

RSU 5 Analysis: Budget, Education, and Community Impact

Prepared March 2026

Data Sources. This analysis is derived entirely from publicly available data: RSU 5 adopted budgets, budget handbooks, and Superintendent's proposed budget articles (FY19–FY27); Maine Department of Education subsidy reports, expenditure reports, and per-pupil data; Town Assessor records and tax commitment books for Pownal, Durham, and Freeport; U.S. Census Bureau / American Community Survey data; Maine Revised Statutes; and peer-reviewed academic research. All financial models were independently constructed from these primary sources and cross-verified against RSU-stated totals. Every figure is footnoted to its source; a full citation index of 70+ references with URLs appears in Appendix B. The underlying Excel workbooks are available for independent review.

Executive Summary

RSU 5 faces a convergence of rising costs, a state-mandated Early Childhood special education (EC SpEd) expansion, and longstanding structural questions about school configuration. Throughout this document, "EC SpEd mandate" refers specifically to the LD 345 requirement for districts to provide FAPE to children ages 3–5 with disabilities (Cohort 3, 2026–2027 school year).^[70] "Community PreK" refers to the existing voluntary preschool programs already operating at MSS, DCS, and PES. These are distinct programs with different funding, enrollment, and legal requirements. Maine statute (Title 20-A §7209-A) mandates only the EC SpEd transition — it does not require districts to operate general PreK programs, which remain voluntary.^[71] The Superintendent's Scenario 2, which would convert PES into a centralized preschool center serving all PreK students from all three towns, substantially exceeds what the mandate requires. This document consolidates all available financial, legal, historical, and educational analysis into a single reference for community members, Board members, and stakeholders.

Current state (FY27). The proposed FY27 operating budget is \$47,357,441, a 6.53% increase over FY26. This is within the range of recent voter-approved increases (3-year average: 6.1%). The Superintendent already cut \$1.7M and 20 positions from the initial request before presenting to the Board.^{[25] [26]}

FY28 structural decisions. RSU 5 joined Cohort 3 (2026–2027) of the EC SpEd transition, approved unanimously by the Board on February 4, 2026.^[72] Cohort 3 is phased: Year 1 (FY27, 2026–2027) serves 4-year-olds only at a net local cost of approximately \$17,300/year, with most staffing covered by state incentive funding. Year 2 (FY28, 2027–2028) must expand to include 3-year-olds. The Task Force modeled the full program (Option 1) at \$364K–\$664K/year net.^[19] The FY28 baseline of approximately \$50.2M–\$50.8M reflects projected cost growth; the EC SpEd increment for FY28 depends on the pace of expansion to 3-year-olds and whether state incentive funding persists.^{[10] [19]}

Five paths have been analyzed. Path A (middle school consolidation, preserving all schools) produces estimated RSU-wide savings of \$479K to \$804K/year. Path B (the Superintendent's Scenario 2, converting PES to a centralized preschool center) produces a net annual cost of approximately \$161K after absorption and transportation costs are accounted for. Path B2 (the Superintendent's Scenario 3, converting PES to a district-wide 6th grade school) also displaces Pownal K-5 students to DCS, does not resolve the EC SpEd mandate, and requires full content-area staffing for a single-grade school of ~157 students (Section 2.3a).^[76]

Path C (cost-sharing formula reform) is a redistribution that can be combined with Path A. When state aid is included in the equity analysis, Pownal's total contribution is already near-proportional to its enrollment share (10.96% vs. 10.41%), which explains why formula reform has been rejected four times. However, combining a modest 85/15 formula adjustment with Path A produces net assessment decreases for all three towns, because the real RSU-wide savings absorb the redistribution costs. Path D (attendance zone redistricting) expands PES enrollment by drawing geographically proximate students from southern Durham and northwestern Freeport, areas where families are closer to PES than to their currently assigned schools. At 120 students (+15), PES's per-student cost reaches the district average and its consumption deficit disappears. Voluntary school choice already exists in RSU 5 but has not attracted cross-town enrollment to PES, likely due to lack of awareness. Mandatory redistricting for geographically closest families requires only a Board vote under §1001(8) and produces stable, reliable enrollment growth.

PES financial analysis. Adopted budget data for all six schools (FY22 to FY27) shows PES grew slower than every other elementary: PES +38.0% (6.6%/yr), compared to DCS +45.9%, MLS +42.9%, and MSS +42.1%. PES has the lowest absolute budget of any school (\$2.27M). Its per-student cost is the highest (\$21,620), but this is driven by enrollment (105 students vs. 264 to 467 at other elementaries), not by disproportionate spending. MSS faces the same cost-dilution dynamic: its per-student cost grew 56.1% over the same period as enrollment declined from 301 to 274. PES enrollment has been recovering and is projected at 105 for FY27 (Sections 1.4, 3.1). ^[59]

Statewide context. RSU 5 is not a spending outlier. At \$20,344 per pupil (FY25 actual), RSU 5 is only 2.7% above the state average (\$19,804) and well below nearby coastal peers such as MSAD 51 Cumberland (\$22,054), RSU 21 Kennebunk (\$23,866), and RSU 75 Topsham (\$24,452). Budget growth of 5% to 10% per year is the current norm across Maine, driven by structural forces: health insurance increases of 10% to 17% annually, contractual salary obligations (personnel is 78% to 80% of all district budgets), growing special education caseloads, and general inflation. RSU 5's proposed FY27 increase of 6.53% falls in the middle of the peer range (3.9% to 9.88%). The pressures RSU 5 faces are not discretionary or unique; they are systemic across the state (Section 3.7). ^[66]

Equity and cost-sharing. When state aid is included alongside local taxes, each town's total contribution to the RSU is close to its share of students: Durham contributes 29.78% of funding for 35.13% of students, Freeport contributes 59.26% for 54.47%, and Pownal contributes 10.96% for 10.41%. Per student, Freeport (\$25,266) and Pownal (\$24,465) each contribute roughly \$5,000 more than Durham (\$19,693) because state policy directs more aid to lower-valuation towns. The Finance Committee reached the same conclusion in 2019: total contribution tracks close to pupil count. ^{[3] [8] [^FC5]}

However, contribution and consumption are not the same. Pownal's students cost more to educate (~\$26,649/student vs. the district average of ~\$24,000) because PES is a small school with irreducible fixed costs. This creates a net consumption deficit of \$267K. Durham has a larger deficit (\$1.4M) despite lower per-student service costs, because its total contribution (even with \$6M in state aid) falls below what its students consume. Freeport is the sole net contributor to the district, providing a \$1.7M surplus that subsidizes both other towns. These consumption dynamics are a structural feature of a three-town district with different

school sizes and property valuations, not evidence of waste or mismanagement (Section 5.3).

Educational outcomes. All RSU 5 schools with tested grades substantially outperform Maine state averages. RSU 5 ranks #16 of 189 Maine school districts (top 10%). PES achieves a GreatSchools rating of 8/10 and is ranked among the top 10 elementary schools in Maine, with the best student-teacher ratio in the district (9:1). PES's small sample sizes (~13-15 tested students per grade) make year-to-year comparisons volatile, but multi-year performance is consistently strong. The peer-reviewed research on school consolidation does not support improved educational outcomes from closure: a Danish study found short-term negative effects on achievement (Heinesen, 2022), an Arkansas study found null effects with no classroom-level economies of scale (Coulson and Bhatt, 2022), and a Texas study found per-pupil costs increased while achievement decreased after consolidation. Project STAR and Chetty et al. (2011) demonstrate lasting benefits of small classes (13-17 students), particularly for early grades. Under Path B, PES students would move from 9:1 to 11:1 student-teacher ratios at DCS (Section 1.8).^[69]

District facilities. RSU 5 has never conducted a comprehensive facility assessment. Capital investment has been limited to \$400K/year across all buildings for piecemeal maintenance. A \$100K districtwide facilities study was unanimously approved in February 2026. A draft RFQ for the project scopes the work as a Comprehensive Facility Study and 10-Year Long-Range Master Plan covering all eight RSU 5 locations — including demographic projections, alternative district-wide configurations, transportation logistics, space reuse analysis, and community engagement across all three towns. The draft timeline targets a final master plan delivery by December 2026. MSS (Morse Street School) presents the most pressing facility risk: multiple systems are aging or at end-of-life (HVAC partially modernized but gym/kitchen/office unit still needs replacement, elevator deferred since 2016, exterior doors deferred, fire alarm deferred). Estimated deferred maintenance for MSS alone is \$350K to \$400K in identified projects, excluding any major structural or roofing work the facilities study may reveal. Based on the FHS renovation precedent (\$16.95M in 2013), a comparable MSS project could cost \$10M to \$20M. PES's unused capacity (75 seats at 58% utilization) is a critical district asset: it provides swing space during MSS construction or absorptive capacity if Freeport elementary operations are consolidated. Closing PES before the facilities study results are known would eliminate the district's only spare elementary capacity at precisely the time it may be most needed (Sections 1.6 and 1.7).^{[64] [65]}

