Maine’s school consolidation law is faltering, raising questions about whether it can produce the benefits that proponents hope to achieve. A review of the law’s progress reveals a number of challenges that lawmakers and school officials will need to address to move the process forward.

Maine’s consolidation law was enacted in 2007. It was designed to encourage school districts to combine into regional professional cooperation (RPC) districts. The law includes provisions for voter approval of consolidations, financial incentives to districts that consolidate, and new penalties for districts that fail to make progress toward consolidation.

However, despite initial optimism, the law appears to be struggling. Only one consolidation has been approved by voters, and the process has been slow and contentious. There are concerns about whether the law’s incentives are sufficient to motivate districts to consolidate, and whether the penalties for non-compliance are strong enough to ensure that districts make progress toward consolidation.

One of the key challenges facing the consolidation initiative is the fact that many school districts in Maine are very small. This makes it difficult to achieve economies of scale through consolidation. Additionally, many districts have deep historical and cultural ties to existing schools, which can make it difficult to persuade voters to support consolidation.

Despite these challenges, there are still reasons to be optimistic about the consolidation initiative. The state’s efforts to provide financial incentives and mandates for consolidation have not gone unnoticed, and it is likely that more districts will be encouraged to consolidate in the future. However, lawmakers and school officials will need to address a number of key issues in order to ensure that the consolidation law is successful.

One of the key issues that will need to be addressed is the matter of financial incentives. Some districts may be hesitant to consolidate unless they can be assured that they will receive financial benefits in return. Additionally, there may be concerns about the fairness of the financial incentives, as some districts may feel that they are being treated unfairly.

Another key issue is the matter of voter approval. The consolidation law requires voter approval for most consolidations, which can be a significant barrier to progress. It will be important for lawmakers to consider ways to streamline the approval process, in order to make it easier for districts to gain voter support.

Finally, there are concerns about the future of school consolidation in light of the current economic downturn. It is possible that some districts may be hesitant to consolidate if they are concerned about the impact of consolidation on their ability to provide quality education.

Despite these challenges, there are still reasons to be optimistic about the future of school consolidation in Maine. With continued support from lawmakers and school officials, it is possible that the consolidation initiative will continue to make progress in the future.
The difficulties go well beyond high per pupil costs and low teacher salaries, however. Amid rising academic expectations, Maine’s many small high schools struggle to provide a competitive curriculum. Despite historically strong local control, defined through town council votes, most school districts need a strong dose of cooperation if they are to succeed in the future.

What’s next for school funding reform? While the nature of General Purpose Aid means that attaching strings runs counter to the long-term prospects – and at the educational needs of children.

**MAINE’s schools need a strong dose of cooperation if they are to succeed**

For one thing, school boards and town officials, representing taxpayers, it ultimately be the ideal vehicle for that transformation, but there is no doubt that its goals must be achieved.

**Essential Programs and Services**

The state’s 55 percent funding goal grew out of a referendum, originally proposed by the Maine Municipal Association in 2003, that was enacted by voters in a second election in 2004 after the state’s competing measure was defeated.

Maine’s stated goal was to use increased state funding to reduce the property taxes required to balance the local school budgets. Increased state aid, however, is a flawed premise, at best. For one thing, school boards naturally saw increases in state aid as something they always have – as an opportunity to improve programs, increase teacher pay, or cut costs for rising structural costs such as health insurance and fuel. The state’s discussions regarding town and cities to pass through increased school funding to local taxpayers, it was always decided such a measure was impractical – as indeed it is.

The natural of General Purpose Aid means that attaching strings run counter to the basic intent of the program, which is to equalize local tax effort and provide equitable opportunities for students. As part of the legislation implementing the new General Purpose Aid formula, passed in 2005 and known as LD 1, lawmakers did establish the new Essential Programs and Services (EPS) benchmarks for each district as a standard for local spending. EPS, in preparation since 1997 and enacted by the Legislature in 2004, is a useful guide to how much each district needs to spend to provide an adequate education, as defined in the Learning Results curriculum standards. To spend more than a district’s EPS allocation, at least a two-thirds majority of the town council must vote explicitly to do so, yet such override votes have been common.

