

Minutes
Secondary Education Financial Planning Advisory Committee
December 28, 2020 7PM via ZOOM

Attendees: Jim Dow, Blue Hill Select Board; Ben Wooten, Blue Hill School Board; Deborah Brewster, Brooklin Select Board; John Gray, Brooksville Select Board; Matt Freedman, Brooksville School Board; Kathy MacArthur, Castine School Board; Jim Goodman, Penobscot School Board; Ben Astbury, Sedgwick Select Board; Kelly Samperi, Sedgwick School Board; Bill Matlock, Surry Select Board; Michelle Berger, Surry School Board; Mark Hurvitt, Superintendent Union 93; Sally Mills, GSA Board Chair; Jim Crawford, GSA Board Treasurer; Deborah Ludlow, GSA Trustee; Samantha Politte, GSA Board Vice Chair

Ben Astbury chaired the meeting.

At 7:03PM the meeting opened and the minutes from the November 18, 2020 meeting were approved.

1. In response to the question “why is GSA seeking supplemental tuition” Jim Crawford began with a discussion of the attached 2010 - 2019 GSA financial history schedule prepared from audited statements. (The financial information for audited 2020 and forecasted 2021 is also available on the Website) A few highlights:
 - a. Throughout the period 2010 - 2019 the tuition (MAT) for Day Students has not covered the cost of education for Day Students. For example, in 2010 the tuition per day student was \$9,516 and the expenses were \$13,288 and in 2019 the tuition was \$11,438 and the expenses were \$17,806.
 - b. During this same period, the Boarding Program generated a surplus each year with a peak in 2017 when Boarding Program tuition averaged \$41,172 per student and direct expenses were \$13,575 for a total surplus of \$1.3 million.
 - c. Day Student enrollment increased from 254 students in 2010 to 294 students in 2019. Boarding Student enrollment has ranged between 30 - 49 students.
 - d. In summary, GSA has maintained a balanced budget each year because
 - a)the Boarding Program provided a surplus
 - b)the Academy received annual contributions from alumni, parents and friends
 - c)there has been an annual draw (currently 5%) from the Endowment. Funds from Contributions and Endowment have ranged between \$346,598 and \$1,118,223 during this period. On average, \$500,000 is received annually from Contributions of which \$250,000 – 300,000 is netted after fundraising expenses.
 - e. In 2021, the funds from the CARES Act and the PPP grant will provide additional funds to cover the deficit in the Day Student Program.
 - f. The MAT compounded annual growth rate was 1.4% during this period as compared to the compound annual growth rate of the average employee salaries of 4.2%. The DOE mandated tuition rate has not kept pace with the cost of living. In 2020, GSA could only afford a 1.5% salary increase to faculty.
 - g. The number of employees during this period has been relatively constant between 116 and 120. There has not been a significant change in faculty or support staff during

this period.

2. Ben Astbury opened the meeting up to questions and comments.
 - a. Suggestion to add 2020 and 2021 to the spreadsheet for comparison
 - b. Discussion about the Boarding Program. What is the future of the program? Sally Mills explained that GSA is taking a pause on the boarding program. Due to COVID, the main focus this year has been to minimize expenses while honoring our commitment to the current boarding students (8). GSA is not actively/aggressively recruiting international boarding students due to the Pandemic and the political climate this year but anticipate maintaining the boarding program as long as it makes financial sense so that when the time comes we have an intact program to grow back.
 - c. Discussion about the Hinkley dorm, how it was paid for and what is the future of that building if GSA can no longer run a boarding program. There is approx. \$400,000 in total debt. That debt is not paid with public funds.
 - d. The overarching issue is that most schools can not run a school on the state set tuition. The state needs to re-examine the funding model.
 - e. Although GSA is asking for \$1000 per student increase over the MAT for the 2022 school year, the gap this year after considerable budget cuts is \$1500 per student. In 2022 GSA will strive to make up that difference through fundraising. The additional gap will be an issue which this committee will find a solution for together.
 - f. Discussion about whether the difference should be paid for with public money or if families should pay the difference. GSA committee members shared the opinion that it is the boards preference to have the taxpayers fund the difference. Not all families can afford the difference and it would create a socioeconomic divide.
 - g. Request for GSA to provide a narrative to answer the question: "Has GSA done everything they can to streamline expenses before asking taxpayers for more money?"
3. Two working groups have been created and will start immediately. Next meeting of this committee one or both working groups will report out their findings.
 - a. Exploring All Options Group
 - b. Communications Group

Meeting Adjourned at 8:03PM

Next Meeting: TBD

Respectfully Submitted, S.Politte