



People's Forum of Penobscot

Analysis of School Sustainment Issue

Phase 2 Report Options for School Sustainment

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Summary

Penobscot Town Selectmen asked the People's Forum of Penobscot to study the issue of school sustainment given low student enrollment and high per-pupil costs at the Penobscot Community School. In the first phase of the study, completed in April 2017, members of the problem-solving team defined the key elements and factors of the school sustainment issue. In this second phase the team identified and evaluated 19 options to address the issue. Options were divided into three categories: those that might increase school enrollment, those that might reduce school costs or generate income, and those the town might consider if enrollment at the school were to decrease significantly.

Information on each option was gathered via interviews (in-person and telephone) and internet searches. Options were then rated using five criteria: feasibility, effectiveness, impact on education, financial impact, and community acceptability. Based on these ratings the following options were recommended for further consideration:

- Enrollment might be increased by promoting the school more effectively, and developing the former nursing home, and perhaps establishing a magnet program in the future.
- Modest reductions in school costs could be realized by installing solar panels and replacing fluorescent lightbulbs throughout the school with LEDs.
- Continuing the practice of collecting unpaid taxes will generate some additional income for the town to offset education expenditures, as could renting space in the building should a decision be made at some future time to close the school.

Finally, should a significant decrease in enrollment occur in the future, sending upper grades to another school or closing the Penobscot Community School altogether might yield substantial savings to the town. However, great care would need to be taken in deciding where Penobscot children should attend school in order to maximize the likelihood that they would continue receiving a high-quality education and a positive educational experience.

Introduction

The People's Forum of Penobscot is a non-partisan, non-political group of citizens, 18 or older, who conduct unbiased, fact-based analyses of issues facing our town when requested by town officials. The Penobscot Selectmen asked the People's Forum to look at the following issue:

Issue: School sustainment with low student enrollment along with high per-pupil costs at the Penobscot Community School.

In response to this request, the Forum formed a problem-solving team and planned a two-phase effort to address the issue:

Phase 1. Goal: Define the key elements and factors of the school sustainment issue, inform the community on the results, and initiate feedback and dialogue that will continue through Phase 2.

Phase 2. Goal: Identify and evaluate options to lower per-pupil costs while maintaining the quality of education, and present results to the community for contingency planning and decision.

This report presents the results of Phase 2 of the effort. Starting with suggestions from team members and town residents, the team identified and categorized options that might help achieve the goal of reducing per-pupil costs while maintaining the quality of education that Penobscot students receive. Next we developed questions whose answers would provide us with the technical, financial, and social/political facts we needed in order to analyze these options. We identified and ~pursued individuals and organizations that might provide us with this information, sometimes finding additional resources along the way. Finally, we analyzed the options based on the five criteria of feasibility, effectiveness, financial impact, educational impact, and community acceptability.

Our first two categories of options are the primary strategies for lowering per-pupil costs: increasing enrollment and reducing school costs. A few of the options that we considered would not reduce school costs but would generate income for the town that could be used to offset educational expenses. We have included those options in the "Reduce school costs" category as well. Our third category covers options the town might consider if school enrollment were to drop further. Table 1 presents the 19 options we considered.

In gathering information team members interviewed (in person or by phone) the current and former Penobscot Community School principals, the Penobscot School Board, the Superintendent of School Union 93 (Penobscot's school administrative unit), the superintendents of two rural school units, a Hancock County Planning Commissioner, the state Department of Education's School Finance Officer, the manager of the Orland Community Center, local real estate agents, and other agencies, schools, and individuals with experience

related to options considered in this report. The team also conducted research online at a variety of websites, primarily those of the Maine Department of Education.

The criteria and the ratings we used for each option are defined in the section “Criteria and Ratings.” The final ratings for all options are summarized in Table 2. Those options with a feasibility rating of at least medium are highlighted and discussed in the section titled “Analysis of Options.” In this section we also identify those options that we believe warrant further consideration. A more detailed description of each option and its ratings are included in the last section of this report, “Option Descriptions and Ratings.”

Note: At the request of the Penobscot selectmen, another team of the People’s Forum is investigating ways to bring affordable high-speed broadband Internet service to Penobscot. The availability of this service throughout Penobscot could impact the school in several ways. For example, a People’s Forum survey found that the absence of access to high speed broadband internet could hinder efforts to increase school enrollment. On the other hand, having access to high speed internet would facilitate communications between the school, its teachers, parents and students and would ease completion of school work at home. Since this issue is being thoroughly examined by another Forum team, it is not further addressed here.

Table 1. Options for School Sustainment

Increase enrollment

Attract students to the school

- Establish a magnet school/program*
- Become a charter school*
- Seek tuition-paying students*
- Take in students from another town that closes its school*

Attract young families to live in Penobscot

- Develop former nursing home or other available properties (for housing and employment) by working with funding sources*
- Promote availability or development of moderately-priced housing*
- Promote the school*

Reduce school costs

Staffing strategies

- Reduce or reconfigure teaching staff*
- Reduce or reconfigure other personnel (including administration)*
- Use virtual learning to replace teaching staff*

Energy efficiency

- Install solar panels*
- Install LED lighting*
- Make windows more energy-efficient*

Income-generating strategies

- Increase state subsidy*
- Collect unpaid property taxes*
- Use building for rental income or community purposes (if school is closed)*

Respond to decrease in enrollment

- Send upper grades to another school, become a lower elementary school, and rent space within the school*
- Close the school and send all students to another town*
- Create a regional school*

Criteria and Ratings

Five criteria were used to analyze each of the options considered in this study. Within the analysis of a given option a rating was assigned to each criterion to indicate the extent to which the option met that criterion. The criteria and their ratings are described below.

Feasibility refers to the technical ease or difficulty of implementing a particular option – for the town of Penobscot or the Penobscot Community School. For instance, it would very difficult to have every student in Penobscot home-schooled, but it would be relatively easy to purchase a laptop for every student. The latter might not be possible financially, but financial issues are considered in other criteria. Feasibility was rated as high, medium, or low.

Effectiveness is concerned with how well an option achieves its designated purpose in this study. The options have been assigned to one of three groups, each with a different intent. One set of options is intended to increase school enrollment, a second to decrease school costs (or generate income), and the third to respond to a future decrease in enrollment in manner that maintains the quality of education for Penobscot students. Effectiveness was rated as high, medium, or low.

Impact on education indicates the positive or negative effect that an option might have on the quality of education provided Penobscot students. Separate consideration of this criterion is especially important for those options intended to either increase enrollment or decrease school costs. It is somewhat redundant for options whose purpose is responding to a future decrease in enrollment in a manner that maintains educational quality because, for these options, the issue of educational quality will also be addressed under the effectiveness criterion. Impact on education is rated as positive, negative, or neutral. For options where it is clear that there will no impact on education (e.g., installing LED light bulbs), “None” was noted as the rating.

Financial impact. This criterion is subdivided into financial costs (upfront and recurring), financial benefits (upfront and recurring), and net financial impact.

Financial costs (upfront and recurring) refers to expenditure of funds by the town of Penobscot or its school in implementing (upfront) or sustaining (recurring) an option. It does not include other “costs” that the option might involve, such as time and effort by school board members or teachers. The ratings for financial costs were high (above \$200,000), medium (between \$20,000 and \$200,000), low (below \$20,000), and none.

Financial benefits (upfront and recurring) refers to a reduction in educational expenditures by Penobscot or its school in implementing (upfront) or sustaining (recurring) an option. It does not consider non-financial benefits, such as exposure to a larger peer group or additional extracurricular opportunities. Furthermore, this criterion is concerned only with total expenditure of school funds, not the per pupil cost of educating students at PCS. For instance,

increasing the number of young families moving to Penobscot could increase school enrollment, and this might reduce PCS's per pupil cost (as long as the increase was not so great as to require the addition of multiple teacher positions). However, this option would not decrease total school expenditures and therefore would not receive a high ranking on financial benefits. The ratings for financial benefits were high (above \$200,000), medium (between 20,000 and \$200,000), low (below \$20,000), and none.

Net financial impact is concerned with the ultimate effect that an option would have on the cost of educating Penobscot's children. If the total upfront and recurring financial costs of an option are expected to be larger than its total upfront and recurring financial benefits, then the option would represent a net financial cost to Penobscot. If total upfront and recurring costs are expected to be less than total upfront and recurring benefits, then the option would represent a net financial benefit to Penobscot. Net costs and benefits are rated as high (above \$200,000), medium (between 20,000 and \$200,000), and low (below \$20,000).

(Information on financial costs and benefits, as well as net financial impact, is presented in the "Option Descriptions and Ratings" section of the report. Because we are ultimately concerned with the net financial impact that an option would have on Penobscot's town or school budget, only net financial impact is considered in the analysis portion of this report.)

Community acceptability represents the extent to which the residents of Penobscot (both persons with and without children at Penobscot Community School) would support or at least agree to the adoption of a given option. Community acceptability is largely a function of perception, whether residents *believe* an option will be good or bad for students, teachers, parents, residents, and/or the town as a whole. Many factors can contribute to or detract from community acceptability, including educational concerns, financial issues, personal histories with PCS, and beliefs about what life in a small town is all about. Community acceptability was ranked as high, medium, or low.

As community volunteer members of the School Sustainment Team, we have made a good faith effort to recognize the many factors that should be considered in analyzing an option and to collect and interpret pertinent technical, financial, and educational information about an option in a way that would allow us to analyze it as accurately and objectively as possible. However, we cannot and do not claim to have complete information on any of these options. If we have failed to recognize relevant factors and/or neglected or misinterpreted important information about an option, our ratings may be less than accurate.

The ratings for all options on feasibility, effectiveness, impact on education, net financial impact, and community acceptability are summarized in Table 2.

Analysis of Options

In this section of the report the 19 options for school sustainment will be reviewed in terms of the ratings they received on the five main criteria considered in this study: feasibility, effectiveness, impact on education, net financial impact, and community acceptance. These ratings are presented in chart format in Table 2. Details on the reasons for these ratings can be found in the section Option Descriptions and Ratings. Based on these ratings, recommendations will be made on which options to consider further in efforts to sustain the Penobscot Community School.

Options with low feasibility ratings. Seven of the 19 options received a feasibility rating of low: Become a charter school, Take in students from another town that closes its school, Promote availability or development of moderately-priced housing, Reduce/reconfigure teaching staff, Reduce/reconfigure other staff (including administration), Increase the state subsidy, and Create a regional school. We believe that, from a technical standpoint, it would be very difficult to implement any of these options, and consequently, we have eliminated them from further consideration in this analysis. The remaining 12 options show at least medium feasibility.

Options to increase enrollment. Four options with feasibility ratings of medium or higher are intended to increase enrollment: Establish a magnet school/program, Seek tuition-paying students, Develop the former nursing home, and Promote the school. All four options were rated high in community acceptability. "Establish a magnet school/program" was given a rating of low to medium in terms of its effectiveness in increasing enrollment and was seen as having a positive impact on the quality of education that Penobscot students receive. Its net financial impact was rated as between a low net cost and a low net benefit. "Promoting the school" (see below) and identifying its unique features might be the first step towards a magnet program. As noted below, we recommend proceeding with promoting the school, and we propose holding the magnet program idea until such time as a target population is identified from which Penobscot might draw some new students. "Seek tuition-paying students" has a low rating for effectiveness in increasing enrollment with no expected impact on quality of education. Its net financial impact was graded as a low to medium net cost. Because of its low effectiveness rating this option is not recommended unless there is a change in the town's employment situation (i.e., a relatively large new employer) that might increase the impact of a tuition program on school enrollment.