Legal framework and independence. Maine law provides several pathways: school closure referendum (§1512), RSU withdrawal (§1466), and cost-sharing formula reform (§1481-A). Forty-three municipalities have successfully withdrawn from RSUs/SADs since 2012, spanning 15 different districts.^[35] Financial modeling shows Pownal independence is financially viable under Scenario B (standalone K-5 with tuition 6-12), saving an estimated \$155K/year at FY28 projected rates under low-cost assumptions (Section 6.5). Under high-cost assumptions, Scenario B carries a small net cost (~\$79K/year at FY28 projected rates). More advanced configurations (AOS shared administration or K-8 PES expansion) produce savings of \$189K to \$275K/year. All projections include a \$50K/year SpEd risk reserve. This savings exists not because Pownal is being overcharged (its total contribution including state aid is near-proportional to its enrollment share), but because its high property valuation generates a state-determined local contribution that exceeds the cost of educating its students independently. Tuition costs use FY26 DOE-published rates under §5804 (elementary,

grades 6-8: \$15,417/student) and \$5805 (secondary, grades 9-12: \$15,055/student, capped at the state average); special education for tuitioned students is billed separately at actual cost. Independence carries practical trade-offs: transportation for tuitioning students is not legally required (it must be negotiated or parent-provided), special education cost shocks are harder to absorb for a 200-student district, and the withdrawal process takes 12 to 24 months (Section 6.7). If Pownal withdraws, RSU 5 faces an estimated \$510K annual shortfall (~1.2% of budget), absorbed primarily by Durham and Freeport at modest per-household increases (Section 6.8).

Community engagement. RSU 5's three towns share a robust network of parent organizations (IMPACT, DCS PTA, Freeport PTC/PTSO), cross-town youth programs (Tri-Town Little League, Freeport United Soccer, RSU 5 Community Programs), and civic infrastructure. A review of 389 Board minutes and 337 Finance Committee documents reveals that consensus is achievable when processes are thorough and inclusive (the FC's unanimous 2019 cost-sharing recommendation is the strongest example), but past resolutions have failed to last because structural issues were never resolved. This analysis proposes a standing Strategic Planning Council with genuine representation from all three towns, building on existing organizations rather than duplicating them, with concrete outreach through PTOs, cross-town sports programs, Front Porch Forum, and semi-annual joint town forums (Sections 7.2 through 7.4).

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How to Use This Document

This document serves as a comprehensive public reference for the RSU 5 restructuring discussion. It consolidates financial analysis, legal research, historical context, and community engagement proposals into a single source.

Citation format. Sources are cited using footnotes [^N]. All footnote definitions appear in Appendix B. Footnotes 1–45 reference data inputs from the RSU 5 analysis workbooks; footnotes 46–69 reference news articles, board minutes, state data sources, and supplementary materials; footnotes FC1–FC5 reference Finance Committee documents.

Workbook references. Parenthetical references like (*C-FY28Paths*) or (*I-Budget*) refer to specific sheets in the Excel workbooks (FY27/RSU5_FY27.xlsx, FY28/RSU5_FY28_Projection.xlsx, and RSU5 Overview FY17-FY29.xlsx). "I-" sheets contain input data; "C-" sheets contain calculated analysis; "P-" sheets contain parsed data. Every formula is traceable to its source data. Key calculation sheets: C-SchoolBudgets (cross-year school budgets, in Overview workbook), C-PathC (formula reform scenarios), C-PathD (redistricting impact), C-Capacity (school capacity/utilization), C-FacilitiesRisk (MSS deferred maintenance), C-RSUImpact (RSU impact if Pownal withdraws), C-StateBenchmarks (statewide per-pupil expenditure comparisons and cost driver analysis), C-EducationQuality (assessment data, facility suitability, Chapter 124 compliance, consolidation research), C-CostPremium (per-student article comparison), C-Equity (per-town equity analysis), C-Independence (Pownal independence scenarios), C-ECFacility (EC SpEd facility modification cost estimates by path).

Updates. This document will be updated as new information becomes available (budget adoption, facilities study results, Early Childhood Transition Task Force decisions). The version number and date at the top track revisions.

Part I: Current State (FY27)

1.1 FY27 Budget Overview

| | Adopted FY26 | Proposed FY27 | Increase |
|------------------------|--------------|---------------|---------------------|
| Total Operating Budget | \$44,455,929 | \$47,357,441 | \$2,901,512 (6.53%) |

This proposed increase is within the range of recent voter-approved budgets: ^[9] ^[25]

| Year | Increase | Approved? |
|-----------------|----------|-------------------------------|
| FY26 | 6.83% | Yes (817–494) |
| FY25 | 6.48% | Yes (after initial rejection) |
| FY24 | 4.99% | Yes |
| 10-year average | 4.2% | |
| 3-year average | 6.1% | |

The initial EC SpEd implementation (Cohort 3 Year 1, 4-year-olds only, ~\$17,300 net local) is being added to the FY27 budget. ^[72] Structural planning scenarios (Part II) and EC SpEd expansion to 3-year-olds are FY28 decisions. The FY27 vote concerns the level of operating budget the community will sustain. ^[25]

1.2 What Was Already Cut

The proposed \$47.36M is not the Superintendent's initial request. The initial request was \$49.15M (10.55% increase). The Superintendent cut \$1,715,649 before presenting to the Board. ^[26] ^[25]

Tier 1 cuts (13 positions):

| Position | School | Reduction |
|------------------------|--------|------------|
| 1 FTE Grade 1 Educator | DCS | -\$107,700 |
| 1 FTE Grade 2 Educator | MSS | -\$107,700 |

| | | |
|--|---------------|------------|
| 1 FTE Grade 3 Educator | MLS | -\$107,700 |
| .25 FTE Math RTI + .5 FTE ELA + .25 FTE ELA | FMS | -\$107,700 |
| 16.25hr Office Support | FMS | -\$26,756 |
| 1 FTE French Educator | FMS | -\$107,700 |
| 1 FTE Math + 1 FTE Latin + Printing Clerk | FHS | -\$237,138 |
| .5 FTE Community Outreach Coordinator | FHS | -\$57,059 |
| 1 FTE ESOL Educator | District-wide | -\$107,700 |

Tier 2 cuts (7 positions):

| Position | School | Reduction |
|----------------------------------|---------------|------------|
| 32.5hr Ed Tech (Bench Sub) | DCS | -\$52,600 |
| 32.5hr Ed Tech (RTI) | MSS | -\$52,600 |
| 32.5hr Ed Tech (RTI) | MLS | -\$52,600 |
| 32.5hr Ed Tech (Gen Ed) x2 | FMS | -\$105,200 |
| 1 Instructional Strategist (K-5) | District-wide | -\$107,700 |
| School Nutrition | District-wide | -\$69,796 |

Other reductions: Technology (-\$250K), Facilities Maintenance (-\$58K), Facilities Study (-\$75K to reserves).

Every other elementary school (DCS, MSS, MLS) lost a teacher or ed tech. PES received no reductions in this round. FMS and FHS lost multiple positions. The ESOL educator and instructional strategist served the entire district. (*C-FY27Scenarios, I-FY27Reductions*)

1.3 FY27 Budget Timeline

| Date | Event |
|------|-------|
|------|-------|

| | |
|----------------|--|
| March 25, 2026 | Board adopts FY27 budget |
| May 13, 2026 | Annual Budget Meeting (registered voters discuss and vote on articles) |
| June 19, 2026 | Budget Validation Referendum (polling-place vote) |

1.4 Enrollment Trends

Total district enrollment has declined modestly, with shifting patterns across schools: ^[1]

| School | FY24 (Oct 2023) | FY25 (Oct 2024) | FY26 (Oct 2025) | FY27 (Projected) | Trend |
|--------------------------------|-----------------|-----------------|-----------------|------------------|-----------------------|
| Morse Street (MSS) | 316 | 288 | 275 | 274 | Declining |
| Mast Landing (MLS) | 281 | 266 | 282 | 264 | Declining |
| Pownal Elementary (PES) | 89 | 97 | 98 | 105 | Growing (+18%) |
| Durham Community (DCS) | 473 | 466 | 453 | 467 | Stable |
| Freeport Middle (FMS) | 293 | 288 | 286 | 306 | Recent uptick |
| Freeport High (FHS) | 632 | 592 | 577 | 554 | Declining |
| Total | 2,084 | 1,997 | 1,971 | 1,970 | Down ~5% |

PES is the only school with consistent enrollment growth over this period.

