

## **Reason for Petition**

Smithfield pays more than double per student compared to the lowest-contributing town in RSU #54.

## **School Funding Basics**

School funding has two parts:

### **1. State portion:**

The State calculates this based on property values drawn from actual property sales. Neither the school district nor individual towns have any control over this.

### **2. Local portion:**

This is the part we *do* control. The current formula, created in the 1960s, is based only on property values. As a result, towns with higher-valued waterfront property, like Smithfield, pay more, regardless of how many students we send or our residents' actual ability to pay. Right now, Smithfield is essentially paying for other towns' children to attend school, even as many of our taxpayers already struggle. While it is good to support our neighbors, common sense says we should not give more than we can reasonably afford.

The local portion can be changed. It could be based on student count alone, so each town pays for its own students, or on a combination of student count and property value.

## **Why Now?**

Smithfield successfully negotiated a small change that would have resulted in a modest tax decrease for our community, but other towns were unwilling to compromise or work toward a fairer funding plan. If current trends continue, Smithfield's costs will continue to rise faster than those of our neighboring towns.

Based on several independent calculations, it appears that leaving RSU 54 could save taxpayers money and reduce property taxes.

## **Where Would We Go?**

One option is joining RSU 18, a district made up of similar lakeside communities. This would align our State property valuation with the other towns in the district. In RSU 18, our local contribution would not be the highest; we would be closer to the district average. In addition, RSU 18's local budget is lower than that of RSU 54, making it a more financially responsible choice. Also, distance-wise, Oakland is closer to most points of Smithfield than Skowhegan.

## **Other Considerations**

In the short term, we would need to pay legal fees, as required by state law when leaving a school system. However, it appears we would recover these costs within a year. This savings could make the difference between seniors on fixed incomes or working families being able to stay in their homes or facing foreclosure or being forced to sell.

While most tax issues are outside our control at the local level, this is one area where we *can* take action to reduce our property taxes.