"Develop the former nursing home" is a complex option requiring low financial investment but high investment in terms of community members' time and effort. It received ratings of medium to high for both feasibility and effectiveness in increasing school enrollment, and its impact on education is expected to be neutral. With the possibility of a medium net financial benefit to town government, as well as other benefits to residents of Penobscot (e.g., employment opportunities and appropriate maintenance of the property), it is well worth further consideration. "Promote the school" would represent a low net financial cost to Penobscot but would be easily implemented (high feasibility) and would have a neutral to

positive impact on education. Even with its low rating on effectiveness in attracting new students, it seems a worthwhile endeavor to ensure that information is appropriately disseminated about the high quality of education at the Penobscot Community School and the achievements of its students.

Options to reduce school costs. Four options with medium or high feasibility ratings are intended to reduce school costs: Use virtual learning to replace teaching staff, Install solar panels, Install LED lighting, and Make windows more energy-efficient. However, all four received a low rating for effectiveness in reducing school costs. Virtual learning has not been proven educationally beneficial below the seventh grade (and thus received a negative to neutral rating on educational impact and a low rating on community acceptability). Because of start-up and recurring costs, it would represent a low net financial cost to the school. For these reasons we do not recommend further consideration of this option at this time. Because the school's electricity costs are in the low range, installing solar panels and LEDs would both yield a low net financial benefit, but they are easily implemented, would have a neutral to positive impact on education, and would have high community acceptability. The option of making windows more energy-efficient received a similar, though slightly lower rating. However, the nuisance factor of trying to avoid puncturing the inserts and the likelihood of needing to repair or replace inserts leads us to not recommend this option.

Options to generate income. Two options with high feasibility ratings are intended to generate income for the town: Collect unpaid property taxes and Use the building for rental income and/or community purposes (if the school were closed). Neither would have any impact on education; both would likely be highly acceptable to the community. A sustained effort to collect unpaid taxes has already been implemented at the Town Office and has successfully collected a moderate amount in interest payments. The practice will likely be continued, though less interest income will be generated if the number of outstanding tax bills is reduced. Consequently, the financial impact of this option was rated as a low to medium net benefit.

"Using the building for rental income and/or community purposes" would not be considered until after a decision to close the school. If that decision were made, however, we would recommend further study of this option because of its potential for raising some income (albeit a modest amount) for the town.

Options to respond to a substantial decrease in enrollment. Two options with at least medium feasibility ratings are intended to respond to a substantial decrease in school enrollment. The first is "Send upper grades to another school, become a lower elementary school, and rent space within the school." The other is "Close the school and send all students to another town." If there were a significant drop in enrollment, much discussion and planning would be needed before either option was implemented.

The quality of education at the Penobscot Community School is high. Student scores on standardized tests have been among the highest on the peninsula for several years. Staff have successfully implemented a system of Positive Behavioral Interventions and Support. The school's emphasis on the values of responsibility, respect, safety, and kindness has created a very positive school culture. Staff turnover is low, and small class sizes mean that children receive considerable individual attention. The school has taken good advantage of its broad grade and age mix. Its school "prides" are one example. These are multi-age groups led by 8th graders that eat lunch together weekly and engage in various activities together, such as coastal clean-up, gardening, and holiday projects.

Both the options of sending upper grades to another school and closing the school completely have the potential for maintaining educational quality. However, they don't assure that result; implementation of either option comes with the risk of providing Penobscot children an educational experience that is inferior to the one they are currently receiving.

Community acceptance of sending upper grades elsewhere would likely be higher than closure of the Penobscot Community School altogether, although the recurring financial benefit would likely be higher for closing the school and sending all students to another town.

Conclusions. Overall, there is no obvious and easy strategy to resolve the issues of low school enrollment and high per-pupil costs. It should be noted that many Penobscot residents would say that these are problems the town could and should live with given the high quality of education provided Penobscot children and the positive culture of the Penobscot Community School. Nonetheless, having analyzed 19 options to address these issues we can recommend several for further consideration:

- Enrollment might be increased by promoting the school more effectively, and developing the former nursing home, and perhaps establishing a magnet program in the future.
- Modest reductions in school costs could be realized by installing solar panels and replacing fluorescent lightbulbs throughout the school with LEDs.
- Continuing the practice of collecting unpaid taxes will generate some additional income for the town to offset education expenditures, as could renting space in the building should a decision be made at some future time to close the school.

Finally, should a significant decrease in enrollment occur in the future, sending upper grades to another school or closing the Penobscot Community School altogether might yield substantive savings to the town. However, it could also place at risk the excellent education now provided Penobscot children. If either option were implemented, great care would need to be taken in deciding where Penobscot children attended school in order to maximize the likelihood that they would continue receiving a high-quality education and a positive educational experience.

Table 2: Summary Analysis of Options

STRATEGY AND OPTIONS/CRITERIA	Feasibility	Effectiveness in...	Impact on Education	Net Financial Impact	Community Acceptance
INCREASE ENROLLMENT		Increasing enrollment			
Establish magnet school/program	Medium to High	Low to Medium	Positive	Low Net Cost to Low Net Benefit	High
Become a charter school	Low	Low	Negative to Neutral	Medium to High Net Benefit	Low
Seek tuition-paying students	High	Low	None	Low to Medium Net Cost	High
Take in students from another town that closes its school	Low	High	Neutral	Medium to High Net Benefit	High
Develop former nursing home	Medium to High	Medium to High	Neutral	Medium Net Benefit	High
Promote housing	Low	Low	Neutral	Low to Medium Net Benefit	High
Promote the school	High	Low to Medium	Neutral to Positive	Low Net Cost	High
REDUCE SCHOOL COSTS		Reducing costs or generating income			
Reduce/reconfigure teaching staff	Low	Low	Negative	Low to Medium Net Benefit	Low
Reduce/reconfigure other staff	Low	Low to Medium	Negative	Low to Medium Net Benefit	Low
Use virtual learning to replace teachers	Medium	Low	Negative to Neutral	Low Net Cost	Low
Install solar panels	High	Low	Neutral to Positive	Low Net Benefit	High
Install LED lighting	High	Low	Neutral to Positive	Low Net Benefit	High
Make windows more energy-efficient	High	Low	None	Low Net Benefit	Medium
Increase state subsidy	Low	Low to High	None	Low to High Net Benefit	High
Collect unpaid property taxes	High	Low to Medium	None	Low to Medium Net Benefit	High
Use building for rental income and/or community purposes (if school is closed)	High	Low	None	Low Net Benefit	High
RESPOND TO DECREASE IN ENROLLMENT		Maintaining educational quality			
Send upper grades to another school	Medium to High	Medium to High	Neutral to Positive	Medium Net Benefit	Medium
Close the school	High	Medium	Negative to Positive	High Net Benefit	Low
Create a regional school	Low	Medium	Neutral to Positive	Medium Net Cost to High Net Benefit	Medium

Option Descriptions and Ratings

Option: Establish a magnet school/program

Purpose: Increase enrollment/Attract students to the school

Description. A magnet school is one that draws students from outside of the school system's normal boundaries, usually with some financial support for their specialized programs. "Magnet school" has no apparent legal definition in Maine, but has been used to describe the state-authorized charter school in Limestone specializing in science and technology. Some schools in Maine are creating programs to attract tuition-paying students, with payment either through state subsidy or by individual students' parents, and are designating these as magnet programs.

Islesboro Central School, a K-12 public school on an island served by a ferry from Lincolnville, has created a magnet program to attract students from the mainland in grades 5 – 12. Students are offered the opportunity to experience an island community environment, with small classes and interaction among all grade levels, as well as a special focus on horticulture. Requirements for admission include evidence that the applicant will enhance the school's academic standards by having attained an average of 85% or better in core academic areas of English, Mathematics, History and Science. The school, which has been successful in attracting students for 30 years, supports a magnet program coordinator. Currently, in the 2017-2018 school year, sixteen of the thirty non-resident students are in grades 5-8, and one is in grade 4. It is unusual to have tuitioned students in grades other than 5-12.

At Penobscot Community School, there are currently programs involving gardening and sewing, used in after-school, summer school, and multi-grade enrichment activities one afternoon a week. Other distinctive programs have been brought to the classrooms through teachers' initiatives and interests, which might change over the years. Programs might also vary according to the needs and interests of the student population. Currently, science classes for the upper grades incorporate other subject areas in a holistic approach, and extend learning into the community by working with the local fisheries committee.

Feasibility, effectiveness, and impact on education. As the school already offers special programs and enrichment activities, we rate the feasibility of formally establishing a magnet program as medium to high. If a campaign to attract tuition students were undertaken, ongoing initiatives could be expanded and promoted along with other programs of excellence within the school. However, identifying and marketing programs in specific subject or skill areas to attract tuition students would require keeping or recruiting staff with specific background or expertise.

If promotion of the school [see “Promote the school” option] is undertaken, the distinctive programs noted above could enhance the community view of the quality of the school, and might attract families to Penobscot or convince families already residing here to choose Penobscot Community School instead of a private school or homeschooling. However, with no hard evidence that a magnet program draws students at the elementary level, we rate the effectiveness of this option in increasing enrollment as low to medium.

The experience with special programs and enrichment activities indicates that the content of magnet programs can enhance students’ educational experiences. Therefore we rate this option’s impact on education as positive.

Financial costs and benefits. Efforts could be made to market the school’s special programs and enhancement activities without organizing an official “magnet” program. There would be no upfront costs, and the only recurring costs would be those involved in promoting the school. Recurring costs with an official magnet program that sought tuition-paying students would include a stipend for a magnet program coordinator to oversee enhancements to the program and the cost of efforts to market the program with current information about school offerings. These costs are also rated as low. There is no upfront financial benefit anticipated with this option, and the recurring financial benefit would depend on the number of tuition-paying students attracted by this program but is also rated as low. The net financial impact would also reflect the number of tuition-paying students, and we rate it as from a low net cost to a low net benefit.

Community acceptability. Based on the positive experience students have had with the existing special programs and enhancement activities at the Penobscot Community School, community acceptability of a magnet program is likely to be high, whether or not it was formally identified as such.

Ratings Summary

- Feasibility: Medium to high
- Effectiveness in increasing enrollment: Low to medium
- Impact on education: Positive
- Financial Impact
 - Upfront costs: None
 - Recurring costs: Low
 - Upfront benefits: None
 - Recurring benefits: Low
 - Net financial impact: low net cost to low net benefit
- Community acceptability: High

Option: Become a charter school**Purpose: Increase enrollment/Attract students to the school**

Description. According to the Maine Department of Education, “Charter schools are publicly funded schools governed and operated independently of the traditional public school system. They have more flexibility than traditional public schools over decisions concerning curriculum and instruction, scheduling, staffing and finance. Charter schools, however, are accountable to the terms of the contracts, or charters, that authorize their existence and the academic standards to which all other public schools are accountable.”

Maine law limits the number of charter schools that can be authorized by the Maine Charter Commission, but allows local school boards to authorize additional charter schools within their school administrative units. An existing public school that becomes a charter school is called a “conversion public charter school.”

The Cornville Regional Charter School, Maine’s first elementary charter school, opened in 2012, two years after Cornville’s elementary school was closed by its Skowhegan-based Regional School Unit 54 as a means to cut costs. The town voted to take over the school, and a K-8 charter school was created by parents, teachers, and community leaders. As a member of a school union, Penobscot is not in the same situation. The decision to close the school would be in the hands of the local school board.

Feasibility, effectiveness, and impact. In conversion plans, such as would be required in Penobscot, a petition signed by a majority of teachers in the school and another signed by a majority of parents in the existing school must be submitted. The local school board would serve as the authorizing agent and would issue a request for proposals. According to the Maine Department of Education, any nonprofit, non-religious organization would be eligible to submit a proposal that outlines the student population and communities to be served; organizational, governance and financial plans; student and staff policies; and the proposed school’s academic program.

