

School District Consolidation

Impact and Opportunity for Trenton

Review of Consolidation Law

- Reduce number of school districts from 290 to 80
- Reduce state school subsidy by \$36.5 million due to alleged cost savings (50% System Administration, 5% each Special Education, Transportation, Operations & Maintenance)
- Create new Regional School Districts (RSU) governed by regional school boards
 - Eliminate local control of schools
 - Transfer property and assets to RSU
 - New debt owned by RSU
 - RSU sole employer; one employment contract
 - Regional board can close schools

Effect of Law Passed June 2007

- No net cost savings
- Unintended financial consequences increase local cost of education and raise taxes
 - Unified employment contracts
 - Cost shifting; towns with higher value & lower pupil count will be subsidizing other towns
 - Cost of budget referendum
- No provision for leaving the school unit
- Only real savings in closing schools
- No provision for improving education
- School choice

Timeline of Events

- June 2007 – Consolidation Law Enacted
 - Regional Planning Committee (RPC) formed
 - Identified Potential Partners for Trenton
 - **Union 98 (Recommended by Dept. of Ed.)** Bar Harbor, Cranberry Isles, Frenchboro, Mount Desert, Southwest Harbor, Tremont, SAD #76 (Swan’s Island), CSD #7 (Mount Desert Island High School)
 - **Union 92** Hancock, Lamoine, Mariaville, Otis, Surry, Trenton, MSAD #26 (Eastbrook, Waltham)
 - **Ellsworth**
 - **Union 96** Steuben, Peninsula Bay CSD (Franklin, Gouldsboro, Sorrento, Steuben, Sullivan, Winter Harbor), Schoodic CSD (Sorrento, Sullivan)
 - **CSD #8 (Airline)** Amherst, Aurora, Great Pond, Osborn

Timeline (continued)

- **November 2007**
 - Requested exemption for Union 92 to stand alone
- **December 2007**
 - DOE rejected Union 92 Proposal
 - DOE rejected MDI proposal
- **Jan – April 2008**
 - Union 92 RPC inactive until legislature adjourned
- **April 2008 – Law amended**
 - Reassessment of possibilities
 - Reopened discussion with MDI
- **May – June 2008**
 - RPC meetings resume

Current Law (Amended April 2008)

Alternative Organizational Structure

- Consolidation of system administration
- Consolidation of special education administration, transportation administration, and administration of business functions
- Core curriculum and standardized assessment
- Consistent school policies, school calendars, and a plan for consistent collective bargaining agreements

Allows local school board to continue to operate the town's school

How Do We Respond to this Law?

Historically, Trenton has always been committed to supporting education

- Putting aside “the law”, politics, and finance, what is best for our students?
- How do we achieve best value for our investment in education?

Trenton's Educational Priorities

- Maintaining educational excellence for all students
- Programs and curriculum that support success at the secondary school level most Trenton students choose to attend (MDI High School)
- Administrative stability to support educational goals
- Opportunity to retain our school, and retain town control of our school
- Maintain high school choice

Why we Support Joining Union 98

- Historically, the majority of Trenton Students attend MDI High School
- MDI schools are considered to be among the best in the state
- Union 98 RPC work is solidly grounded and well on its way to stability within the new legal structure
- MDI towns have similar educational values; value local control, want to be on the vanguard in offering educational opportunities for their students

The Financial Realities

- Central Office
 - No significant savings anticipated
- Cost of High School
 - Expect current contract for tuition will prevail
- State Subsidy Allocation/Cost-Shifting
- Grants & Entitlements
- Teacher Salaries and Benefits
 - Plan for consistent collective bargaining
 - Costs will be higher no matter what our alignment

Cost of Trenton Teaching Staff on Various Pay Scales

Based on expected positions and rates for school year
2008-2009

	Trenton Total Amt	U92	U92&Ells	U98
		Estimated Amount of Increase		
Salaries	\$750,488	\$35,144	\$102,939	\$115,363
Benefits	\$129,500	\$64,317	\$99,287	\$102,138
Total	\$879,988	\$99,461	\$202,226	\$217,501

The purpose of this comparison is to show how Trenton's pay scale compares to others' today. Any future negotiation would be based on the current scenario at that time and would likely include a phase-in of any increases.

Estimated Tax Increase to Raise Additional Amount

To raise an additional \$100,000, need additional .382 mills or \$38.20 of taxes per \$100,000 of valuation of property.

Property Value of \$100,000

Increase Town	Tax at 12.247 mills	Additional Tax	Total Tax	% Tax Increase
Budget				
+\$100,000	\$1,224.70	\$38.20	\$1,262.90	3.12%
+\$200,000	\$1,224.70	\$76.40	\$1,301.10	6.24%

Property Value of \$200,000

Increase Town	Tax at 12.247 mills	Additional Tax	Total Tax	% Tax Increase
Budget				
+\$100,000	\$2,449.40	\$76.40	\$2,525.80	3.12%
+\$200,000	\$2,449.40	\$152.80	\$2,602.20	6.24%

Next Steps

- July 2 - Meeting with MDI RPC – begin to discuss details of how Trenton would fit into the MDI plan
- Interval – Continue work on merger details and plan to present to voters; hold public information meetings
- January 2009 (likely date, although November 2008 has not been ruled out) - Town referendum to vote on accepting plan
- July 1, 2009 – Implementation date for new school district

Discussion and Questions