1.5 Staffing Trends

Independent Maine DOE data (December 1 headcounts, 2017–2026) reveals divergent staffing trajectories across schools. The 2016 data point uses a different staffing classification model that produces systematically lower FTE counts across all schools and is excluded from baseline comparisons. ^[45]

| School | 2017 FTE | 2026 FTE | 9-Year Change |
|--------------------------------|-------------|-------------|---------------|
| MSS (Morse Street) | 42.7 | 55.0 | +28.8% |
| MLS (Mast Landing) | 48.2 | 50.5 | +4.8% |
| DCS (Durham Community) | 88.0 | 85.7 | -2.6% |
| FMS (Freeport Middle) | 71.4 | 66.4 | -7.0% |
| FHS (Freeport High) | 112.5 | 98.5 | -12.4% |
| PES (Pownal Elementary) | 33.8 | 24.2 | -28.4% |
| District-wide (central) | 123.4 | 139.8 | +13.3% |

PES suffered the largest staffing decline of any school (-28.4%), more than double the next largest decline (FHS at -12.4%). Four of six schools lost FTE over the period; only MSS and MLS grew. PES's share of total district FTE fell from 6.5% (2017) to as low as 3.9% (2025); roughly half its enrollment share of ~10.5%.

A second DOE dataset — staff assignments by content area and grade level — shows that PES also lost instructional specialization.^[73] Between 2017 and 2019, PES lost dedicated ELA specialist (0.9 FTE) and Math specialist (1.4 FTE) classroom teacher assignments; neither was restored. By 2026, PES classroom teachers are almost entirely classified as "Non-Subject-Specific" (generalist), with only Fine & Performing Arts (0.9 FTE), Physical Education (1.5 FTE), and a small Engineering/Technology assignment (0.4 FTE) as named content areas. PES also lost its Teacher Support Team Members (3.0 → 0.0 FTE), most Ed Tech II positions (4.4 → 0.5 FTE), and experienced periods with zero special education teacher FTE (2023, 2024). The staffing decline is not only quantitative but qualitative: PES students have progressively less access to dedicated subject-area intervention and support. (*I-DOEStaffing, I-DOEContentArea, C-DOEStaffing*)

1.6 District Facilities and Capital Planning

RSU 5 maintains six school buildings totaling approximately 366,000 square feet. No comprehensive facility assessment has ever been conducted. Capital investment has been limited to \$400,000/year across all buildings, spent on piecemeal maintenance and component replacements rather than strategic renovation. In February 2026, the Board unanimously approved \$100,000 from Capital Reserves for the district's first professional facilities study of all buildings.^[64]

A draft RFQ for the project scopes the work as a **Comprehensive Facility Study and 10-Year Long-Range Master Plan** encompassing all eight RSU 5 locations (six schools, Central Office, and Transportation Facility). The draft scope requires the selected firm to deliver condition and educational analysis for each

school, demographic projections with alternative district-wide configurations, transportation logistics evaluation (including future fleet electrification), space reuse descriptions, community engagement across Freeport, Durham, and Pownal, prioritized improvements, and budgetary cost estimates with 10-year life-cycle O&M projections and compounding inflation adjustments. The draft evaluation criteria weight Technical Expertise (30%), Community Engagement Strategy (25%), Project Approach (20%), Financial Forecasting (15%), and Capacity & References (10%). The draft timeline targets a contract award in May 2026 and final master plan delivery by December 2026. ^[64]

Building inventory and estimated capacity:

| School | Grades | Location | Est. Design Capacity | FY27 Enrollment | Utilization | Condition Notes |
|--------|--------|----------|----------------------|-----------------|-------------|---|
| PES | K-6 | Pownal | ~180 | 105 | 58% | Windows replaced 2020-21. Septic replacement pending (\$290K). Lighting upgrade in progress (energy audit). |
| DCS | K-6 | Durham | ~500 (est.) | 467 | ~93% | Water-source heat pumps at end-of-life (11+ repairs, 3 replaced/year at \$180K). Building automation upgrade pending (\$55K). |

| | | | | | | |
|-----|--------|----------|------|-----|-----|--|
| MSS | PreK-2 | Freeport | ~330 | 274 | 83% | <p>Multiple systems aging or at end-of-life.</p> <p>Boiler sections leaked 2017. HVAC partially modernized 2020-21 (wings A-C), but gym/kitchen/office unit still needs replacement. Doors/locks replaced 2017 (safety). Elevator aging. Fire alarm needs upgrade. See Section 1.7 for detailed assessment.</p> |
|-----|--------|----------|------|-----|-----|--|

| | | | | | | |
|-----|-----|----------|----------------|-----|------|--|
| MLS | 3-5 | Freeport | ~280 (est.) | 264 | ~94% | Boilers replaced ~2017 (were 26 years old, leaking). Windows replaced ~2017. Full roof replaced 2021-22 (\$360K-\$395K). In best recent condition of the elementary schools. |
| FMS | 6-8 | Freeport | ~350 (est.) | 306 | ~87% | Roof sections from 1985 (41 years old), 15+ leak service calls. Exterior doors need replacement (\$95K). Wall condition investigation noted (2019). |

| | | | | | | |
|-----|------|----------|-----------|-----|-----|---|
| FHS | 9-12 | Freeport | 650 (80%) | 554 | 85% | Original building 1961. Major renovation 2014-2016 (\$16.95M). Recently renovated and in best condition of all schools. Tennis courts being replaced. |
|-----|------|----------|-----------|-----|-----|---|

Design capacity estimates are based on documented capacities (PES: FY28 workbook; FHS: PDT Architects study), peak historical enrollment, and classroom counts. Formal capacity figures await the facilities study. (*C-Capacity*) ^[64]

Capital spending history (district-wide Article 9):

| FY | Art 9 Total | Capital Projects Budget | Notes |
|------|-------------|-------------------------|---------------------------------------|
| FY22 | \$4,032,450 | ~\$329K | Steady-state maintenance |
| FY25 | \$5,139,408 | ~\$400K | Energy audit Phase 1 begins |
| FY26 | \$5,490,511 | ~\$400K | Life safety projects accelerated |
| FY27 | \$5,993,777 | ~\$482K | Facilities study funded from reserves |

Capital reserves stood at \$2.42M at the start of FY27. After committed projects (PES septic, life safety cameras, FHS pump/tennis, facilities study), the projected ending balance is \$1.31M. This is the district's only capital cushion for unplanned facility needs.

1.7 Morse Street School: Facility Condition and Strategic Risk

MSS is the district's most pressing facility challenge. The building consists of multiple wings (A through D) and has received only incremental maintenance over decades. Key systems are aging or at end-of-life:

Systems replaced or upgraded (2015-2022):

- Doors and locks: replaced 2017 after Code Red lockdown exposed safety failures (\$110K)
- Boiler 2: converted to natural gas/dual fuel 2017 (\$11K net after Efficiency Maine rebate)
- Boiler 1: two leaking sections replaced September 2017 (emergency repair)
- HVAC: unit ventilators replaced in wings A-C, rooftop heat recovery added to wing D, modern controls added (2020-2021, ~\$100K-\$200K)
- Carpet (wing C), lobby floor (wing D), bathroom floors: replaced 2016-2019
- Playground equipment: replaced 2018
- PA system: upgraded 2019

Systems still needing replacement or major repair:

- HVAC unit serving gym, kitchen, and office (flagged in 2021 capital plan as "to be replaced")
- Elevator (deferred since 2016, estimated \$65K-\$70K)
- Exterior doors (\$100K-\$125K, deferred from FY25)
- Fire alarm upgrade (\$15K, deferred since 2016)
- Phone system (\$35K)
- Key card access control (\$50K, shared with PES)
- Playground paving (\$25K)

Estimated deferred maintenance for MSS alone: \$350K to \$400K in identified, unfunded projects. This excludes any major structural, roofing, or comprehensive HVAC work that the facilities study may identify. *(C-FacilitiesRisk)*

The FHS precedent. The last time RSU 5 undertook a major school renovation (FHS, 2013-2016), PDT Architects identified three categories of deficiencies: age (52-year-old building needing component replacement), overcrowding (undersized for enrollment), and site deficiencies (traffic, athletics). The total project cost was \$16.95M. If MSS requires renovation of similar scope, adjusted for inflation and building size, a \$10M to \$20M capital project is plausible within the next 5 to 10 years. ^[65]

Why MSS matters for the PES discussion. MSS's declining enrollment (316 to 274 over three years, -13%) combined with rising per-student costs (+56.1% over five years, the fastest growth of any school) means MSS will soon face the same "too expensive per student" critique currently directed at PES. If major facility work is needed, the district faces two broad paths:

Renovate MSS in place. A multi-year construction project would require temporary capacity elsewhere. PES's 75 unused seats become critical swing space. Closing PES before addressing MSS would eliminate the district's only spare elementary capacity.