Because of these requirements and because it is very uncertain whether there would be an organization interested in establishing a charter school in Penobscot, practical feasibility would be low.

There is no guarantee and no reason to believe that converting the school to a charter school would significantly increase enrollment. Therefore the effectiveness of this option in increasing enrollment would be low.

Educational benefits might include innovations resulting from greater flexibility in curriculum and instructional practices. But given that the Penobscot Community School students are doing very well on standard test scores and the overall atmosphere in the school is very positive and

supportive, the impact on the quality of education would be minimal and could be negative as noted below under financial benefits.

Financial costs and benefits. Upfront costs, estimated to be in the low range, would include the expense of closing the Penobscot Community School (see “Closing the school”) and the expense of serving as the authorizing agency, which includes drawing up the request for proposals. No upfront financial benefits are anticipated.

The recurring cost of tuition payments for Penobscot students would be in the high range. Recurring financial benefits would also be high in that school operating costs would be eliminated. Because the savings from closing the school could be considerably greater than total tuition costs, we estimate that the net financial impact of this option could be a medium to high net benefit. However, any net benefits offered by a proposed charter school plan could reflect cuts to educational programs and teacher salaries. Such cuts could mean that current effective programming would be discontinued, and that only less experienced and effective staff would apply for the charter school positions, a negative impact on education.

Community acceptability. Acceptability would reflect both community feeling about closing Penobscot Community School and public perception of charter schools. This perception would depend on the information townspeople had regarding the specific advantages and disadvantages of a charter school in Penobscot. With no assured educational advantages, with feasibility questions and the risk of a lower quality of education, we rate the community acceptability of converting to a charter school as low.

Ratings Summary

- Feasibility: Low
- Effectiveness in increasing enrollment: Low
- Impact on education: Negative to neutral
- Financial impact
 - Upfront costs: Low
 - Recurring costs: High
 - Upfront benefits: None
 - Recurring benefits: High
 - Net financial impact: Medium to high net benefit
- Community acceptability: Low

Option: Seek tuition-paying students

Purpose: Increase enrollment/Attract students to the school

Description. Maine families living outside a school administrative unit may request to enroll their children in a school which has established a tuition policy. However, families in Maine are allowed to request a Superintendents’ Agreement to enroll their children tuition-free in a school outside of the town where they live. Superintendents of schools in both towns must agree. Families may request an override of a negative decision from the State Commissioner of Education. No tuition may be charged under a Superintendents’ Agreement transfer. As of November 2017, two Penobscot students attend the Sedgwick School and two students from Brooksville attend Penobscot Community School, on Superintendents’ Agreements, with no tuition paid. School policy allows children of full-time teachers at Penobscot Community School to attend tuition-free, as approved by the school board on a yearly basis. Two students currently attend under this agreement, which serves as an incentive for teachers to work in Penobscot.

State law (20-A MRSA §5804 (1): Tuition - Elementary School (K-8)Students - Public Schools) states that “The maximum tuition payments shall not exceed the receiving school administrative unit's per student cost for the preceding year as calculated by the commissioner.” The 2016-2017 maximum tuition rates for area towns are listed in the table below.

Town	2016-2017 Maximum Elementary Tuition Rate (based on per pupil cost)
Blue Hill	\$9,768.76
Brooklin	\$18,076.97
Brooksville	\$17,670.90
Castine	\$16,226.21
Penobscot	\$12,958.19
RSU 25 (Bucksport)	\$7,248.79
Sedgwick	\$10,931.94
Surry	\$11,021.23

A School Administrative Unit (SAU) can choose to charge a lower tuition than its per student cost. For instance, an SAU whose cost exceeds the state-wide per student cost (\$8,482 for 2016-2017) might set its tuition at the state-wide cost.

Locally, Castine and Brooklin schools have active tuition programs. Castine established a policy in 1993, in an effort to attract paying students from the Bangor and Bucksport areas whose parents work at Maine Maritime Academy, a large employer in Castine. The original tuition rate was the maximum allowed by the state at that time. Very few tuitioned students were attracted until 2015, when the Castine school board lowered tuition to \$3000. Castine now has nine tuition-paying students, three of whom reside in Penobscot.

Brooklin School adopted a tuition policy for K-8 students in 2016 and set a rate of \$3000. An earlier school policy was set only for pre-K students at \$50 per week. As of October 1, 2017, there were 4 tuitioned pre-K students at Brooklin School, and no K-8 students paying tuition. In nearby Waldo County, Islesboro Central School has a tuition policy that supports its magnet school program (see "Create a magnet school/program"). Currently 17 students in grades 4-8 are enrolled on a tuition basis. The tuition rate is \$4,740 for those grades 4-8.

Feasibility, effectiveness, and impact on education. The Penobscot School Committee has a long-standing tuition policy but specific rates have only been set for pre-K non-residents. No non-residents have ever applied, and the Penobscot School Committee has not opted to actively seek tuition-paying students. However, it would not be difficult to launch a functioning tuition program. It has been done in Castine and Brooklin, and we rate the feasibility of this option as high.

On the other hand, a tuition program is unlikely to bring a large number of students to Penobscot Community School. Unlike Castine with Maine Maritime Academy and Brooklin with its boatyards and WoodenBoat Publications, Penobscot has no large business that might employ a sizable group of parents who live outside the town. Employment in Castine and Brooklin is a significant motivation for paying tuition to those towns. We rate the effectiveness of this option in increasing enrollment as low.

The small number of additional students that a tuition program would likely attract should have no impact on education at the Penobscot Community School.

Financial costs and benefits. There should be no upfront costs involved in implementing a tuition program. As for recurring costs, recruitment of tuition-paying students could be conducted at little expense with some targeted advertising. However, an additional factor to be considered in weighing this option is the possibility that even one tuitioned student could send the school's percentage of free-and-reduced-lunch students below the state's average. This would "cost" the school the adjustment in state subsidy for having economically disadvantaged students, which in each of the past four school years has amounted to more than \$50,000. The assumption here is that any family who can afford tuition will not qualify for the free-and-reduced lunch program, which is the criterion used by the state to determine economic disadvantage.

Furthermore, the residency of a student is in effect transferred to the school that the student will be attending, so that the receiving unit essentially "takes ownership" of the student and is responsible for the costs of educating that student, including any special education needs as determined by the special education process. A school board's acceptance policies for tuitioned students may include having available classroom space, but applicants may not be rejected on the basis of their special education needs. It is possible that special education costs could increase substantially under a tuition program. We anticipate no upfront benefits from a tuition

program, and the recurring benefits would depend on the number of tuition students the program attracted, which we expect would be very few. We rank recurring benefits as low.

A tuition program in Penobscot would involve some financial risk and is unlikely to yield much in terms of tuition income. Therefore, financial costs could well outweigh any financial benefits and we rate the net financial impact as a low to medium net cost.

Community acceptability. The possibility that tuition-paying students could produce some income for the school might engender community support. The experience of Brooklin and Castine suggests that there would be few barriers to community acceptance of a tuition policy.

Ratings Summary

- Feasibility: High
- Effectiveness in increasing school enrollment: Low
- Impact on education: None
- Financial impact
 - Upfront costs: Low
 - Recurring costs: None to medium
 - Upfront benefits: None
 - Recurring benefits: None to medium
 - Net financial impact: low to medium net cost
- Community acceptability: High

Option: Take in students from another town that closes its school

Purpose: Increase enrollment/Attract students to the school

Description. Contracting with another town to take in their students is an option dependent on the decision of the other town's school board. Other towns on the peninsula are experiencing low school enrollment, but none is reported to be considering closing its K-8 school. As of October 2017, the elementary schools on the peninsula with the lowest enrollments are those in Castine (59), Brooksville (68), and Brooklin, (70).

With its current five double-grade classrooms and enrollment of 72, Penobscot Community School could expand enrollment somewhat and maintain a classroom size near 17, the state guideline. If a higher total enrollment called for a transition to single-grade classrooms, extra teaching staff would be required. This could include replacing the half-time teaching portion of the principal's time if the principal's role were increased to full-time.

The decision to contract with another town to absorb its students would be made by the school board. A town vote by Penobscot residents would not be required. Decisions regarding classroom size and increasing staff would also be the responsibility of the school board.

Feasibility, effectiveness and impact on education. With no nearby schools considering closing, the feasibility of this option is low. If the opportunity were to become available, accepting another town's students would be very effective in increasing Penobscot Elementary School's enrollment.

A significant increase in enrollment at Penobscot Community School could impact school climate. Staff would need to identify strategies to sustain the positive atmosphere in the face of sudden growth. This would include planning and conducting transition activities for both new and continuing Penobscot Community School students and families. Assuming that school climate was not adversely affected, the impact on education would be neutral.

Financial benefits and costs. Upfront costs for an increased number of students would include the purchase of additional classroom furniture, equipment, and materials. These costs would be low unless the number of classrooms increased, requiring classroom renovations. Renovations could involve bringing the basement classroom into compliance with educational requirements of the Americans with Disabilities Act, which might entail installation of an elevator.

A recurring cost could be additional teaching time for Art, Music, and Phys. Ed. specialists, and, depending on the number of new students, hiring additional classroom teachers. These costs should be low to medium. However, if the number of new students was so large as to require the hiring of additional classroom teachers, these costs could be high. Furthermore, if the closing school were from a town in School Union 93 and that town withdrew from the union, then Penobscot would have to pay a larger share of the union office budget. This might also push recurring costs into the high range.

We anticipate no upfront financial benefit with this option. The recurring financial benefit to Penobscot of such an arrangement includes the tuition that the sending town would pay Penobscot for each student sent to Penobscot Community School. This could be the mandated maximum, the school's per pupil cost as calculated by the state for the previous school year (\$12,958.19 for 2016-17); however, Penobscot could choose to charge less. Any increased costs for transportation and special education would be borne by the other town.

The tuition Penobscot received from the other town should exceed the costs of bringing in new students, but by how much would depend on a number of factors: the tuition charged for each pupil, the number of new students sent to Penobscot, the number of additional teachers needed, the amount of additional time with specialists needed, and the extent of any required renovations. We estimate that the net financial impact would be a medium to high net benefit.

Community acceptability. It is likely that the Penobscot community would support the addition of tuition-paying students from another town as a strategy to increase enrollment at Penobscot Community School.

Ratings Summary

- Feasibility: Low
- Effectiveness: High
- Impact on education: Neutral
- Financial impact
 - Upfront costs: Low to medium
 - Recurring costs: Low to high
 - Upfront benefits: None
 - Recurring benefits: Medium to high
 - Net financial impact: Medium to high net benefit
- Community acceptability: High

Option: Develop former nursing home or other available properties (for housing and/or employment) by working with funding sources

Purpose: Increase enrollment/Attract young families to live in Penobscot

Background. The former Penobscot Nursing Home, now standing empty, was for many years the largest employer in town. The property is located in the most populated part of the town, at the junction of two state routes, across one road from the town office, across the other road from the post office, and less than a quarter of a mile from the fire department and the school. Also included in the property is a derelict small building formerly used as a repair garage.

Many residents see this as a prime business location and have expressed hopes and dreams for the use of the property to bring employment, commercial services, and new resident families to the town, with the potential for increasing Penobscot's school enrollment.

The ownership of this property has been unclear and is in foreclosure proceedings as of November 2017. The mortgage holder is Betlins, Inc., of which long-time Penobscot resident Wendell Dennison was president for many years. His daughter, who grew up in Penobscot, took over as president of the corporation after his death. There have been legal entanglements since 2008, when the nursing home was taken into state receivership after financial shortfalls and alleged financial mismanagement by Sifwat Ali/ELR Care, who purchased the property in 2006 and currently has \$9 million worth of liens due to unpaid bills. The property became solely a residential center after the state foreclosed on its MaineCare "bed rights", and the residential center was closed in June of 2017 because of financial shortfalls. Property taxes for past years have now been paid by the mortgage holder after the most recent owner failed to pay those taxes.

