

School Consolidation Downfall

Written by Lawrence P. Greenlaw Jr.



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Cost shifting is rapidly becoming the Achilles heel of the school consolidation law passed by the Legislature and signed by Governor Baldacci in June.

You ask, what is "cost shifting"? Cost shifting is the result of a mathematical calculation, involving two or more school administrative units that aspire to become a regional school unit (RSU), whereby the potential cost of education in one unit (town or city) is shifted to another unit (town or city), primarily because of one unit's higher state valuation. In more simple terms, one community will pay for a portion of another community's educational costs. Or said a different way, this is the loss of local control.

The most disappointing aspect of cost shifting is that no one in the Legislature apparently foresaw this phenomenon happening during the legislative session when school consolidation was considered. This is reminiscent of the fact that the quality of Maine's educational excellence was not discussed or debated either. Senator Douglas Smith of Piscataquis County reports that some members of the Legislature did ask the Department of Education (DOE) about shifting of costs between communities. Smith added that there was no response to the legislators' question from DOE.

This non-answer leads one to speculate about whether the department had an answer to the question. I suggest one of two scenarios. Either the department was not aware of the potential for cost shifting, which has become the central issue during negotiations to form RSUs. Or they purposely did not answer the question because they knew that it would be the final nail in the coffin of this flawed legislation.

Steve Bowen, a former legislator and education policy analyst for the Maine Heritage Policy Center, states that members of the Appropriations Committee told him that DOE did not run any models for the legislators to examine. If so, the lack of any computer runs by DOE is a surprising departure from past practice. DOE has almost always run computer models for the legislators to examine. Legislators frequently make their decisions to vote for or against a funding formula depending on the subsidy impact it has on their district. Apparently, there was so much discussion about reducing costs and merging administrative offices that the Legislature forgot to acquire the most important information.

It was reported by a reputable source that a DOE official told a group of superintendents that the only way he knows to fix the "cost shifting" phenomenon is by asking the Legislature to pass a Private and Special Law for those RSUs that have this financial problem. This statement has to be viewed as an admission of how seriously flawed this legislation is and what bad public policy the Legislature established when it enacted this law. If a public law has to be amended by a significant number of private and special laws, the public law must be repealed.

Several concrete examples of cost shifting have surfaced in recent days as the regional planning committees have crunched the numbers provided to them by DOE. The Forks Plantation in Somerset County, on the banks of the upper Kennebec River, has two students. It pays \$51,000 to tuition the students and provide transportation to school. If this plantation gets included in an RSU, its costs for educating its two students will increase to \$150,000-\$180,000. Is it fair to the people of The Forks Plantation to increase their taxes for educating their students by 3-4 times what they pay now?

Another example of outrageous increases in cost revolves around School Union 49 in Lincoln County. SU 49 consists of the Boothbay-Boothbay Harbor CSD, Southport Island and Edgecomb. Superintendent Eileen King reports that Southport Island, whose student population in a K-6 school is 36, will have to raise an additional \$600,000 if it consolidates with an RSU. This is because the law requires every community to raise a minimum of 2 mills. Southport Island currently raises only .91 mills. (Is this reminiscent of LD 1994, which had a pay-in provision for towns whose uniform property tax raised more than the cost of their local education?) The town of Boothbay will have to raise an additional \$330,000 and the town of Boothbay Harbor will have to raise \$134,000 more. There is only a minimal impact on the town of Edgecomb. This is not a question of cost shifting, but perhaps a complete loss of state subsidy.

It is difficult to comprehend that Governor John Baldacci, DOE Commissioner Susan Gendron, and legislators do not realize how truly flawed this legislation is. Governor Baldacci ought to call a special session of the Legislature and ask the legislators to repeal the law. How much more evidence do they need? It would be much more productive in terms of solving the fiscal problem to repeal this law, and ask Maine people to roll up their sleeves and use their creative genius to identify ways to save taxpayers' dollars. Does anyone hear us?

If you would like more information about efforts to repeal the school consolidation law, please contact Lawrence P. "Skip" Greenlaw at 367-2738 or e-mail skipg@hypernet.com.

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