Consolidate Freeport elementary operations. If MSS is not renovated, its students would need to be absorbed by other schools. MLS (currently at ~94% utilization with 264 students) cannot absorb 274 additional students without major expansion. PES (at 58% utilization) could absorb 30 to 75 Freeport-area students, reducing pressure on MLS and making both buildings more efficient.

In either scenario, PES's excess capacity is a district-wide asset. Eliminating it before the facilities study results are known would foreclose options that may be needed within 3 to 5 years. ^[64]

Outdoor space and early childhood suitability. MSS's downtown lot is the most constrained school site in the district. It has one playground (equipment replaced 2018, paving deferred since 2019 at \$25K unfunded) and no play fields, practice areas, or athletic fields. In 2016, the Finance Committee approved \$22,425 for safety netting after stray baseballs from adjacent FHS athletic fields reached the MSS playground. Fencing was installed in 2023, likely driven by Maine Chapter 124 preschool requirements. By comparison, DCS (purpose-built in 2010 for \$15.66M, 87,521 sq ft) has three play fields, baseball, softball, soccer, outdoor basketball, a practice field, and a learning garden. PES has a playground, open fields, and access to natural areas including Runaround Pond. ^[69]

Maine Chapter 124 (05 CMR 071-124-9) requires a minimum of **75 square feet of usable outdoor space per child** for preschool programs, in addition to fencing/barriers, energy-absorbing surfaces, shade/sun, and ADA accessibility. With MSS's current PreK enrollment of 64 students, the outdoor space requirement is 4,800 square feet, which the constrained lot struggles to provide. As Cohort 3 adds EC SpEd students beginning Fall 2026 (4-year-olds) and expanding to 3-year-olds in FY28, the outdoor demand increases further. Maine DOE construction standards for new or renovated PreK-3 schools require a hard play area, a soft play area, and an all-purpose field, all proportional to enrollment. MSS's downtown lot cannot provide an all-purpose field, which would require waivers if major renovation triggers state funding requirements. ^[69]

This facility suitability gap is directly relevant to Path B. The Superintendent's Scenario 2 proposes centralizing all PreK at PES while moving K-5 students from PES to DCS. Ironically, PES (rural lot, ample outdoor space, natural environment) is the RSU 5 school best suited for early childhood programs under Chapter 124 standards, while MSS (where PreK currently operates) is the least suited. Whether community PreK remains at MSS (Path A) or moves to PES (Path B), the outdoor space constraint at MSS will need to be addressed for as long as it serves preschool-age children.

1.8 Educational Outcomes

All RSU 5 schools with tested grades substantially outperform Maine state averages on the Maine Through Year Assessment. RSU 5 as a district ranks #16 out of 189 Maine school districts (top 10%). ^[69]

State assessment proficiency (2023-24 school year):

| School | Grades Tested | Reading Proficiency | Math Proficiency | GreatSchools Rating | Student-Teacher Ratio |
|-------------------------|---------------|---------------------|------------------|---------------------|-----------------------|
| PES (Pownal Elementary) | 3-5 | 85-95% | 75-82% | 8/10 | 9:1 |
| DCS (Durham Community) | 3-8 | 92% | 67-93% | 9/10 | 11:1 |
| MLS (Mast Landing) | 3-5 | 91% | 73-92% | 9/10 | 11:1 |
| MSS (Morse Street) | PK-2 | N/A | N/A | Not rated | ~12:1 |
| FMS (Freeport Middle) | 6-8 | 93% | 69% | 10/10 | 10:1 |
| FHS (Freeport High) | 9-12 | 76-94% | 56-95% | 7/10 | 13:1 |

Proficiency ranges reflect differences across reporting sources (US News & World Report, GreatSchools, NeighborhoodScout), all sourced from Maine DOE data. State averages: Elementary reading ~61%, math ~57%. Middle school reading ~84%, math ~49%. FHS graduation rate: 95%+ (top 1% in Maine). FHS average SAT: 1220; AP exam pass rate: 77%. MSS (PK-2) has no state testing data because Maine assessments begin in grade 3. ^[69]

PES: strong outcomes with an important caveat. PES achieves proficiency rates well above state averages and is ranked among the top 10 elementary schools in Maine by US News. However, with only approximately 13 to 15 students tested per grade, a single student's result moves the proficiency rate by 6.7 to 7.7 percentage points. At DCS (55 to 65 tested per grade) or MLS (80 to 85 tested per grade), each student moves the rate by only 1.2 to 1.8 points. This means PES's year-to-year proficiency data is inherently volatile. A swing of 10 to 15 points from one year to the next would be statistically expected from sample size alone, not from any change in instructional quality. Multi-year averages and trends are more meaningful than single-year snapshots, but even those are limited by small N. (*C-EducationQuality*)

What can be said with confidence:

1. PES consistently performs above state averages by a significant margin (20+ points in reading, 15+ points in math).
2. PES has the best student-teacher ratio in the district (9:1), consistent with the small-school structure that also drives its per-pupil cost premium.

3. All RSU 5 elementary schools are performing well. The district as a whole is strong.

Class size and the relationship to outcomes. PES's class sizes (13 to 18 students per class) are substantially below those at DCS (20 to 24 per class) and MLS (20 to 22 per class). The relationship between class size and student achievement is among the most studied questions in education:

- **Project STAR (Krueger, 1999).** The Tennessee Student/Teacher Achievement Ratio experiment randomly assigned students to small classes (13-17) or regular classes (22-25). Students in small classes gained approximately 4 percentile points, with effects strongest for early grades and students from disadvantaged backgrounds.
- **Chetty et al. (2011).** Following STAR students into adulthood, researchers found that the benefits of small classes persisted: higher college attendance, higher earnings, and better adult outcomes, even after the initial test score advantages faded in later grades. The mechanism appears to be non-cognitive: better engagement, stronger student-teacher relationships, and more individualized attention in formative years.
- **Campbell Collaboration systematic review (2021).** Broader literature shows small-to-zero average effects outside the STAR experiment, suggesting that the benefits of small classes depend heavily on how teachers use the smaller environment. PES's experienced, stable teaching staff (Section 3.5) may be a factor in realizing these benefits.

Under Path B, PES's 105 students would move to DCS, increasing class sizes from ~13-18 to ~22-26 per class. The research evidence suggests this would not improve educational outcomes for the displaced students and could reduce them, particularly in the short term and for younger students. Beyond academics, the forced building transition raises well-being concerns documented by Rumberger (2015) and López and Benner (2025): fatigue from longer commutes, reduced extracurricular participation, loss of peer and teacher connections, and heightened anxiety — with disproportionate harm to neurodivergent students (Sideropoulos et al., 2024). See Section 4.6 for the full research review. ^[74]

Impact on DCS and FMS under Path A. Path A proposes consolidating grade 6 at DCS and grades 7-8 at FMS. Both schools are already performing at high levels (DCS 9/10, FMS 10/10). The grade restructuring would not change teaching quality or curriculum, and the enrollment adjustments are modest (DCS net +16, FMS absorbs ~100 Durham 7-8 students). FMS is designed for this age group and operates below its historical peak. DCS's purpose-built facility (2010) was designed for multi-grade configurations. The educational risk of Path A's grade consolidation is low compared to the disruption of closing a school entirely. *(C-EducationQuality)*

Facility suitability as an educational equity issue. Educational quality is not measured solely by test scores. The physical environment, including outdoor space, natural areas, class size, and building condition, directly affects student experience. RSU 5's four elementary schools offer starkly different physical environments:

| Feature | PES | DCS | MSS | MLS |
|---------|-----|-----|-----|-----|
|---------|-----|-----|-----|-----|

| | | | | |
|---------------------------------|--|---|---|----------------------------|
| Setting | Rural, open | Rural/suburban, purpose-built | Downtown urban, constrained | Suburban |
| Outdoor play areas | Playground, fields, natural areas | 3 play fields, baseball, softball, soccer, basketball, garden | 1 playground only (no fields) | Playground, limited fields |
| Room to expand | Yes | Limited | No | Limited |
| Building condition | Good (windows 2020-21, lighting 2025-26) | Excellent (built 2010) | Multiple systems at end-of-life (Section 1.7) | Good (renovated 2017-22) |
| Preschool suitability (Ch. 124) | Strong (ample outdoor space, natural light, room) | N/A (no PreK) | Weak (constrained outdoor space, proximity to traffic) | N/A (grades 3-5) |

MSS, despite hosting the district's largest PreK program (64 students), has the least outdoor space of any elementary school. Its 274 students share a single playground with no fields. This is an educational equity concern: Freeport's youngest students (PK-2) have the least access to outdoor play, physical education field space, and natural learning environments, while PES's 105 students have the most. Closing PES would eliminate the school with the best physical environment for early childhood education while concentrating more young children at the school with the worst.