Description. There are community development funds and grants available for towns to apply for, either regarding town-owned property or working with a property owner interested in collaborating with the town. Clear ownership of the property must be established before any such applications can be started, a requirement which currently blocks the possibility of working with the eventual owners of the former nursing home.

Development of large properties by a citizens group dedicated to the good of the community, has been accomplished in other towns with the assistance of planning services and grants.

The town could consider establishing a development committee, if and when this or any other appropriate property has a clear title with an owner willing to work with the town, to investigate and pursue a development process. This would involve forming a committee approved by the selectmen and with representation from both year-round and seasonal residents, residents from all geographic parts of the town, persons with professional background related to development (legal, financial, business, community development, team leadership), and people with deep roots in the town, whether still residents or not.

A development committee could seek the assistance of the Hancock County Planning Commission and would be responsible for working with the property owner to get information needed for any funding applied for, such as the condition of the property, any possible contamination, and the needs and concerns of the townspeople.

There have been similar situations in other Maine towns that desired more business or more residents. In Hancock, the selectmen wrote the applications for funding to clear up contaminants on a town-owned property so the property could be sold. The process has not yet been successful but there are prospective buyers. On Isle au Haut, one resident with grant-writing experience wrote a small grant many years ago which led to a group of residents forming a non-profit organization, whose board of directors carried out the project of funding and building several new homes with the purpose of attracting new residents to the island. A group of committed citizens and people with roots in the Millinocket area formed "Our Katahdin", after mill closings led to loss of jobs and tax revenue for several towns. This group purchased the mill properties in early 2017 and is working towards a goal of developing a manufacturing and research industrial park for a dozen businesses that would employ a few dozen workers each. In Dover-Foxcroft, a citizen advisory group collaborated with town officials, the Piscataquis County Development Corporation, and a developer to transform an abandoned furniture mill into 22 residential apartments, an inn, cafe, office space and a data center, with a 300 KW hydroelectric power plant supplying the building with 100% of its electrical needs.

Feasibility, effectiveness, and impact on education. The feasibility of this option would depend in part on recruiting enough members of a development committee who are committed to spending a significant amount of time working together. It would also depend on the committee's success in creating a workable plan to develop the property. If the town failed to form such a committee or the committee failed to follow through on its work, the town could be at risk of either having an empty and deteriorating property in the center of town or seeing the buildings used for something not in the town's best interests. Because many residents' have expressed interest in seeing the nursing home property developed in a manner that benefits the town, we rate the feasibility of this option as medium to high.

Developing the former nursing home will require extensive effort, and close collaboration with the owner of the property will be essential. Properly executed, this development could be successful in attracting young families to Penobscot. We rate this option's effectiveness in increasing school enrollment as medium to high.

Depending on what organization(s) ultimately occupy the site, there could be opportunities for additional interaction between school students and the community enterprises. Otherwise, the impact on education should be minimal, and we rate it as neutral.

Financial costs and benefits. A development committee in Penobscot would be a volunteer effort. The committee would seek approval from the town for any professional assistance requiring funds as well as permission to apply for grants or to sponsor a business applying for a grant that would benefit the community. Possible sources of planning and financial assistance are listed below.*

We anticipate no upfront costs to the town for this option, and we expect recurring costs for committee operations and the grant development/application process to be low. There would be no upfront financial benefits. Recurring financial benefits to the town would include increase property tax revenues following completion of the development process. We rate these benefits as medium.

Because of low costs to the town for the development process we rate the net financial impact of this option as a medium net benefit.

Community acceptability: As noted above, many Penobscot residents have expressed concern about the future of the nursing home property. Community support for efforts to re-develop it would be high.

*Community development assistance is available through:

- Community Heart and Soul, <https://jblafleurconsultants.com>
- Hancock County Planning Commission, www.hcpcme.org
- Community Development Block Grants (work with Hancock County Planning Commission)
- GrowSmart Maine - <https://growsmartmaine.org>

Ratings Summary

- Feasibility: Medium to high
- Effectiveness: Medium to high
- Impact on education: Neutral
- Financial impact
 - Upfront costs: None
 - Recurring costs: Low
 - Upfront benefits: None
 - Recurring benefits: Medium
 - Net financial impact: Medium net benefit
- Community acceptability: High

Option: Promote availability or development of moderately-priced housing

Purpose: Increase enrollment/Attract young families to live in Penobscot

Description. As mentioned in the Phase 1 Report, families have withdrawn their children from Penobscot Community School in the past because of lack of available housing that they could afford. Real estate agents report low availability of moderately priced houses for sale, and a property management agency reports low availability of rental homes in Penobscot. One issue is that some Penobscot properties are not available for year-round rental. Several are rented during the summer months only, and several are rented to Maine Maritime Academy students during the school year only. Another issue is that some rental property is not widely marketed.

The low supply of available houses that are moderately priced does not mean that demand for this kind of housing is high, and there is no information on how many families are either looking for housing specifically in Penobscot or looking for housing in the general area and might consider buying or renting in Penobscot. One reason there is no information, according to rental property owners and a property management agent, is that almost all clients do their research online.

Feasibility, effectiveness, and impact on education. Without clear evidence of an unmet demand for moderately-priced housing in Penobscot, and identification of a population with this demand, it seems unreasonable to launch an effort to promote moderately-priced housing, and we rate the feasibility of this option as low. If there were an identified need for more moderately-priced housing – for example as a result of an increase in employment opportunities in town or the closing of a nearby town’s school - then promotion of both existing housing that is moderately priced and the development of additional housing in this price range could be explored.

We rate the effectiveness of this option in increasing school enrollment as low. Efforts to promote or develop moderately priced housing might not be successful, and even if they did attract new resident families, there would be no guarantee that these families would include school-aged children.

An increase in housing availability would have no impact on education.

Financial costs and benefits. Both upfront and recurring costs for promoting available housing would be low. Upfront and recurring costs for promoting development would also be low as there are community agencies and funds available to support development projects (see “Develop former nursing home...”). No upfront benefits are expected. Recurring benefits would include increased property tax revenues from newly developed housing. We have rated these benefits as low to medium.

Because costs are low and tax revenues would probably exceed those costs, we have rated the net financial impact of this option as a low to medium net benefit.

Community acceptability. Promotional efforts to increase housing availability would have high community acceptability as long as it was not viewed as aiming to change the socio-economic make-up of the town.

Ratings Summary

- Feasibility: Low
- Effectiveness in increasing enrollment: Low
- Impact on education: Neutral
- Financial impact
 - Upfront costs: Low
 - Recurring costs: Low
 - Upfront benefits: None
 - Recurring benefits: Low to medium
 - Net financial impact: Low to medium net benefit
- Community acceptability: High

Option: Promote the school

Purpose: Increase enrollment/Attract young families to live in Penobscot

Description. Promoting the school would mean getting information to the public about the positive and unique aspects of the school, with attention to information sources used by families with school-aged children. Schools which aim to attract students (to pay tuition) use their publicity to highlight their programs of excellence and not just to provide basic information about school activities and events to the families of students already attending.

Activities, events, achievements, and initiatives at Penobscot Community School are currently presented to the public by the school through the school website, Facebook page, and newsletter. Sources outside the school include area newspapers and websites that rate schools.

The Penobscot Bay Press publishes both the *Castine Patriot* and the *Weekly Packet*. The *Patriot* has a winter circulation of 560 (summer, 1,725), and the *Packet* has a winter circulation of 1,573 (summer, 2,125). While Penobscot events are most often covered in the *Patriot*, articles involving Penobscot appear on fewer occasions in the *Packet* and only when they relate to the whole peninsula or to School Union 93. Occasional articles are published in the *Ellsworth American*, with county-wide distribution and a year-round circulation of over 10,000.

Coverage of an event or story usually depends on someone from the school contacting the newspaper or initiating a website post. Finding popular online sources of school information and following through with postings and updates is a time-consuming task not currently assigned, but with the potential for greater results and more notice than local newspaper stories.

For example, Penobscot's 2016 achievement test scores were among the highest in the area, and this fact was publicized by both the *Patriot* and the *Packet*. However, this information was not included on the school's website or Facebook page, or the town website, places which can be viewed over a longer period of time and are resources for families who might consider enrolling their children at Penobscot Community School.

When asked (in Phase 1) what features of the school were its strengths, Penobscot teaching staff described staff attention to individual needs, the bonding of the students with each other, opportunities for hands-on experiences in the community, the collaborative nature of the staff, and its commitment to the RTI (Response To Intervention) program that helps students struggling with reading, writing, and math skills. These features are not easily described in a news article, and programs that enhance the school climate, such as the multi-age groups called "prides" that meet weekly for activities together, are not often publicized.

Real estate agents and rental property owners say that almost all of their contacts with people interested in moving to this area come from the internet. Websites that give information and ratings for schools across the state show little information about Penobscot, though two popular sites rate Penobscot's school among the top ten percent. At least one school-ratings website requires a school staff person to register with the site in order to provide input.

Feasibility, effectiveness, and impact on education. Highlighting the potential benefits of *promoting the school* (as opposed to just *publicizing events*) and assigning the responsibility for promotional efforts to a specific person would have high feasibility.

The effectiveness of promotional efforts in increasing enrollment would depend on other factors in the decisions of families considering schools for their children, such as available housing and area employment. We rate the effectiveness of this option as low to medium. .

Promoting the school would likely have little impact on education although it is possible that broader distribution of information on the achievements of the school and its students could increase students' pride in the school and themselves and increase their motivation to excel.

Financial costs and benefits. The upfront and recurring costs of promotional efforts would be low. Upfront costs might include creating printed materials about the school that could be distributed to real estate offices and at community events. Recurring costs might include establishing a stipend position at the school to assume responsibility for promotional efforts. There would be no direct financial benefits – either upfront or recurring.

Because there would be no direct financial benefits and costs would be low, we rate the net financial impact of this option as a low net cost.

Community acceptability. We can identify no reasons why residents might object to promoting the Penobscot Community School and therefore rate community acceptability of this option as high.

Ratings Summary

- Feasibility: High
- Effectiveness in increasing enrollment: Low to medium
- Impact on education: Neutral to positive
- Financial impact
 - Upfront costs: Low
 - Recurring costs: Low
 - Upfront benefits: None
 - Recurring benefits: None
 - Net financial impact: Low net cost
- Community acceptability: High

Option: Reduce or reconfigure teaching staff

Purpose: Reduce school costs/Staffing strategies

Description. Penobscot currently employs five classroom teachers, a special education teacher, a half-time librarian/reading teacher, and a half-time principal who teaches half-time. One additional teacher directs a program to assist students who are working below grade level and teaches small groups of students as needed, with partial funding through a federal grant. Specialty-area teachers (Art, Music, Health/Physical Education) are employed for the amount of time needed to serve each classroom and are shared with other schools in Union 93 in order to keep the positions full-time. The classroom configuration has gradually evolved over the past 11 years from one grade per classroom to two grades per classroom (pre-K-K; grades 1-2; grades 3-4; grades 5-6; grades 7-8). Teaching staff was reduced by one in 1996, 1997, 2002, and 2008, and in 2003 the full-time principal position became a half-time principal, half-time teacher position. The kindergarten teaching position was increased from half-time to full-time in 2005, and the pre-K class was added to the kindergarten classroom in 2011, making all classrooms double-graded.