While the state now distributes more than 95 percent of EPS, with local taxpayers responsible for any additional amounts, thus far this has not prompted widespread cutbacks in budgets, or rejection by voters. Instead, during the four years the state has been using EPS as a budget standard, the proportion of school aid and only to the limits of local school costs. This has fallen by at least 4,000 students each year during her tenure. As she pointed out, teacher retirement and retiree health insurance costs, a 100 percent share. The state does not support the retirement of other municipal employees, but has paid for all teachers for many decades.

There have been periodic attempts to push the state’s share higher. The familiar 55 percent goal for GEA was set in statute in 1954, but has paid for all teachers for many decades.

Consolidation may not be a popular step with many existing school boards, but it is a necessary one if Maine is to meet the problem of rising per-student costs and falling enrollment. The initial steps toward budget savings, however, has proven unrealistic. While the RP’s studying consolidation may be to increase savings only, their combining superintendent’s offices, these reductions are cancelled out by the start-up costs necessary whenever a new organization is being created while the old one is still operating. A few existing districts budgeted such startup costs in their preliminary consolidation plans, but found it impossible to devise plans for that reason.

Recognizing that substantial savings will occur only if towns can agree to revamp the law to offer

<table>
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<th>Year</th>
<th>State (in millions)</th>
<th>Local</th>
<th>% State Funding</th>
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<tr>
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<td>2009</td>
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</table>

(State total includes GEA, teacher retirement and health Insurance and, grants.)

Source: Department of Education
The difficulties go well beyond high per pupil costs and low teachers' salaries, however. Amid rising academic expectations, Maine's many small high schools struggle to provide a competitive curriculum. Despite historically strong P&ES (Programs and Services) benchmarks, Maine's schools need a strong dose of cooperation if they are to succeed in the next several decades. The current consolidation law may not yet be the ideal vehicle for that transformation, but there is no doubt that its goals must be achieved. 

### Essential Programs and Services

The state’s 55 percent funding goal grew out of a referendum, originally proposed by the Maine Municipal Association in 2003, that was enacted by voters in a second referendum in 2004 after the state’s competing measure was defeated.

MMA’s stated goal was to use increased state funding to reduce the property taxes required to pay the balance of local school costs. A flawed premise, at best. For one thing, school boards naturally saw increases in state aid as an opportunity to spend more, and local school managers, often seen as purely political, will no longer consider forming new regional districts? (SAD 17) has 3,600 students, and is one of the largest districts in Maine. The Oxford Hills District, which has fallen below 700 student, is the correct answer is, it is clearly far higher than the average district size in Maine, which has fallen below 700 students.

The consolidation bill, known as LD 490, has estimated costs of $5.2 billion in fiscal 2007, while the state has set aside $3 billion for the initiative in its fiscal 2008 budget.

Locally, school districts are facing declining enrollments, rising costs and budget cuts, and many are looking for ways to save money. One option is to consolidate schools, which can help reduce costs and improve educational outcomes. However, as the state report notes: “While there is no evidence that consolidation per se has a positive impact on student achievement, there are several factors that can influence the success of consolidation efforts.”

### Making consolidation palatable

That number began falling in fiscal 1988, when support reached an all-time high in fiscal 1988, with 48.5 percent of school funding as state aid only to the limits prescribed by the Legislature. Under these circumstances, it is likely to remain relatively constant, despite lawmakers' repeated efforts to increase it. As measured of the General Fund, GFA has remained in a fairly narrow range. From 30.8 percent in fiscal 1990, it declined to a low of 27.3 percent in fiscal 2001, and has since risen to 29.6 in fiscal 2007—just about where it was in 2000, but as we have seen, there are profound effects on schools and their ability to educate students. Except for buildings that have been sold or leased, the state’s construction program, which currently lacks funding for a new round of schools, has closed anywhere in Maine, communities often fiercely resist losing “their” school, no matter how high their costs have climbed. When they fall below a certain size—about 300 for secondary schools and 150 for elementary schools—it is impossible to maintain efficient levels of staffing, which is the single biggest factor driving up costs. School closings, however, have become much more palatable if they are replaced by new or renovated schools that can offer improved services and a better climate for learning.