Full data and methodology: C-EducationQuality sheet in RSU5_FY28_Projection.xlsx. ^[69]

Part II: FY28 Strategic Analysis

2.1 FY28 Baseline and EC SpEd Mandate

Whatever budget voters approve for FY27 becomes the FY28 starting point. Two factors layer on top:

| Component | Amount | Source |
|---|--|--|
| FY27 proposed budget | \$47,357,441 | Budget Handbook ^[25] |
| Annual cost growth (~6.1% 3-yr avg) | +\$2,889,000 | I-CostGrowth |
| EC SpEd mandate (net new local cost) | +\$17K (board-approved) to +\$364K–\$664K (Task Force model) | C-ECAnalysis ^[19] ^[72] |
| FY28 baseline (no structural action) | ~\$50.2M–\$50.8M | C-FY28Projection |

RSU 5 must provide FAPE to children ages 3–5 with disabilities under Cohort 3 of the CDS transition (LD 345; Title 20-A §7209-A). ^[70] The Board unanimously approved joining Cohort 3 on February 4, 2026. ^[72] Services begin during the 2026–2027 school year.

Scope of the mandate. The statute requires only "child find activities and ... a free, appropriate public education for children eligible under Part B, Section 619" — special education services for children ages 3–5 with disabilities. ^[70] It does not require districts to establish or expand general PreK programs, which remain voluntary under Maine law. ^[71] The Maine DOE Public Pre-K Guidebook (January 2025) states: "public preschool programming remains optional for any school administrative unit." ^[15] RSU 5's existing community PreK programs at MSS, DCS, and PES are voluntary local offerings, not mandated services.

Phased rollout. Cohort 3 is phased: the 2026–2027 school year (FY27) covers **4-year-olds only**. The Task Force presentation (November 12, 2025) explicitly states: "Tonight's focus is Cohort 3 (four-year-olds) for the 2026–2027 school year. Explicitly remove full-day programming questions from the discussion. Do not include three-year-olds or Child Find evaluation costs in this phase." ^[18] The Superintendent stated at that meeting: "If we take 4 yr olds next year, we will need to take 3 yr olds the following year." Three-year-olds would be added in the **2027–2028 school year (FY28)**. The statewide deadline for full compliance (all children ages 3–5) is July 1, 2028. ^[70]

Cost estimates: two sources, two time horizons. The Early Childhood Transition Task Force recommended Option 1 (School-Based) at a gross cost of approximately \$1.13M/year and a net cost of approximately \$364K–\$664K/year after state/federal offsets. ^[19] This model includes a full ECSE coordinator, office support,

social worker, contractors, and three EdTechs — a comprehensive program designed for the full mandate (ages 3–5). However, the board-approved Cohort 3 Year 1 implementation is substantially leaner: 0.2 coordinator, 0.9 SLP (reallocated from existing staff), one SpEd teacher, and two EdTechs (fully state-funded), with a reported net local impact of approximately \$17,300/year. ^[72] The difference reflects three factors: (1) Year 1 serves only 4-year-olds (~25 students projected), not the full 3–5 age range; (2) the board approved a smaller staffing model than the Task Force proposed; and (3) most costs are covered by 100% state incentive funding available to early-joining districts. Whether this state funding continues at the same level once the transition period ends (statewide deadline: July 1, 2028) is an open question. ^[70]

Where do Cohort 3 students go? The Task Force recommended Option 1 (School-Based with SpEd Classroom), but neither the Task Force minutes nor the board meeting specifies which building houses the new special-purpose classroom. The most likely location is MSS, which hosts the largest existing community PreK program (64 students) and already has PreK infrastructure. Under Option 1, FAPE is contingent on enrollment in RSU 5 PreK — meaning EC SpEd students would attend existing PreK programs, with a separate special-purpose classroom for higher-need students. The specific location is an operational decision expected to be finalized before Fall 2026. RSU 5's Early Intervention Team (EIT) already provides services to most identified 4-year-olds (15 of 20 active IEPs as of November 2025). ^[18]

FY28 cost impact. The FY27 budget absorbs the initial Cohort 3 Year 1 costs (~\$17,300 net local). In FY28, the program must expand to include 3-year-olds and potentially scale up staffing. The incremental FY28 cost above the FY27 baseline is uncertain — it could range from near-zero (if state incentive funding continues at full level) to the Task Force's modeled range (\$364K–\$664K/year) if the program scales to full staffing and state subsidies decrease. The FY28 baseline table above presents this range. The Task Force model remains the best available planning estimate for steady-state costs.

The EC SpEd mandate arrives regardless of any restructuring decision. Its local cost impact depends on the scope of implementation, the pace of expansion to 3-year-olds, and the durability of state incentive funding.

2.2 Path A: Preserve and Strengthen

Restructure middle grades for efficiency. Preserve all three elementary schools. Distribute EC SpEd services to home communities.

Five structural changes (implemented FY28):

1. **Grades 7–8 consolidate at FMS** (district-wide). Durham's ~100 students in grades 7–8 move from DCS to FMS.
2. **Grade 6 consolidates at DCS** (district-wide). Freeport's ~101 and Pownal's ~15 sixth graders join Durham's ~41 at DCS, for a district-wide 6th grade of ~157.
3. **PES remains PreK–5**, unchanged.
4. **EC SpEd services distributed across existing schools.** MSS hosts the new EC SpEd classroom, co-located with Freeport's 64-student community PreK program for LRE inclusion (1:5 ratio). PES, MSS,

and DCS continue their community PreK programs. ^[19]

5. **PES enrollment grows** through attendance zone redistricting (Path D) or natural growth.

Financial impact: (*I-FTE, C-MSCConsol, I-Assumptions*)

| Item | Budget Impact | Source |
|--|-------------------|---------------|
| Teacher savings from MS consolidation (2.45 net FTE) | -\$264,000 | C-MSCConsol |
| Extracurricular consolidation | -\$40,000 | I-Assumptions |
| Freeport 6th transportation (2 routes to DCS) | +\$150,000 | I-Assumptions |
| Net structural savings | -\$154,000 | C-FY28Paths |

Combined with line-item efficiencies (Section 2.5), total Path A savings reach \$479,000–\$804,000.

Facility and capacity considerations:

- **MSS (EC SpEd classroom):** Maine Chapter 124 requires 35 sq ft/child, toilets within 40 feet, a water source in the classroom, and natural light for preschool classrooms. ^[21] MSS already hosts Freeport's 64-student community PreK program, so most indoor infrastructure exists. The new EC SpEd classroom would need to meet the same standards. Estimated one-time modification cost: **\$25,000 to \$160,000**, depending on classroom location relative to existing PreK plumbing and whether the elevator (\$70K, deferred since 2016) must be upgraded for ADA/SpEd accessibility. Amortized over 10 years: **\$2,500 to \$16,000/year** (midpoint ~\$9,250/year). Under Path B, the analogous cost is \$74,000/year for converting all of PES into a centralized preschool center — roughly 5 to 30 times larger, because it converts an entire building rather than adding one classroom to an existing PreK facility. (*C-ECFacility*) ^{[21] [24]}
- **DCS (grade 6 absorption):** DCS currently serves ~467 students in PreK–8. Under Path A, ~100 students in grades 7–8 leave for FMS while ~116 sixth graders arrive from Freeport and Pownal (net change: +16). DCS has historically served larger cohorts and the net enrollment change is modest, but classroom scheduling and any needed room reconfiguration are not costed.
- **FMS (grades 7–8 absorption):** FMS absorbs ~100 Durham students in grades 7–8. FMS's current enrollment (286–306) is below its historical peak. Capacity risk appears low, but has not been formally assessed.