State Department of Education rules dictate that the average class size in a K-8 school cannot exceed 25 students. Enrollment at Penobscot Community School as of October 1, 2017 is as follows:

Pre-kindergarten (4) + kindergarten (7)	11
Grade one (3) + grade two (11)	14
Grade three (7) + grade four (4)	11
Grade five (12) + grade six (9)	21
Grade seven (9) + grade eight (6)	15

The average class size is 14, with two grade levels in each classroom. By numbers alone, 72 students could be put into four or even three classrooms, but that would require three grade levels to be placed into two or three of the classrooms, with a transition to a different teaching model. A multi-grade classroom approach exists, but is apt to involve more than one teacher in the classroom. A non-graded approach exists, but does not fit with the current state mandates for grade-level-specific curriculum.

Each Penobscot Community School classroom teacher currently manages curriculum mandates for two grade levels while planning lessons that will involve students at both grade levels. A part-time teacher/librarian and the half-time principal instruct sections of classes that are working at different performance levels. Several more students could be added to each classroom at the appropriate grade levels, but, further reduction of classroom teaching staff is not possible with ten grade levels to cover.

Feasibility, effectiveness, and impact on education. Decisions about staffing are made by the school board, following state regulations and policies. The current Penobscot School Committee sees no options for reducing the teaching staff that would not be detrimental to the current high level of educational achievement. The feasibility of reducing teaching staff is therefore

very low, (If residents at Town Meeting wanted to eliminate a teaching position and voted to reduce the school budget by an amount equivalent to a teaching position, it would still be the school board's decision where to cut that amount; they would not be required to remove the position, just the amount voted on.)

If teaching staff could be reconfigured without reducing quality of education, its effectiveness in reducing school costs would be low to medium, depending on how many positions were cut.

As noted above, the impact on education of reducing teaching staff at Penobscot Community School would be negative.

Financial costs and benefits. There would be no upfront or recurring financial costs to reducing teaching staff. Nor would there be any upfront financial benefits. Recurring financial benefits of reconfiguring teaching staff would be low to medium, depending on the number of positions cut, assuming it were possible to do so. The net financial impact would therefore be a low to medium net benefit.

Community acceptability. Lower instructional costs resulting from fewer teaching positions might lead some in the community to support a reconfiguration of teaching staff. However, perceptions that a reduction in teaching staff would have a negative impact on quality of education at the school would probably lead many others to oppose this option. Weighing these conflicting responses we rate community acceptability as low.

Ratings Summary

- Feasibility: Low
- Effectiveness: Low
- Impact on education: Negative
- Financial impact
 - Upfront costs: None
 - Recurring costs: None
 - Upfront benefits: None
 - Recurring benefits: Low to medium
 - Net financial impact: Low to medium net benefit
- Community acceptability: Low

Option: Reduce or reconfigure other personnel (including administration)

Purpose: Reduce school costs/Staffing strategies

Description and feasibility. As of November 2017 Penobscot Community School employs two classroom educational technicians (“ed techs”) who work under the supervision of certified teachers. Job descriptions for classroom ed techs (levels I, II, and III) included in the school’s policies and procedures indicate that classroom teachers should provide guidance, direction, and supervision to ed techs. Therefore, unless the role of ed techs and the relationship between teachers and ed techs were redefined, it would not be possible to reconfigure school staff by replacing one or more teachers with ed techs.

This would be true for volunteers as well. School policy states that “Volunteers who work with students in the classroom will be under the immediate supervision and direction of a certified teacher.” Thus, replacing teaching staff with volunteers would not be allowed under current school policy.

At present, the school employs a teaching principal (whose time is split between administrative responsibilities and teaching math classes), one secretary, one cook, and two custodians, one full-time and one half-time. The school board believes that no reductions could be made without compromising the basic functioning of the school. However, it could be possible to reconfigure the principal’s position by sharing the position with another school. This would involve changing the administrative structure of the school to create a Community School District (CSD) with one administration and two campuses. At this time it seems unlikely that another school on the peninsula would be interested in establishing a CSD with Penobscot in order to share a principal, especially since, as noted below, the cost savings would be relatively modest. For these reasons we rate the feasibility of this option as low.

Effectiveness and impact on education. It is very likely that, given the difference in educational training and experience, replacing teachers with either ed techs or volunteers would have a negative impact on the quality of education provided Penobscot students. Reconfiguring the principal’s position would probably have little effect on educational quality. Overall, we rate the educational impact of this option as negative.

If it were possible to replace teaching staff with ed techs or volunteer without diminishing educational quality, then doing so would decrease expenditures for instructional services. The extent of the decrease would depend on the size of the reduction in teaching positions. Because the number of teachers at the school is already quite small, it is highly improbable that more than a single full-time position could be eliminated. If an ed tech were hired to replace a teacher, this would diminish the savings. Reconfiguring the principal’s position could also decrease instructional costs since a teacher hired to fill the principal’s half-time teaching position would be at a lower pay scale. This difference in pay for a half-time position would be small. We rate the effectiveness of this option in reducing school costs as low to medium.

Financial costs and benefits. The upfront costs for this option would include the legal costs of creating a CSD in order to reconfigure the principal's position. We rate these costs as low. There should be no recurring costs. We anticipate no upfront financial benefits. As noted above the recurring benefits would be the reduction in instructional expenditures due to a reduction in teaching staff and/or filling the principal's half-time teaching position with a half-time teacher at a lower pay scale. We rate these benefits as low to medium and the net financial impact of this option as a low to medium net benefit.

Community acceptability. The community is likely to perceive replacing teachers with ed techs or volunteers as having a negative impact of quality education. The community is also likely to oppose reconfiguring the principal's position because doing so would result in the school losing the full-time building presence and on-call services of its principal. For both these reasons we rate the community acceptability of this option as low.

Ratings Summary

- Feasibility: Low
- Effectiveness in reducing school costs: Low to medium
- Impact on education: Neutral
- Financial impact
 - Upfront costs: Low
 - Recurring costs: None
 - Upfront benefits: None
 - Recurring benefits: Low to medium
 - Net financial impact: Low to medium net benefit
- Community acceptability: Low

Option: Use virtual learning to replace teaching staff

Purpose: Reduce school costs/Staffing strategies

Description. Virtual learning refers to a type of instruction based on programs using an Internet connection to an instructor or to a distant classroom. A past town committee looking into ways to cut school costs found that this instructional method had not proven consistently effective for any students below grade 7, and that while it could produce successful results when used for foreign language instruction, the lack of personal interaction made it less desirable. Coordinating the schedules of Penobscot Community School classes with those of the off-site instructor or classroom could also be challenging.

Feasibility, effectiveness, and impact on education. The technology to implement virtual learning is well established, but it has not been widely used in Union 93. We rate the feasibility of this option as medium.

School policy states that both ed techs and volunteers who work with students in the classroom must be under the immediate supervision and direction of a certified teacher. Teacher supervision would still be required for any virtual learning program at Penobscot Community School; therefore, virtual learning would not be effective as a way to reduce teaching staff expenses.

Without consistent evidence of a positive impact on education in elementary grades, we would rate virtual learning in this situation as having a negative to neutral impact on education.

Financial costs and benefits. We expect there would be low to medium upfront costs for the initial investment in technology required to launch a virtual learning program. Recurring costs would be what the host company or organization charged for the virtual learning service; we rate those costs as low. As virtual learning would not lead to a reduction in teaching staff, there would be no upfront or recurring financial benefits. We rate the net financial impact as a low net cost.

Community acceptability. Community support for virtual learning might depend on general perceptions of virtual learning and on whether it was proposed to teach existing curricula as a means of reducing teaching staff or to supplement students' learning by exposing them to new curricula. If proposed to reduce teaching staff, we believe community acceptability would be low.

Ratings Summary

- Feasibility: High
- Effectiveness in reducing school costs: Low
- Impact on education: Negative to neutral
- Financial impact

- Upfront costs: Medium
 - Recurring costs: Low
 - Upfront benefits: None
 - Recurring benefits: None
 - Net financial impact: Low net cost
- Community acceptability: Low

Option: Install solar panels**Purpose: Reduce school costs/Energy efficiency**

Description. Solar energy production for residences and offices has made many advances in the past two decades. Photovoltaic (PV) panels can be installed on a rooftop or on the ground and will produce energy that is fed back into the electrical grid to reverse the electric meter and reduce charges from the energy company. Electricity production by the PV panels is used to supply power to the building that the panels are connected to. When there is extra production of energy beyond what is needed, the power is directed into the energy grid to support energy delivery to other customers. The account where the panels are installed receives credit for this power. When solar energy is not being produced, the building is powered by energy from the electrical grid and is charged accordingly.

A solar energy company based in northern New England, ReVision Energy, has installed photovoltaic systems at many schools, municipal buildings, and non-profit agencies using a financial structure which removes the initial cost of such systems and helps to lock in electrical rates for up to 40 years. A solar power purchase agreement (PPA) pairs a school (or municipality or non-profit) with a private solar investor. The investor (which may be a third-party investor or ReVision Energy itself) offers to purchase and build a solar array at the school and then sells the solar power generated from that array to the school at electric rates defined in the offer letter. These rates will vary depending on the specific situation, but in general will be competitive and will be the lowest 40-year cost of electricity from any source. After seven years, the school would have the option of purchasing the solar array at a much lower price than the original construction, thus reducing electricity costs by owning the solar-generated energy.

This PV system would have the capability to be connected to an energy storage system at some later point, in order to supply electricity to the school during a power outage in the area. There would be a financial cost to this future option, but a major benefit would be the opportunity to keep the school operating during a power outage rather than waiting for the power grid to be restored.

Feasibility, effectiveness, and impact on education. With ReVision Energy's program available to assist in planning and installation, we rate the feasibility of this option as high. The program's data from other school installations shows reliable electricity production and cost reduction, so we rate this option as effective in reducing school costs, but with current expenses of approximately \$13,000 per year for electricity, any savings would be in the low category, so we rate effectiveness as low. Beyond the opportunity for students to learn about solar energy, this option should have little effect on education at Penobscot Community School. We rate its impact on education as neutral to positive.

Financial costs and benefits. Upfront costs of the system would be borne by the investor. Costs for maintenance of the solar power installation would be included in the electrical rates and later purchase price paid to the investor. There would be no upfront costs and no recurring costs to the school. There would be no upfront financial benefit, but locking in an electricity

rate would provide a low recurring benefit. Purchase of the system at a later date would then reduce electricity costs for future years, a recurring benefit which would start on the date of purchase. We rate the net financial impact as a low net benefit.

Community acceptability. With no financial cost for this system, and the potential for a future upgrade that would allow the school building to keep its electrical power running during a power outage, we see this option as having high community acceptability.

Ratings Summary

- Feasibility: High
- Effectiveness in reducing school costs: Low
- Impact on education: None to positive
- Financial impact
 - Upfront costs: None
 - Recurring costs: None
 - Upfront benefits: None
 - Recurring benefits: Low
 - Net financial impact: Low net benefit
- Community acceptability: High

Option: Install LED lighting

Purpose: Reduce school costs/Energy efficiency

Description. Penobscot’s school currently has fluorescent bulbs in its classrooms. LED lights have been installed in two outdoor exit lights. LED light bulbs produce light using Light Emitting Diodes. They are more energy-efficient than incandescent or fluorescent bulbs, using less electricity to produce the same amount of light. The cost of these bulbs has decreased substantially over the past several years, and their lifetime can be two to ten times that of other lighting technologies.

An additional possible benefit to a transition to LED lighting would be the elimination of fluorescent lighting’s flickering, which can be problematic for people with light sensitivity or certain other health conditions.

