8500 **Field Trips**	Decrease. Covering most of this line with REAP.
1200-2700/5130 **Secondary Room/Board-** AND 1200-2700/5630 **Secondary Tuition**	Decrease. Will use some reserve if necessary. Have a long term plan.

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1200-2700/9000 **Secondary Instruction -Contingency Reserve**	Increase. Raising money to put into Reserve fund in case it is needed. Have plan to reduce large swings in these lines each year.
2500-2330/3440 **Special Education - Consultant Contracted Fee**	Increase by CPI in case it is needed.
2500-2120/3490 **Guidance Salary - Consultant**	Increase by CPI.
2500-2120/5800 **Guidance Travel**	Grant funding if needs exceed expectations.
0000-2230/3400 **Technology - Consultant Contract**	Decrease contracted amount based on need
2310/1500 **School Committee - Stipends - Board**	Decrease. Unused subcommittee funding eliminated while committee stipends are increased by 3.75% COLA plus 2% to make stipend more equitable relative to other Plantation leadership positions.
2310/2490 **School Committee - Search/Hiring**	Cost to advertise for open positions.
2310/5800 **School Committee - Travel**	Decrease.
2310/8100 **School Committee - Dues**	No change. Cost of MSBA membership.
2318/3400 **School Committee - Legal**	New Line. Legal fees/consult.
2320/1040 **Supt Salary**	Decrease. Surplus in this line has been removed.
2320/2040 **Supt Health**	Increase by 17% due to the market. Benefit of 50% single health if no other employer provides.
2320/2540 **Supt. Prof. Development**	Decrease. Based on need.

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2320/2645 **Supt. ME Family Leave**	New law in 2025. 0.5% contribution by employer.
2600/5320 **Operation of Plant** - **Telephone**	Increase. School phone plus two designated cell phones
2600/6220 **Operation of Plant** - **Electricity**	Increase of 15% based on revised rates by MPPD to $1.00/KWH
2620-1000/4310 **Plant Maintenance - Building & Grounds**.	Slight increase. Built in small contingency. Also have Reserve account.

	AMOUNT	% Increase
EXPENSES:		
TOTAL PROPOSED BUDGET:	**$ 402,958**	**4.02%**
NON-TAX REVENUES:		
INTEREST INCOME	$6,000	100%
FUNDS FROM SECONDARY ED. RESERVE:	$0	(100%)
ESTIMATED STATE SUBSIDY:	$9,633.75	(7.3%)
CARRY OVER FROM UNDESIGNATED FUND:	$35,000	16.67%
LOCAL TAX ASSESSMENT:	**$ 352,324**	**7.75%**