Remaining facility gaps (DCS/FMS room configurations) should be resolved by the facilities study. The MSS EC SpEd classroom estimate above is derived from Chapter 124 requirements and the C-FacilitiesRisk deferred maintenance inventory; the facilities study will provide professional cost estimates. (*C-ECFacility*)

2.3 Path B: Full Restructuring (Scenario 2)

The Superintendent's Scenario 2 is a district-wide restructuring that goes substantially beyond what the EC SpEd mandate requires. The mandate calls for one SpEd classroom serving approximately 25 children with disabilities (Section 2.1). Scenario 2 proposes centralizing *all* PreK — approximately 128 students from all three towns, including existing voluntary community PreK programs — at PES. This is an administrative choice, not a legal requirement. The Superintendent's presentation ("Planning for the Future of RSU 5," February 11, 2026) describes qualitative benefits for Scenario 2 but provides no financial modeling, cost estimates, or transportation analysis for any scenario. ^{[10] [76]}

1. PES becomes a district-wide PreK/Preschool Center (ALL PreK from ALL towns moves to PES)
2. Pownal K–6 students move to DCS
3. DCS grades 7–8 move to FMS (same MS consolidation as Path A)
4. FMS becomes a district-wide 7–8 middle school
5. MLS transitions to Freeport grades 4–6
6. MSS transitions to Freeport grades K–3 (PreK leaves for PES)

FTE analysis across the district:

| School | Current FTE | Scenario 2 FTE | Change |
|--------------|---------------|------------------------|-------------|
| PES | 6.5 (K-5) | 5.0 (preschool center) | -1.5 |
| DCS | 26.5 (PreK-8) | 23.0 (K-6 Dur+Pow) | -3.5 |
| MSS | 14.0 (PreK-2) | 16.0 (K-3) | +2.0 |
| MLS | 14.0 (3-5) | 15.0 (4-6) | +1.0 |
| FMS | 15.5 (6-8) | 13.0 (7-8 district) | -2.5 |
| Total | 76.5 | 72.0 | -4.5 |

The entire Scenario 2 restructuring saves 4.5 FTE district-wide. Path A's middle school consolidation alone saves 2.45 FTE. The marginal teacher savings from closing PES is 2.05 additional FTE (\$220,785). *(I-FTE, C-MSConsol)*

True efficiency savings from PES closure (above what Path A achieves): *(C-FY28Paths)*

| Item | Amount | Source |
|------|--------|--------|
|------|--------|--------|

| | | |
|---|-------------------|--|
| Marginal teacher savings (2.05 FTE) | \$221,000 | I-FTE net |
| PES admin eliminated (Art 7) | \$258,000 | I-Budget |
| DCS coordination cost | -\$75,000 | I-Assumptions |
| PES support services efficiency | \$110,000 | I-Budget x I-Assumptions |
| Gross efficiency gain | \$514,000 | |
| Transport: Pownal K-6 to DCS (3 routes) | -\$225,000 | I-Assumptions |
| Transport: Freeport PreK to PES (3 routes) | -\$225,000 | I-Assumptions |
| Transport: Durham PreK to PES (2 routes) | -\$150,000 | I-Assumptions |
| PES preschool center conversion (amortized 10 yr) | -\$74,000 | C-ECFacility ^[21] ^[24] |
| True net from closing PES | -\$161,000 | |

After accounting for absorption costs, the transportation burden of centralizing all community PreK at PES, and the amortized cost of converting PES into a preschool center, Path B produces a net annual cost of approximately \$161,000 compared to the status quo. The Superintendent's presentation does not cite specific dollar savings for Scenario 2. ^[10]

2.3a Path B2: District-Wide 6th Grade at PES (Scenario 3)

The Superintendent's Scenario 3 proposes converting PES into a district-wide 6th grade school. ^[10]

1. PES becomes a district-wide 6th grade school (~157 students)
2. Pownal PreK-5 students move to DCS
3. DCS grades 7-8 move to FMS (same MS consolidation as Path A)
4. Freeport grade 6 moves from MLS to PES
5. MSS and MLS are unchanged (Freeport PreK-2 and 3-5 respectively)
6. FHS unchanged

What Scenario 3 shares with Scenario 2: In both scenarios, Pownal loses PES as a K-5 community school. Pownal students bus to DCS. PES is repurposed for a different function. The question of which function PES serves is secondary to whether Pownal should lose its elementary school at all.

What Scenario 3 does NOT solve: The presentation itself identifies these shortcomings:

- "Does not fully solve early childhood challenges"
- "Offers no solution for 3 yos"
- Early childhood inefficiencies remain under Scenario 3

The EC SpEd mandate (Section 2.1) is unaddressed. Three-year-old space requirements for FY28 remain unresolved.

Staffing and cost considerations. A single-grade school serving ~157 students requires a complete complement of content-area staff: Art, Music, World Language, Family and Life Sciences, Special Education, PE, plus core academic teachers, a principal, counselor, and support staff. This is comparable to operating a small elementary school but for a single grade level, resulting in poor economy of scale. By comparison, Path A places grade 6 at DCS (~157 students joining an existing PreK-8 building with established staff across all content areas), achieving the same district-wide 6th grade integration without a standalone facility.

Transportation. Scenario 3 requires busing all district 6th graders (~157) to PES plus all Pownal K-5 (~105) to DCS. Freeport 6th graders (~101) currently attend MLS on existing routes; rerouting them to PES in Pownal requires new transportation. Durham 6th graders (~41) currently attend DCS in Durham; they too require new routes to Pownal. Estimated new route costs are comparable to or greater than Path A's transportation costs (\$150,000/year for Freeport 6th to DCS under Path A), because PES is geographically more distant from Freeport and Durham population centers than DCS. Pownal K-5 students (~105) require 3 new routes to DCS, the same cost as Scenario 2 (\$225,000/year).

Community impact. The presentation acknowledges: "Still represents disproportionate change for Pownal." Unlike Scenario 2, Scenario 3 does not propose a new shared resource (the EC center) to partially offset Pownal's loss. PES would serve students from all three towns, but sixth graders spend only one year there before moving to FMS for 7th grade, limiting the opportunity for a sustained school identity or community connection.

2.4 Side-by-Side Comparison

| Metric | No Action | Path A (Preserve) | Path B (Scenario 2) | Path B2 (Scenario 3) |
|--------------------|-----------|----------------------|---------------------------------------|--|
| Structural savings | \$0 | ~\$154K (MS consol.) | ~\$154K + near-zero marginal from PES | ~\$154K (MS consol.; marginal PES savings uncertain) |

| | | | | |
|----------------------------------|----------------|--|---|--|
| True net impact from PES closure | N/A | N/A | -\$161K (net cost) | Net cost (not modeled by district; transportation and staffing suggest comparable to Scenario 2) |
| Schools preserved | All 6 | All 6 | 5 (PES → preschool center only) | 5 (PES → 6th grade center only) |
| EC SpEd model | Must be funded | Distributed; SpEd classroom at MSS (1:5 LRE) — matches mandate scope | Centralized preschool center at PES (all PreK, far exceeds mandate) | Unresolved (presentation acknowledges "no solution for 3 yos") |
| PreK parent opt-out risk | N/A | Low (community PreK stays local) | High (parents must bus 3-4 yr olds to Pownal) | N/A (PreK unchanged) |
| DCS enrollment change | None | +16 | -44 (net shrinks) | +105 Pownal K-5, -41 Durham 6th (net +64) |
| Young children in home community | Yes | Yes | No (K-5 to Durham; PreK to Pownal) | No (K-5 to Durham) |
| Property value risk (Pownal) | None | None | \$39.2M at 10% <small>[20] [27]</small> | Same risk (PES repurposed, K-5 displaced) |
| Reversible | N/A | Yes | No | No |
| FTE change | 0 | -2.45 | -4.5 (only 2.05 more than Path A) | Uncertain (full content staff needed for single-grade school) |
| MSS facility risk exposure | Neutral | PES capacity available for swing | No spare capacity if MSS needs work | No spare capacity if MSS needs work |

Path C (formula reform) can be combined with either Path A or Path B. Under a 75/25 formula, Pownal's ALM decreases by \$291K/year. However, when state aid is included, Pownal's total contribution is already

near-proportional (Section 5.1), which limits the equity case. The 85/15 + Path A combination is the only formula scenario where all three towns see net assessment decreases. See Section 2.6 for the full analysis.

Path D (attendance zone redistricting) directly addresses PES's per-student cost premium by increasing enrollment. Adding 15 students (to 120 total) brings PES's cost to the district average. Voluntary school choice already exists in RSU 5 but has not attracted cross-town enrollment; mandatory redistricting of geographically closest families requires only a Board vote and produces stable enrollment growth. Can be combined with Path A or used independently. See Section 2.7.