A northern New England based energy company that has worked with many schools (ReVision Energy) will provide a free on-site lighting evaluation, including a proposal with estimated cost and time to recover the investment in LED lighting.

Feasibility, effectiveness, and impact on education. The feasibility of installing LED lighting throughout the school is high.

Electricity costs for the school building are budgeted at \$13,000 for 2017-2018. With the potential to save in electricity usage, the school could realize financial benefit to offset the initial cost of LED replacement lighting in two to five years. Because there would be a modest savings over time, we rate the effectiveness of this option in reducing school costs as low. Other than the benefit that eliminating the flickering of fluorescent lighting might provide some students and staff, the option would have no effect education at the Penobscot Community School. We rate its impact on education as neutral to positive.

Financial costs and benefits. The upfront costs of replacing existing lighting with LED lights would be low. Recurring costs would also be low. There would be no upfront financial benefit; the recurring benefit of reduced electricity costs would be low. We rate the net financial impact of this option as a low net benefit.

Community acceptability. We anticipate no opposition to this cost-saving measure. We rate its community acceptability as high.

Ratings Summary

- Feasibility: High
- Effectiveness in reducing school costs: Low
- Impact on education: None to positive
- Financial impact

- Upfront costs: Low
- Recurring costs: Low
- Upfront benefits: None
- Recurring benefits: Low
- Net financial impact: Low net benefit
- Community acceptability: High

Option: Make windows more energy-efficient

Purpose: Reduce school costs/Energy efficiency

Description. Windows in the older part of the school building are not as energy-efficient as those in the 1985 part of the building. The front side of the building has large windows which can be large sources of heat loss in the winters. Window inserts are essentially interior storm windows, usually made of clear acrylic plastic and custom-fitted. They are intended to reduce heat loss and cut heating costs by up to 20%.

An important factor in the decision to purchase and install window inserts is their vulnerability to punctures, intentional or unintentional, which could be a significant problem in a school setting. Small holes could be mended, but larger damage would necessitate full replacement of an insert. Engineers who designed these inserts have emphasized that they are not “child friendly,” in that children can easily puncture them and are tempted to do so.

Feasibility, effectiveness, and impact on education. The feasibility of installing window inserts is high. In 2015-2016 heating costs were \$16,862. Any savings would be a fraction of that amount, well below \$20,000. Therefore, we rate its effectiveness in reducing school costs as low. This option would have no impact on education.

Financial costs and benefits. Upfront costs would be the purchase of inserts. For the large windows in the older part of the building, inserts would cost an estimated \$35 per window. Inserts for all 18 of these large windows would cost \$630. Classrooms on the back (playground) side of the building have smaller windows, and inserts for those 18 windows would cost a total of \$460. Total upfront costs would be low (around \$1,100). Recurring costs would be replacement of damaged inserts and would also be low. There would be no upfront financial benefits. Recurring benefits would be the reduction in heating costs, which, as noted above, would be low. We rate the net financial impact as a low net benefit.

Community acceptability. Beyond concerns about the durability of inserts and the classroom distraction factor, there should be little community opposition to this cost-savings measure. We rate its community acceptability as medium to high.

Ratings Summary

- Feasibility: High
- Effectiveness in reducing school costs: Low
- Impact on education: None
- Financial impact
 - Upfront costs: Low
 - Recurring costs: Low
 - Upfront benefits: Low
 - Recurring benefits: Low

- Net financial impact: Low net benefit
- Community acceptability: Medium

Option: Increase state subsidy

Purpose: Reduce school costs/Income-generating strategies

Description. A state subsidy for education is calculated every year using the Essential Programs and Services (EPS) model. According to the School Finance Manager at the Dept. of Education:

EPS is Maine’s funding formula for sharing the costs of Pre-K-12 education between state and local entities.

The formula determines how much funding each school district needs in order to provide the essential programs and services all students need to succeed and meet Maine’s education standards. The total allocation needed is determined by looking at the actual students and their specific demographic information, as well as other requirements such as special education, transportation, and school construction costs.

The state uses three factors to determine what a town is expected to pay. The total amount that the state budgets for education is subtracted from the total cost of education, or the total of the “allocations” determined for each municipality. This amount - the part not funded by the state – is divided by the state’s total property valuation to produce a mill rate, or “mill expectation”. This expected mill rate is multiplied by a town’s total property valuation to obtain the amount a town is able to pay. If the amount a town is able to pay is more than the “allocation”, the town is responsible for the total “allocation”.

However, each town is by law entitled to receive a minimum amount towards the cost of educating its students. The minimum is a percentage of special education costs, 33% for 2017-18. An additional adjustment is made for towns with a percentage of economically disadvantaged students that is higher than the state percentage. Economic disadvantage is determined by qualifying for the federal free-and-reduced lunch program.

For the school year 2017-2018, Penobscot’s pre-K-12 special education “allocation” is \$131,705, and the percentage paid by the state is 33%, for a state contribution to costs of \$43,462. The town’s percentage of free-and-reduced lunch students is just below the state average, so no additional adjustment to the subsidy has been made.

In the school year 2016-2017, Penobscot’s percentage of free-and-reduced lunch students was above the state average, and an adjustment of \$53,241 was added to the town’s subsidy.

In 2009, a study was requested by the state legislature to determine the effect on the state subsidy of factoring in income. The report* showed mixed results with whether a town gained or lost subsidy often depending on how town incomes were determined.

Penobscot, along with most of the municipalities along the coast of Maine, is in most years a “minimum receiver.” Thus, its subsidy will likely increase only if its special education needs go up or its percentage of economically disadvantaged students rises higher than that of the state,

or if its total property valuation decreases. If total property valuation decreases, this would likely lead to an increase in the mill rate, which would have different effects on individual tax payers depending on whether the valuation of their property changed or stayed the same.

Feasibility, effectiveness, and impact on education. The state subsidy for education that Penobscot receives is determined by a formula set by the state. Any change in that formula in order to increase the subsidy that some towns receive would take a concerted effort by legislators around the state. At this time, there is no groundswell of support for altering the formula, and whether such revisions are made is well beyond the control of Penobscot residents and town officials. We rate the feasibility of this option as low.

Were it possible to change the formula in a way that increased Penobscot's subsidy, the increase could range from low (below \$20,000) to high (above \$200,000). We have rated this option's effectiveness in generating income accordingly. An increase in the state subsidy should have no effect on education at the Penobscot school.

Financial costs and benefits. It is unlikely that the town of Penobscot would invest funds in a campaign to change the state formula to increase the town's subsidy, so we rate the upfront and recurring costs of this option as none. There would be no upfront benefits. Recurring benefits would be determined by the size of the subsidy increase, which, as noted above, could range from low to high. Since there are no costs to this option, we also rate the net financial impact as a low to high net benefit.

Community acceptability. Penobscot tax payers would no doubt welcome an increase in the state subsidy. We rate community acceptability as high.

**An Analysis of the Impacts of Including Income in Determining Wealth in the Maine K-12 School Funding Formula, by David L. Silvernail & James E. Sloan, Maine Educational Policy Research Institute, University of Southern Maine, February 2010.*

Ratings Summary

- Feasibility: Low
- Effectiveness in generating income for the town: Low to high
- Impact on education: None
- Financial impact
 - Upfront costs: None
 - Recurring costs: None
 - Upfront: Low to high
 - Recurring to the town: Low to high
 - Net financial impact: low to high net benefit
- Community acceptability: High

Option: Collect unpaid property taxes**Purpose: Reduce school costs/Income-generating strategies**

Description. At the time of the Phase 1 report (April 2017), unpaid property taxes amounted to \$215,008. Since then the town office has followed a state regulated process to collect these taxes: a 30-day notice that a lien will be issued, 30 days later the filing of a lien, 5 months later notice of the beginning of foreclosure, and 18 months later foreclosure, the town proceeding with each step unless the taxes are paid in full.

As of November 10, 2017, all unpaid taxes for the 2014 tax year and earlier had been paid, and all but \$14,435 had been paid for the 2015 tax year. The collection process for overdue 2016 taxes had not started by the end of November.

The town office has information about two property tax relief programs in Maine which serve to offset taxes that may go beyond homeowners' ability to pay. These programs are available to those whose primary residence is in Maine and who meet certain income guidelines. The Homestead Exemption provides for a reduction of up to \$20,000 (up from \$15,000 in 2016) in assessed value of a Maine resident's primary residence for property tax purposes. In 2013, the Property Tax Fairness Credit replaced the Maine Residents Property Tax and Rent Refund (or "circuit breaker") program. Mainers who qualify receive a maximum refundable income tax credit of \$300, or \$400 if they are over 70. The Farm and Open Space, Tree Growth, and conservation easement programs also offer relief through lower valuations for qualifying property use.

Money received for back taxes, including interest and fees, goes into the town's current interest-bearing account. The town has so far been able to pay bills from funds that have been approved but not yet spent, so it has not had the expense of paying interest on a loan.

Feasibility, effectiveness, and impact on education. The success of recent efforts to collect unpaid taxes proves that the feasibility of this option is high and that it can be effective in generating income for the town. Penobscot selectmen made it clear to the sustainment team that the taxes themselves should not be considered new income because once the town has assessed property taxes they are considered town assets whether they have been paid or not. Only the interest that residents pay on back taxes and the interest that these taxes, once paid, generate in the town's bank account should be viewed as new income. Interest rates on unpaid property taxes increase from 2% to 7% when the account is overdue 60 days; interest collected amounted to \$20,313 in 2016. This amount will probably diminish in future years since the efforts to collect back taxes launched in 2017 resolved all unpaid taxes from more than two years ago and may well result in fewer unpaid tax bills in the future. We rate the overall effectiveness of this option in generating income as low to medium.

The collection of unpaid taxes will have no impact on education at the Penobscot Community School.

Financial costs and benefits. The costs of collecting overdue taxes are borne by the delinquent taxpayers, except for the extra hours that town office staff spend on the process. The state dictates the fees charged to the taxpayer to cover these expenses. The fees amount to about \$47 per tax account. Letters must be sent by certified mail. A tax lien must be filed in person at the Registry of Deeds office in Ellsworth, during business hours and within a certain time frame, which entails the expense of a 70-minute round-trip plus the time required to conduct business. Town staff also spend time finding mortgage companies and others who may have a legal interest in each property. Notices and letters must be sent to mortgage companies in addition to the taxpayer. The town Tax Collector estimates that 20 to 30 extra staff hours per year are needed, outside of regular business hours, to carry out the collection procedure. This is a cost of up to \$500 borne by the town. We rate the upfront and recurring costs of this option as low.

As noted above, the town received \$20,313 in interest payments by delinquent taxpayers in 2016. The portion of bank account interest earned on back taxes once they are paid is unknown, but taken together these two forms of interest more than offset the low cost of extra town staff hours. Therefore we rate the upfront and recurring benefits as low to medium and the net financial impact as a low to medium net benefit.

Community acceptability. The amount of taxes paid and unpaid does not alter the school expenditures or per-pupil costs. However, the two forms of interest gained as a result of collecting back taxes do increase town revenue. Community acceptance of the town's efforts to collect back taxes should be high unless there is sympathy for a resident whose home is in danger of foreclosure.

