

By David Wollstadt

On January 27, voters in Alton, Bradley, Greenbush, Milford, and Old Town will go to the polls to decide whether to consolidate our five municipal school districts into a single Regional School Unit (RSU). To date, much of the discussion has focused on the negative--that fact that communities that fail to consolidate will be penalized by the state. In fact, so much attention was directed to the penalties that I think some people started to assume that avoiding the penalties was the only reason--and not a very good one--to vote "yes" on January 27.

That's why I decided to take a look at the economics--the potential costs and the potential savings--of our consolidation plan. The Reorganization Planning Committee (RPC) agreed that the plan wouldn't produce immediate savings, but we didn't want to speculate about potential costs and savings that might occur three to six years down the road. When I tallied up the numbers, it turned out that the savings from consolidation exceed the costs.

The two major cost items from consolidation are start up costs--printing new stationary, establishing a new banking relationship, getting new tax ID numbers, and several hundred other chores--and the cost of equalizing salaries and benefits after employee bargaining units are merged into RSU-wide units. The cost of wage equalization, called "leveling up," appears to be a deal-breaker for RSU 15 (Brewer and adjoining school districts), but we believe the cost will be more manageable here. Commissioner Gendron has said that leveling-up will trigger increased state subsidies, so we believe that the cost will be approximately equal to the combined penalties for failure to consolidate. Our best guess for start-up costs is \$50,000.

That gives us a total of \$384,000 for costs, most of which are 3-6 years down the road. How does that compare with savings?

Most of the savings are 3-6 years down the road, as well. But I expect that the RSU will be able to achieve savings of between \$450,000 and \$900,000 annually, from two areas--operating efficiencies due to consolidation and tuition savings.

Some of the operating efficiencies are obvious, like having one superintendent instead of two and one central office instead of two. Others might include consolidating purchases and services and hiring staff to perform certain special education services, instead of contracting for those services on a per-pupil or per-school basis. The thing to remember is that the RSU will have a budget of about \$25 million (the combined total of the existing municipal school department budgets). If we can save just 2% of that, the total savings will be \$500,000 a year. If the savings are only 1%, the total is still \$250,000 a year.

Tuition savings will come as people from Alton, Bradley, Greenbush, and Milford come to view Old Town High School as "their" school--the high school that they help govern, and the high school that their tax dollars support. As these communities take ownership of Old Town High School, it stands to reason that more students and parents will exercise their "school choice" options by choosing Old Town High School. Currently, about 100 students from Union 90 towns pay tuition to attend schools outside of Old Town. If that number is reduce to 75, the tuition savings for the RSU will be \$200,000 a year. If the number is reduced to 50, the savings will be \$400,000 a year.

There are some areas of Maine where school district consolidation will create more problems that it solves. There are other areas where school district consolidation makes sense. For Alton, Bradley, Greenbush, Milford, and Old Town, I believe school district consolidation makes a lot of sense--and it will save money, too.

Mr. Wollstadt is a school board member in Old Town, and a representative to the Regionalization Planning Committee of the RSU.