

School Consolidation Not Worth the Costs

The 2007 School District Reorganization law was sold primarily as a cost-containment measure. The Governor's goal was to save \$36.5 million on the state side and another \$30 million locally. These savings have not materialized – another reason the law must be repealed in November.

Not only did voters reject the mandate – only 26 new districts were formed – the reality is for many of those that did come together, it is a more expensive way to do business.

The state Department of Education says it's too early to quantify any savings at the local level, yet the state has spent an estimated \$4 million in grants to planning committees and paying for facilitators, financial software, legal and organizational work. And that doesn't count local districts' and citizens' time and direct costs.

While there have been some savings by merging central offices, in most cases savings were offset by the need for additional district personnel and new systems in RSUs and AOSs. Those costs include:

- Hiring district-wide personnel and consultants to create new systems for finance, communications, transportation, food services, facilities maintenance, technology and instruction
- New hardware and software for new financial and communication systems
- Increased compensation for district-wide personnel
- Legal costs to re-deed property and re-write contracts
- Loss of federal and state funds because of increased district size
- Re-painting and re-labeling buses, offices and schools
- Costs of moving and, in some cases, newly furnishing offices
- Carry-over costs of contracts and leases that had not ended as of 7/1/09

Many new districts have offset these costs in 2009-10 by spending the surpluses of former districts and using stimulus money. As a result, they anticipate severe cutbacks next year – in the second year of consolidation.

The picture gets worse long term.

The 21 new RSUs must place all teaching personnel on a single contract over the next several years, requiring lower pay scales be “leveled” with higher ones. The projected cost led to the failure of consolidation in some regions. In the Brewer area, an extensive analysis projected the teacher salary budget would grow by \$3 million between 2010 and 2012. In Northern Aroostook County, the projection was an additional \$1.24 million in the first year. In SAD 28, in the Camden-Rockport area, the estimate was \$500,000 in the first year.

In some towns, consolidation has meant tax increases to citizens. RSUs are redistributing costs among their towns, with citizens in property-rich towns seeing increases while their neighbors see decreases.

In new RSU 5, for example, residents in Pownal will see their taxes increase by 25 percent and in Durham by 19 percent, while Freeport's taxes will go down just over 1 percent. Pownal and Durham twice voted down the new RSU budget, but were outvoted by Freeport, which is more populous and therefore carried the day in the regional vote. Citizens in the Sheepscot Valley RSU turned down a budget three times, in part because of the uneven tax burden.

For many Maine communities, school district consolidation simply does not pay. In times that demand us all to find efficiencies, Mainers should not be burdened by a reorganization law that ends up costing more than it saves.

Repeal of this law on the Nov. 3 ballot will free up Maine communities – whether they are in new districts or not – to find their own most effective methods of saving.

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