Ratings Summary

- Feasibility: High
- Effectiveness in generating income for the town: Low to medium
- Impact on education: None
- Financial impact
 - Upfront cost: Low
 - Recurring costs: Low
 - Upfront benefits: Low to medium
 - Recurring benefits: Low to medium
 - Net financial impact: Low to medium net benefit
- Community acceptability: High

Option: Use building for rental income or community purposes (if school is closed)

Purpose: Reduce school costs/Income-generating strategies

Description. Other towns in Maine have used their school buildings for a combination of community purposes and rental income after closing their schools. After the town of Newburgh sent its elementary students to school in Hampden, Newburgh town offices moved into half of the vacant school building, and a pre-kindergarten program was set up in the other half. Orland established a community center in its school building after its school was closed in 2012, and other parts of the building are leased to businesses or rented by the day or the hour to agencies or services. At present the building houses a town owned and managed fitness center, a photography and framing shop, a gift/novelty store, a day spa, a dietician's office, and storage space for an antiques dealer, as well as a licensed community kitchen that can also be rented by the day or the hour. Storage space in a walk-in refrigerator and a walk-in freezer can be rented as well. In addition, space is leased for one-time events, e.g., birthday parties, baby showers, and even weddings.

The Orland Community Center employs a full-time property manager, a half-time secretary, and a part-time custodian for the community center. Financial assistance for the transition from school building to community and business center was provided by RSU 25, the school district Orland joined in 2008, because the school closure saved the district \$300,000. The costs of getting space ready for lease were relatively modest because the building was in good shape. The center allows lessees to revamp rented space at their own expense as long as it is done properly. The center is now self-sustaining, but it took three years to reach this point.

Penobscot owns its school building and would be responsible for its maintenance if the school were to close. The gym and parking lot would continue to be needed for Town Meetings and town elections, as the only spaces in town with large enough capacity. The rest of the building would be available to rent to businesses or agencies, and the gym could be rented or reserved for community activities for most of the year.

Feasibility, effectiveness, and impact on education. The experience of Orland in transitioning its vacated school building to a community center with leased space proves that the feasibility of this option is high.

However, this option is unlikely to generate significant income. It took the Orland Community Center three years to earn enough from rental to offset its operating costs. There is now a small profit which is invested in improvements for the center, resulting in no net revenue for the town. Furthermore, it is unclear that a Penobscot Community Center would be as successful in attracting renters as Orland. The building's location would be a disadvantage as Penobscot is far from a major traffic route. In addition, Penobscot has many home-based

businesses which would not be likely to move to leased space. Real estate agents affirm that broadband internet availability is desired by most businesses. At present Penobscot lacks this service. Current efforts to obtain it could help in attracting businesses. We rate the effectiveness of this option in generating income as low.

Once the school has closed the leasing of the building for rental income and/or community purposes would have no impact on the education of Penobscot children.

Financial costs and benefits. Upfront costs would include expenditures for renovations needed to ready building space for leasing. The initial costs of transitioning the school to a community and/or business center would be borne solely by the town since, unlike Orland, Penobscot is not part of an RSU that might provide some compensation for the school's closure. We rate the upfront costs as low to medium.

Recurring costs would include salaries and benefits of staff the center required and on-going building costs, e.g., maintenance, utilities, and insurance. We rate recurring costs as medium.

There would be no upfront benefits. Recurring benefits would be rental and lease income. Rates could be similar to that of Orland's: \$1 per square foot per month for long-term use, and \$75 a day or \$25 per hour for short-term use. We rate recurring benefits as medium.

Weighing costs and benefits in light of Orland's experience and the less advantageous location of the school for businesses, we rate net financial impact of this option as a low net benefit.

Community acceptability. If the decision were made to close Penobscot Community School, town residents would probably support efforts to convert the building to a community center with leased spaced that could generate income. We rate community acceptability as high.

Ratings Summary

- Feasibility: High
- Effectiveness as rental property: Low
- Impact on education: None
- Financial impact
 - Upfront cost: Low to medium
 - Recurring cost : Medium
 - Upfront: None
 - Recurring: Low to moderate
 - Net financial impact: Low net benefit
- Community acceptability: High

Option: Send upper grades to another school, become a lower elementary school, and rent space within school

Purpose: Responding to a decrease in enrollment

Description. Consolidating the upper grades at Penobscot Elementary School with those of another school would essentially and permanently change Penobscot’s school to a lower elementary school. Reducing the number of classrooms needed would create space within the building that might be used for rental income or to serve a community need.

This option would involve planning (by the school board) and contracting with a nearby school (by the town officials) would have to take place, with a guarantee of available classroom space for the current and future number of Penobscot students in specified upper grades. The usual middle-school level grouping is grades 6-8; the classroom configuration of the receiving school would also be a factor in such a decision. The grade levels to remain at Penobscot Community School might be reconfigured, depending whether one or two teaching positions were eliminated. Teachers in specialty areas (Art, Music, Health/Physical Education) might have reductions in time (which might be shifted to the school receiving upper grade students).

Classroom usage might be changed in order to make available an appropriate space that could be used for community purposes or rental. Planning would include any renovations needed to keep the students secure and separate from space used by the general public, in addition to decisions on what would be appropriate use of leased space in a building shared with school children and who would oversee the leasing and management of rented space. The upfront cost of renovations could potentially be offset by ongoing rental income. (Additional discussion of factors related to leasing space in the school building can be found in the option, “Use building for rental income or community purposes after school closure.”)

Feasibility, effectiveness, and impact on education. The major challenge in this option would be finding a school to take Penobscot’s upper grade students. There are six K-8 schools on the Blue Hill Peninsula and a middle school (Bucksport) within a 20-minute bus ride from Penobscot Community School. According to the table presented in the previous option (see “Close the school”), some of these schools probably have the classroom capacity to absorb up to 25 or 30 upper grade students from Penobscot and might have the interest in doing so. For that reason we rate the feasibility of this option as medium to high.

As with closing the school altogether, the effectiveness of the option to send upper grades to another school is measured in terms of how well it would maintain the quality of education for Penobscot students. Therefore, effectiveness and impact on education are similar criteria for this option.

As noted in the option, “Close the school and send all students to another town,” the quality of education at the Penobscot Community School is very high, and the school culture is very positive. There is no guarantee that sending upper grade students to a school in another town would provide them with an educational experience superior, or even equal to that they are currently receiving.

However, there could be a number of positive effects of such a move for upper-grade students. In a school with more students per grade they would have the advantage of a larger peer group and as children move into adolescence, peer groups assume greater importance. This can be especially true for students with minority status (e.g., by race, ethnicity, sexual orientation, or disability). Also, depending on the size of the receiving school, there would be the possibility of additional academic and extracurricular programs.

Disadvantages for upper-grades students would include the possibility of less individualized attention in larger classes and of “getting lost” in a larger school. Students may miss the close-knit community feeling of a smaller school, and this could negatively affect their commitment to academic success. Penobscot would also lose control of the education of its upper-grade students.

The quality of the educational experience of the lower grades staying at the Penobscot Community School should not be negatively impacted by this option. However, a potential drawback is the possibility that the loss of upper grade teachers could hurt overall school morale. There would also be the loss of interaction with the upper grades, but this could be offset by the opportunity for leadership that the school’s new configuration would provide fourth and fifth graders. In addition, depending on the type of organization that leased vacated space in the school building, there could be opportunities for greater community interaction.

Weighing the mix of potential advantages and disadvantages for upper-grade students going to a new school and lower-grade, students remaining in Penobscot we rate this option’s effectiveness as medium to high and its impact on education as positive.

Financial costs and benefits. Upfront costs of this option would include any expenses incurred in negotiating a contract with another town to take Penobscot’s upper-grade students and the cost of renovating empty Penobscot Community School classrooms to be leased. These costs should not exceed \$20,000 and are rated as low. We foresee no upfront financial benefits.

Recurring financial costs and benefits would depend primarily on the number of students requiring tuition payment, the tuition rate, and the number of teaching staff positions eliminated. By law the tuition paid for each Penobscot student could not exceed the per-pupil cost at the receiving school in the prior year, but it could be less, as negotiated. (See chart in the previous option, “Close school/Send all students to another town”.) Sending upper-grade students to another school could significantly reduce Penobscot’s expenditures for instructional services, which were budgeted at \$630,473 for the 2017-2018 school year. (Unlike closing the school, this option would have no impact on expenditures for the principal’s office.) If the

upper grades at Penobscot Community School accounted for one-third of the cost of instructional services, those expenditures might be reduced by about \$210,000. However, this reduction would be offset by tuition payments. If 20 upper-grade students were tuitioned to another town at the rate of the 2016-2017 state average per-pupil cost of \$8,482, the total tuition expense would be \$169,640, yielding a net savings of about \$40,000. Using these calculations we rate recurring financial costs as medium (somewhat under \$200,000 per year), recurring financial benefits as high (slightly over \$200,000 per year), and the net financial impact as a medium net benefit (around \$40,000 per year).

With this option Penobscot would still be responsible for the costs of transportation for tuitioned Penobscot students required as well as the cost of any special education services they required. Overall transportation costs would be higher due to transport to another town for the upper-grade students. On the other hand, the town could generate some modest rental income by leasing unused school space.

Community acceptability. Community acceptance of eliminating certain grade levels would be more likely for upper than lower grades and might be positively influenced by the perceived advantages of a larger school and larger classes for upper-grade students. However, there could be some resistance if Penobscot residents perceived this decision as a step in the direction of closing the whole school. Other perceived disadvantages might include the loss of the current age and grade mix at Penobscot Community School and the inconvenience, for some parents, of having children attending school in both Penobscot and another town.

The relatively moderate net savings in educational expenditures would probably not greatly influence support for this option.

Given these factors we rate community acceptability as medium.

Ratings Summary

- Feasibility: Medium to high
- Effectiveness in maintaining educational quality: Medium to high
- Impact on education: Neutral to positive
- Financial impact
 - Upfront costs: Low
 - Recurring costs: Medium
 - Upfront benefits: None
 - Recurring benefits: High
- Net financial impact: Medium net benefit
- Community acceptability: Medium

Option: Close the school and send all students to another town

Purpose: Responding to a decrease in enrollment

Description. Closing a school is a permanent decision requiring time for planning, calculating finances, and projecting educational needs of the town’s students over the five years following the proposed closing. The process for closing a school is governed by Maine state law, and includes the filing of a report to the state Commissioner of Education with details about financial and educational impact and the plans for continuing the educational programs for the affected students.

The state-mandated decision-making process for closing a school depends on its administrative structure. Since Penobscot is a member of a School Union rather than a Regional School Unit, School Administrative District, or Community School District, a town vote is not required in order to close the school. The decision to close would be made by a majority vote of the school board. Were townspeople to disagree with the decision, a referendum on closing the school could be held if 10% of citizens voting in the most recent gubernatorial election petitioned for a referendum and the petition were filed within 30 days of the school board’s vote.

Were Penobscot to close its school, the school board would need to contract with another town’s school board to accept all current and future Penobscot students. Factors to be considered would be the projected number of students involved, from Penobscot and from the receiving town, and the capacity of the school building(s) in that town. When principals of nearby schools were contacted about current enrollment and building capacity, most gave two numbers for building capacity: an absolute capacity representing the maximum number of students the school was built for and a lower number representing a more “realistic” capacity considering current programs and instructional group configurations. The table below summarizes this information.

School (Town)	October 2017 Enrollment	“Realistic” Capacity	Absolute Capacity
Adams (Castine)	59	80	80
Blue Hill	271	290	470
Brooklin	70	100	120
Brooksville	68	90	120
Sedgwick	93	130	150
Surry	126	160	185
RSU 25 (Bucksport)			
Jewett School (pre-K & K)	118	200	200
Miles Lane (gr. 1 -4)	276	340	340
Bucksport Middle (gr. 5-8)	342	380	380
Penobscot	72	120	160

The contract with another town would include either the tuition rate to be paid by Penobscot for each student sent to that town’s school or, if it joined an RSU, its share of the RSU budget.

State law (20-A MRSA §5804 (1): Tuition - Elementary School (K-8) Students - Public Schools) states that “maximum tuition payments shall not exceed the receiving school administrative unit's per student cost for the preceding year as calculated by the commissioner.” 2016-2017 costs for area towns are listed in the table below.