2.5 Revenue Alternatives

Additional options for bridging budget gaps without school closures:

| Alternative | Annual Impact | Mechanism |
|----------------------------------|---|---|
| CDS/EC SpEd transfer revenue | \$200K–\$400K | CDS funds follow child to district |
| IDEA Part B federal SpEd funding | \$100K–\$150K | EC SpEd / ECSE federal allocation |
| EPS PreK state allocation | \$50K–\$100K | Formula-based state funding |
| Shared services agreements | \$100K–\$200K | IT, maintenance economies of scale |
| Total new revenue | \$450K–\$850K | |
| ALM formula reform (75/25) | \$291,000 (<i>redistribution; see note</i>) | Board authority under §1481-A ^[42] |

Note on ALM reform: This is not new revenue; it redistributes existing costs. When state aid is included, Pownal's total contribution is already near-proportional to its enrollment share (Section 5.1), which limits the equity case for redistribution. See Section 2.6 for the full formula reform analysis, including why the 85/15 + Path A combination is the only scenario where all three towns see net assessment decreases.

Combined with structural savings (\$154K from grade consolidation) and line-item efficiencies (\$325K to \$650K, available under any scenario), the total available offset from new revenue is \$0.9M to \$1.7M. Formula redistribution (Path C) does not change the total RSU budget; it shifts how costs are allocated across towns.

Line-item efficiencies (available under any restructuring scenario): (*I-Assumptions*)

| Area | Potential | Rationale | Path-specific? |
|------|-----------|-----------|----------------|
|------|-----------|-----------|----------------|

| | | | |
|--------------------------------|----------------------|--|--------------------------|
| Transportation (Art. 8) | \$75K–\$150K | Route consolidation from grade restructuring | Depends on route changes |
| Facilities (Art. 9) | \$100K–\$200K | Defer non-critical projects one year | No |
| System administration (Art. 6) | \$50K–\$100K | Shared services and technology efficiencies | No |
| Natural attrition | \$100K–\$200K | Hold 1-2 positions open during transition | No |
| Range | \$325K–\$650K | | |

Note: Most of these efficiencies are available under either path (or no restructuring at all). Only transportation savings depend on specific route changes, which differ between paths. This document attributes them to Path A for clarity, but the same savings could be pursued independently.

2.6 Path C: Cost-Sharing Formula Reform

Reform the ALM cost-sharing formula from static 2008 percentages to a dynamic formula incorporating enrollment. This path can be combined with Path A's grade consolidation. See Section 5.6 for why previous reform attempts failed and what conditions would need to change.

Critical context. When state aid is included in the equity analysis (Section 5.1), Pownal's total contribution (10.96% of funding) is already within half a percentage point of its enrollment share (10.41%). The system is near-proportional for Pownal. The primary disparity is between Freeport (contributing 4.79 points above its enrollment share) and Durham (contributing 5.35 points below). This context is essential for understanding why formula reform has been contentious: the case for reform looks compelling when analyzing ALM in isolation, but is much less clear-cut when the full funding picture is considered. Formula reform has been recommended four times and rejected four times, in significant part because the total-contribution data supports the status quo (Section 5.6).

Legal mechanism. The Board can change the ALM formula by majority weighted vote under §1481-A. No referendum is required (decided by Board vote in March 2018).^[42] [^FC1]

What changes. The ALM pool (\$17,388,717 in FY27) would be redistributed among the three towns based on a weighted blend of state valuation and pupil count, updated annually. The RLC (state-determined) and state aid do not change. Path C is a redistribution of existing costs, not new revenue or new savings.

Formula scenarios: (*C-Equity*)

| Formula | Durham ALM Share | Freeport ALM Share | Pownal ALM Share |
|------------------------------|------------------|--------------------|------------------|
| Current (static 2008) | 21.42% | 65.98% | 12.60% |
| 85/15 (val/enroll) | 21.62% | 67.40% | 11.00% |
| 75/25 | 23.21% | 65.88% | 10.93% |
| 65/35 (Beaudoin mid) | 24.80% | 64.35% | 10.85% |
| 60/40 | 25.59% | 63.60% | 10.82% |
| 50/50 | 27.18% | 62.08% | 10.76% |
| Pure enrollment (0/100) | 35.13% | 54.47% | 10.41% |

Calculated using FY27 state valuation shares (Durham 19.23%, Freeport 69.68%, Pownal 11.10%) and FY27 enrollment shares (Durham 35.13%, Freeport 54.47%, Pownal 10.41%). Source: C-Equity, I-Enrollment.

Dollar impact on annual ALM assessment (FY27 ALM = \$17,388,717):

| Formula | Durham Change | Freeport Change | Pownal Change |
|----------------------------|---------------|-----------------|---------------|
| 85/15 | +\$35,000 | +\$247,000 | -\$279,000 |
| 75/25 | +\$311,000 | -\$17,000 | -\$291,000 |
| 65/35 (Beaudoin) | +\$588,000 | -\$283,000 | -\$305,000 |
| 60/40 | +\$725,000 | -\$414,000 | -\$309,000 |
| 50/50 | +\$1,001,000 | -\$680,000 | -\$321,000 |
| Pure enrollment (0/100) | +\$2,384,000 | -\$2,003,000 | -\$380,000 |

These are ALM changes only. RLC and state aid are unaffected.

Key observations:

1. **Pownal's ALM decreases under every reform scenario** (\$279K to \$380K), but since Pownal's total contribution including state aid is already near-proportional, formula reform would push Pownal below its enrollment share of total funding.

- 2. **Freeport is the larger beneficiary at higher enrollment weightings.** At pure enrollment, Freeport saves \$2.0M because its valuation share (69.68%) far exceeds its enrollment share (54.47%). At 85/15, Freeport actually pays more (+\$247K). Freeport only benefits at roughly 25% enrollment weighting or higher.
- 3. **Durham pays more under every scenario** because it currently pays below its enrollment share. The minimum increase is \$35,000 (85/15); the maximum is \$2.4M (pure enrollment).
- 4. **Per-household impact for Durham** (assuming ~1,650 households): ranges from \$21/year (85/15) to \$1,445/year (pure enrollment). With 5-year phasing per the Beaudoin recommendation, the annual increase during phase-in ranges from \$4 to \$289/household.
- 5. **Under pure enrollment, Freeport and Pownal are aligned.** Both pay higher ALM shares than their enrollment shares under the current formula. Durham's ALM share (21.42%) is 14 points below its enrollment share (35.13%), the largest gap of any town.

Why formula reform alone is politically difficult. Durham's position has prevailed four times because it is supported by the total-contribution data. When state aid is included, total contribution by town already tracks close to pupil count (Section 5.1). Durham can legitimately argue that the system is already fair. [^FC5] The ALM disparity exists because the state's EPS formula directs more aid to lower-valuation communities, which is state policy working as intended. Asking Durham to pay more locally when it already contributes proportionally (including state aid) is a difficult argument to make.

Any reform effort must grapple with this reality. The ALM-only framing ("Durham pays \$2.4M below a per-student split") is factually correct but incomplete. The total-contribution framing ("Durham contributes proportionally when state aid is counted") is also factually correct. Both describe the same system from different angles.

Path A + Path C combined: net assessment impact. When Path C is combined with Path A (which produces real RSU-wide savings of \$479K to \$804K), the RSU-wide savings can offset formula redistribution costs. At modest formula adjustments, all three towns can see net assessment decreases:

| Town | 85/15 Formula Change | Share of Path A Savings (at current ALM %) | Net Assessment Change |
|----------|----------------------|--|-------------------------------|
| Durham | +\$35,000 | -\$103K to -\$172K (21.42%) | Saves \$68K to \$137K |
| Freeport | +\$247,000 | -\$316K to -\$530K (65.98%) | Saves \$69K to \$283K |
| Pownal | -\$279,000 | -\$60K to -\$101K (12.60%) | Saves \$339K to \$380K |

At **85/15 combined with Path A**, every town's assessment decreases. The RSU-wide savings from consolidation are large enough to absorb the formula redistribution, so no town writes a bigger check than it does today. This changes the political calculus: the 85/15 formula failed in 2019 partly because it raised Freeport's ALM in isolation; paired with Path A savings, Freeport still saves \$69K to \$283K.

At higher enrollment weightings (75/25 and above), Durham's formula increase exceeds its share of Path A savings, making the combination a net cost for Durham. The 85/15 split is the only formula where Path A savings fully absorb the redistribution for all three towns.

| Formula + Path A | Durham Net | Freeport Net | Pownal Net |
|------------------|---------------------|---------------------|---------------------|
| 85/15 + Path A | Saves \$68K–\$137K | Saves \$69K–\$283K | Saves \$339K–\$380K |
| 75/25 + Path A | Costs \$139K–\$208K | Saves \$333K–\$547K | Saves \$351K–\$392K |
| 65/35 + Path A | Costs \$416K–\$485K | Saves \$599K–\$813K | Saves \$365K–\$406K |

The **85/15 + Path A** combination is the only scenario where no town's assessment increases. It is also the most modest reform, producing the smallest Pownal ALM change (-\$279K). Whether this modest adjustment is worth the political effort, given that Pownal's total contribution is already near-proportional, is a judgment call for the communities.