### State and Local Funding for K-12 Education

The declining number of students has had a profound effect on school funding, and the current economic uncertainties. In fiscal 2007, the state distribution stood at 51 percent on average, just about where it has been for most of the past 20 years. 

This continuity over time lends one to believe that the proportion of the state budget devoted to GPA, in particular, is likely to remain relatively constant, despite lawmakers' repeated efforts to increase it. As measured as a proportion of the General Fund, GPA has remained in a fairly narrow range. From 30.8 percent in fiscal 1990, it declined to a low of 27.3 percent in fiscal 2001, and has since risen to 29.6 in fiscal 2007—just about where it was in 2000, but as we have seen, there are profound effects on schools and their ability to educate students. Except for buildings that have been sold or leased, the state’s construction program, which currently lacks funding for a new round of schools, has closed anywhere in Maine, communities often fiercely resist losing “their” school, no matter how high their costs have climbed. When they fall below a certain size—about 300 for secondary schools and 150 for elementary schools—it is impossible to maintain efficient levels of staffing, which is the single biggest factor driving up costs. School closings, however, have become much more palatable if they are replaced by new or renovated schools that can offer improved services and a better climate for learning.

The convergence of state fiscal priorities, the current economic uncertainties, and the state’s construction program, which currently lacks funding for a new round of schools, has closed anywhere in Maine, communities often fiercely resist losing “their” school, no matter how high their costs have climbed. When they fall below a certain size—about 300 for secondary schools and 150 for elementary schools—it is impossible to maintain efficient levels of staffing, which is the single biggest factor driving up costs. School closings, however, have become much more palatable if they are replaced by new or renovated schools that can offer improved services and a better climate for learning.
WHAT'S NEXT FOR SCHOOL FUNDING REFORM?

By Douglas Rooks

This has not been a good year, so far, for reform of Maine’s public schools. After enacting a landmark school district consolidation initiative in 2007, the Legislature failed to agree over implementation of the measure this year, leaving the public, and educators, confused about the state’s ultimate intentions.

A second blow came when the state, at least temporarily, abandoned its goal of funding 55 percent of General Purpose Aid (GPA) to education. After a $36 million cutback in projected state funding last year — which was based on administrative changes that have not yet taken place — lawmakers cut another $34 million from state aid, as part of meeting an overall $190 million midterm budget shortfall.

That ambitious — and rapid — changes in the state's approach to its K-12 educational system have fallen short of immediate goals should not be surprising. Change on the scale proposed by Gov. John Baldacci during his inaugural address in 2007 would be arduous at any time, and several circumstances, including an economic downturn, made it even tougher.

Yet there are reasons to question some of the strategies and tactics that have surrounded both the movement to require greater state funding, and the consolidation legislation that has proven so contentious among legislators and local school officials. Adjusting our expectations on funding, and making some significant changes in the way consolidation is supposed to work, could stem some of the frustration and allow needed and overdue reforms to proceed.

There is overwhelming evidence that change is needed. School enrollment is falling rapidly in Maine — by 4,000 students a year — but the school district structure we have today is largely unchanged from the 1970s, when enrollment peaked at 250,000. Today, just 195,000 students attend Maine schools, K-12.

Because school districts are so small in Maine, the delivery of school services is highly inefficient. Per-pupil costs are in the top 10 among the 50 states, even though Maine pays its teachers poorly. Until a minimum salary bill was passed in 2005, Maine had the lowest average starting salary in the nation.

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