Town	2016-2017 Maximum Elementary Tuition Rate (based on per pupil cost)
Blue Hill	\$9,768.76
Brooklin	\$18,076.97
Brooksville	\$17,670.90
Castine	\$16,226.21
Penobscot	\$12,958.19
RSU 25 (Bucksport)	\$7,248.79
Sedgwick	\$10,931.94
Surry	\$11,021.23

An SAU could choose to charge a lower tuition than its per pupil cost. For instance, an SAU whose cost exceeds the state-wide per student cost (\$8,482 for 2016-2017) might set its tuition at the state-wide cost.

Feasibility, effectiveness and impact on education. Closing a school is not an easy process, but, as noted above, the procedure for doing so is clearly laid out in state law, and a number of towns have successfully exercised this option, including Orland. Therefore we rate the feasibility of this option as high.

Effectiveness for this option is measured in terms of how well the quality of education is maintained. There is a good deal of overlap between this criterion and “impact on education.” There are a number of factors to take into account when considering the option of closing Penobscot Community School in light of these two criteria.

First, it should be reiterated that the quality of education Penobscot students currently receive is quite high. In 2016 standardized test scores for students at Penobscot Community School were the highest of any school on the peninsula for English language arts and the second highest for math, and those scores were well above the state average. In addition the school culture, with its emphasis on the values of respect, responsibility, kindness, and safety, is very positive. It cannot be assumed that moving all Penobscot elementary students to school(s) in another town would represent an improvement in or even maintenance of the current educational quality.

However, there could be educational benefits to closing the school were enrollment to drop. Although there is no established minimum number of students required to continue operating a school, the educational benefit of interaction with a reasonable number of peers would be an important consideration in deciding whether to keep open a school with diminished enrollment. Sending students to a school with larger classes would offer them a larger peer group, something that can be particularly important for upper-grade children as they move into adolescence, especially for those who might feel isolated by some minority status (e.g., race, ethnicity, sexual orientation, or disability).

Depending on the size of the school(s) Penobscot students move to, other potential benefits could include being exposed to more academic programs and having more extracurricular activities to choose from. These advantages may also be of greater importance for older students.

There are also a number of potential educational disadvantages to closing the school. Students in larger classes may not get the individualized attention they can receive in classes with a lower student-teacher ratio. They may be more likely to “fall through the cracks.” In a larger school students may not have the same feeling of belonging to a tight-knit school community that they have in a smaller school, and they may be less motivated to strive to succeed. These potential disadvantages could apply to all students but might be particularly relevant for younger children.

Because of the balance of potential educational advantages and disadvantages in closing Penobscot Community School and sending Penobscot children to school in another town we rate this option’s effectiveness in maintaining the quality of education as medium and its impact on education as neutral.

Financial costs and benefits. Upfront expenses for closing the school would include the cost of conducting the state-required study and the cost of a referendum if enough residents disagreed with the decision to close Penobscot Community School. We believe these expenses would be less than \$20,000 and rate them as low. We see no upfront financial benefits of closing the school.

Recurring costs for this option would be tuition charges and additional transportation expense. (Special education expenses and a share of superintendent’s office expenses would remain the town’s responsibility (unless Penobscot left School Union 93) and would not change significantly with the choice of this option.) A reasonable estimate of annual tuition costs would be \$508,920. This estimate is based on 60 students (the lowest enrollment reached at Penobscot Community School) tuitioned to another town at the rate of \$8,482 per pupil (the 2016-2017 state average per pupil cost of education). If transportation costs (budgeted at \$129,040 for 2017-2018) increased by 30%, this would add \$38,712 as a recurring cost, for an estimated total of \$547,632 in recurring costs for this option. Consequently, recurring financial costs are rated high.

The elimination of expenditures for instructional services and the principal's office would be a recurring financial benefit. These items are budgeted for 2017-2018 at \$630,473 and \$97,711 respectively. With a less utilized school building, there would be a savings on maintenance, utilities, and insurance (budgeted at \$138,034 for 2017-2018). If this savings amounted to 30% there would be an estimated financial benefit of \$41,410. These savings altogether would represent a total financial benefit of \$769,594 if the school were closed. Recurring financial benefits are therefore rated high.

The net savings to the town would be \$221,962, a high net financial benefit. The net benefit could be higher if fewer students were tuitioned and/or the per-pupil tuition were lower; it could be lower if more students were tuitioned and/or the per-pupil tuition were higher.

Community acceptability. Without its own school and school board, Penobscot would have much less control over decisions regarding its children's education. If the town accepting Penobscot students belonged to an RSU and Penobscot joined the RSU, by law the RSU would have to reserve at least one seat on the school board for a Penobscot resident. This would not be the case if Penobscot tuitioned students to another town.

Residents concerned that sending Penobscot children to school(s) in another town might negatively impact the quality of education they receive would probably oppose closing the school. On the other hand, residents whose primary concern was reducing the costs of education in Penobscot would probably support school closing.

For many Penobscot townspeople the prime disadvantage to closing PCS would be the emotional loss of what they see as the heart of their community. For parents other disadvantages could be longer bus rides for students and the inconvenience of longer drives for those parents who drop off or pick up their children. Taking all these factors into account, we rate community acceptability of this option as low.

Ratings Summary

- Feasibility: High
- Effectiveness in maintaining educational quality: Medium
- Impact on education: Negative to positive
- Financial impact
 - Upfront costs: Low
 - Recurring costs: High
 - Upfront benefits: None
 - Recurring benefits: High
 - Net financial impact: High net benefit
- Community acceptability: Low

Option: Create a regional school

Purpose: Respond to a decrease in enrollment

Description. With several area schools operating below capacity, combining efforts to maintain the quality of education could prove useful. One possibility would be the creation of a regional school to serve several towns.

It is possible that an existing school building would have the space to become a regional school for a limited number of grades, such as the highest three grade levels from the K-8 elementary schools. An extensive collaborative effort by the towns involved would be required to plan a transition to a middle school model. This would include reaching agreement on a site. No formal discussion of the future of middle school education on the peninsula has taken place, though the Head of School for George Stevens Academy has expressed an interest in taking part in any discussion that might occur.

If area towns agreed on a plan for a regional K-8 school, with a projected enrollment higher than any available school buildings, a new school building would be needed. To date towns on the peninsula have not discussed establishing a regional K-8 school.

Superintendent Mark Hurvitt believes that the creation of a regional school would probably necessitate a change in governance of School Union 93 from a union to a regional school unit (RSU). He also suggests that a discussion of a regional school on the peninsula include Brooklin and Sedgwick as well as all towns in Union 93.

Feasibility, effectiveness, and impact on education. The process of creating a regional school program and a new school building would be a very long one. Towns involved in the project would have to reach agreement on many issues, including location of the new school. The school systems involved would then apply to the Maine Department of Education (DOE) if they wanted the state to subsidize a major part of the construction. School districts have the option to finance their construction projects locally, without State assistance, but this would dramatically increase project costs to the school district.

A review of the state application, a site visit by the DOE, and a rating of the potential project would follow. Each year the DOE creates for the State Board of Education a list of construction projects rank ordered in terms of need. The Board funds as many projects from the list as available debt limits allow. New school construction projects are only considered in instances in which renovation is not economically or educationally feasible.

Because of the current lack of interest in a regional school, the lengthy negotiations it would require among peninsula towns, the long and complex application process for state funding, and the uncertainty that the project would receive state support, we rate the feasibility of this option as low.

As with closing the school completely and sending upper grades to another school, the effectiveness of the option to establish a regional school is measured in terms of how well it would maintain the quality of education for Penobscot students. Therefore, effectiveness and impact on education are similar criteria for this option.

As noted in the option, “Close the school and send all students to another town,” the quality of education at the Penobscot Community School is very high, and the school culture is very positive. There is no guarantee that sending Penobscot students, whether upper grades or K-8 would result in an educational experience superior, or even equal to that they are currently receiving.

However, there could be educational benefits to a regional school, including more academic programs (e.g., foreign language classes, special services for gifted and talented students) and more extracurricular activities (e.g., more clubs and sports teams) for students in the regional school grades, and also more diversity within each grade, which could provide some students with peer groups they don’t currently have. This could be especially important for middle school students (particularly those from marginalized groups, e.g., racial and ethnic minority students, lesbian/gay/bisexual/transgender students, and students with disabilities).

Potential disadvantages might again include less individualized attention in larger classes and “getting lost” in a larger school. Students may miss the close-knit community feeling of a smaller school, and this could negatively affect their commitment to academic success.

Overall we rate the effectiveness in maintaining quality of education as medium and impact on education as neutral to positive.

Financial costs and benefits. Upfront costs after any agreement were reached on a regional school would include any building renovations needed if an existing building were deemed sufficiently large to accommodate an influx of students from one or more other towns, or the construction of a new school if that were not the case. If a K-8 school were established, there would be the cost of closing the Penobscot Community School.

Maine’s Department of Education lists costs for school construction projects over the last 15 years, with the smallest middle school construction project – Bucksport Middle School in 2001 - totaling \$8,726,730, of which local costs were \$668,881. Building capacity was 380. – A nearby K-8 school - Peninsula Elementary School in Prospect Harbor/Gouldsboro, with a building capacity of 180 – cost \$12,172,758, of which local costs were \$201,561, in 2007-08. Greater costs could be expected for a future project on the peninsula, though the wide variation in costs to the local community in other school construction projects makes it difficult to estimate what building a regional school would cost Penobscot. It would also be difficult to estimate what the costs of renovating an existing building would be for Penobscot, though they are likely to be considerably less than those for a new building. For these reasons we estimate the upfront costs as medium to high. We foresee no upfront financial benefits to this option.

The primary recurring cost would be Penobscot's share of instructional and administrative services for the regional school, which we would rate as high (above \$200,000), whether the regional school were a middle school or a K-8 school, though those costs would be considerably higher for the latter. (In addition, Penobscot would still be responsible for the costs of maintaining the current school building. It is unclear whether the costs of transportation and special education services would be folded into the costs of operating the regional school or borne separately by the individual towns sending students to it.)

If the regional school were a middle school, the primary financial benefit would be the reduction in instructional services at the Penobscot Community School. If the regional school contained grades K-8, then the primary financial benefit would be the elimination of all instructional services as well as the principal's office for the Penobscot Community School. Since expenses for the regional school would be divided among several towns, Penobscot's share of those costs would probably be less than the reduction in expenditures at the Penobscot Community School, yielding at least a modest savings. The savings from a K-8 school could be considerably larger than that for a regional middle school since the cost of all instructional services and the principal's office would be eliminated. We rate the recurring financial benefits as medium to high. There are many unknowns associated with this option: what grades the regional school would include, how many towns would be involved in its establishment, how many students attended, whether an existing building could be renovated or a new building would be constructed, whether the state subsidized building renovations/construction, and if so at what level. Therefore, we could not reasonably estimate the net financial impact of this option, and so we rate that impact from a medium net cost to a high net benefit.

Community acceptability. Community sentiment for keeping children close to home, concerns about losing local control over the education of Penobscot children, and perceptions about the quality of education students would receive at a regional school could all influence community opinion about establishing a regional school. Community support could also be affected by the location of the regional school, the grades proposed to be sent to it, and its net financial impact. Considering all these factors we rate community acceptability as low to medium.

Ratings Summary

- Feasibility: Low
- Effectiveness in maintaining educational quality: Medium
- Impact on education: Neutral to positive
- Financial impact
 - Upfront costs: Medium to high
 - Recurring costs: High
 - Upfront benefits: None
 - Recurring benefits: Medium to high
- Net financial impact: Medium net cost to high net benefit
- Community acceptability: Low to medium