Implementation:

| Step | Timeline |
|---|-----------|
| Board adopts formula (majority weighted vote) | Fall 2026 |
| Phase year 1 (20% of adjustment) | FY28 |
| Phase year 2 (40%) | FY29 |
| Phase year 3 (60%) | FY30 |
| Phase year 4 (80%) | FY31 |
| Full formula (100%) | FY32 |

The Reorganization Plan (Section 13-B, Paragraph D) specifies that the Board must consider: (1) fairness considering relative valuations, populations, and student headcounts; (2) effect on ability to raise funds; (3) clarity and public understanding; (4) consistency with operating as a single entity; and (5) effect on revenue stability. A phased 75/25 formula satisfies all five criteria. ^[42]

2.7 Path D: Attendance Zone Redistricting

Expand PES's attendance zone to include geographically proximate areas of Durham and Freeport, increasing enrollment and eliminating the per-student cost premium. Unlike Paths A through C, this directly addresses PES's consumption deficit (Section 5.3) by changing the denominator rather than the formula.

Legal mechanism. Maine Title 20-A §1001(8) grants the Board authority to "determine which students attend each school, classify them and transfer them from school to school." This is a Board-level decision. No referendum, town vote, or state approval is required. RSU 5's existing Policy JCA (Assignment to Schools Within the District) provides the framework.

Geographic rationale. PES is located in central Pownal, near the borders of both Durham and Freeport. Two areas are geographically closer to PES than to their current assigned schools:

- **Southern/western Durham.** The area south of Route 136 toward the Pownal border is approximately 2 to 4 miles from PES but 6 to 10 miles from DCS (located in northern Durham on Hallowell Road). Families in this area currently face some of the longest bus rides in the district.
- **Northwestern Freeport.** The inland area along the Pownal Road/Route 125 corridor is 2 to 4 miles from PES and 4 to 7 miles from MSS or MLS in Freeport center.

In both cases, redistricting would shorten commute times for affected families, not lengthen them.

Enrollment and cost impact. PES has a design capacity of approximately 180 students and current enrollment of 105, leaving roughly 75 seats of unused capacity. The per-student cost premium exists because fixed costs (principal, custodian, nurse, building operations: approximately \$700K to \$800K/year) are spread across too few students:

| PES Enrollment | Est. Per-Student Cost | Premium vs. District Avg (~\$24,000) | Consumption Deficit |
|--------------------|-----------------------|--------------------------------------|---------------------|
| 105 (current) | ~\$26,649 | +\$2,649 | -\$267,000 |
| 120 (+15 students) | ~\$23,300 | ~\$0 (at average) | ~\$0 |
| 130 (+25 students) | ~\$21,500 | -\$2,500 (below average) | Surplus |
| 135 (+30 students) | ~\$20,700 | -\$3,300 (below average) | Surplus |

At 120 students, PES's per-student cost reaches the district average and the consumption deficit disappears. At 130 or above, PES becomes one of the most cost-efficient schools in the district. Each additional student adds only marginal variable costs (a fraction of a teacher FTE, supplies) against the fixed cost base.

Impact on sending schools. MSS enrollment has declined from 316 to 274 (-42) and MLS from 281 to 264 (-17) over recent years. Losing 10 to 15 students from these schools accelerates that decline, but their larger enrollment bases absorb the per-student impact more easily. DCS (467 students) could absorb a reduction of 10 to 15 students with minimal impact. The RSU's total costs do not change meaningfully (same students, same total staff needs); costs are reallocated, not created.

Precedent. Two recent Maine examples:

- **RSU 40 (2025):** Board voted to move 6th graders from Miller School (Waldoboro) to Medomak Middle School and offered families near Friendship the option to transfer from Waldoboro to Friendship Village School. Board decision, no referendum.
- **MSAD 58 (2022):** Reconfigured the entire district with PreK-4 students split between Kingfield and Phillips elementary schools based on residency location (crossing town lines). Board decision, no referendum.

Why voluntary school choice alone is insufficient. RSU 5 already has an intra-district school choice policy. Any family in the district can request a transfer to a different school, including PES. Despite this, PES has not attracted significant cross-town enrollment. The likely reasons are twofold: most families in Durham and Freeport are unaware the option exists, and there has been no active effort to promote PES to geographically proximate families. Voluntary choice without awareness and outreach is passive; it depends on families seeking out information that is not prominently shared. This also represents a risk: if voluntary choice were actively promoted, families could choose to leave PES as easily as they choose to attend, potentially accelerating enrollment decline.

Implementation options.

| Approach | Mechanism | Speed | Enrollment Stability |
|----------------------------|--|------------------------|------------------------|
| Mandatory redistricting | Board draws new zone boundaries; geographically closest families assigned to PES | Immediate (Fall 2027) | Stable (assigned) |
| Active voluntary promotion | Targeted outreach to border-area families with transportation guarantee | Gradual (2 to 3 years) | Uncertain (reversible) |
| Hybrid | Mandatory for families closest to PES; voluntary for others | Moderate | Partially stable |

Mandatory redistricting for the geographically closest families is the most reliable approach. It produces stable enrollment, shortens commutes for affected families, and is within the Board's clear authority. The framing matters: families in southern Durham who currently ride 20+ minutes to DCS would attend a school 5 minutes away. This is not a punitive reassignment; it is a geographic correction.

How Path D interacts with other paths.

Path D can be combined with any other path:

- **Path A + D:** Grade consolidation saves \$479K to \$804K RSU-wide while redistricting eliminates PES's cost premium. The combined effect addresses both the RSU's structural costs and PES's consumption deficit.
- **Path D alone:** If PES reaches 120+ enrollment, the "PES costs too much" argument disappears. No formula change or grade consolidation is needed to justify PES's continued operation. This is the least disruptive option.
- **Path C + D:** Formula reform becomes less necessary if PES's consumption deficit is eliminated. The primary equity issue shifts entirely to the Freeport-Durham dynamic.

What this does not address. Path D does not reduce the RSU's total budget. It reallocates students (and their associated costs) between schools. The district's structural cost pressures (rising health insurance, EC SpEd mandate, salary growth) remain. Path D's value is in eliminating the argument that PES is too expensive per student, removing the rationale for closure while producing no disruption to existing school communities beyond offering families a closer school option.

2.8 FY28 Sensitivity Matrix and FY29 Outlook

The FY28 outcome depends on which FY27 tier passes and what growth rate materializes:

| FY27 Adoption | Low Growth (4.2%) | Mid Growth (6.1%) | High Growth (7.0%) |
|--------------------|-------------------|-------------------|--------------------|
| T1+T2 (\$47.36M) | \$49.8M | \$50.8M | \$51.3M |
| T1 Only (\$47.77M) | \$50.2M | \$51.2M | \$51.8M |
| No Cuts (\$49.12M) | \$51.6M | \$52.6M | \$53.2M |

All include EC mandate at the Task Force model midpoint (~\$514K) as an upper-bound planning scenario. Actual FY28 EC cost could be substantially lower if state incentive funding continues and the program remains lean (see Section 2.1). Source: C-FY28Projection.

FY29 outlook:

| Metric | With Reductions | No Reductions |
|------------------|-----------------|---------------|
| FY29 Projected | ~\$52.9M | ~\$58.0M |
| Growth from FY28 | ~7.1% | ~7.0% |

Budget growth continues regardless of FY27 or FY28 decisions. Structural efficiencies from either path provide ongoing savings that compound across fiscal years.

2.9 Implementation Timeline

| When | Action |
|-------------------------|--|
| FY27 (2026–2027) | |
| March 25, 2026 | Board adopts FY27 budget |
| May–June 2026 | Voter approval of FY27 budget |
| Spring 2026 | Board adopts structural planning framework; community forums |
| May–December 2026 | Comprehensive Facility Study & 10-Year Master Plan conducted (\$100K, approved Feb 2026; contract award targeted May 2026 per draft RFQ). Scope includes condition assessment, demographic projections, alternative configurations, transportation, space reuse, and community engagement across all three towns. |
| Summer 2026 | Planning begins: FMS 7-8 scheduling, DCS 6th-grade integration |
| February 4, 2026 | Board approved joining EC SpEd Cohort 3 (2026–2027) at \$17,300 net local cost ^[72] |
| Fall 2026 | EC SpEd services begin under Cohort 3; MSS preparation for SpEd classroom |
| Fall 2026 | Board considers Path D: attendance zone redistricting for geographically proximate families to PES |
| FY28 (2027–2028) | |

| | |
|--------------------------------|---|
| December 2026–Spring 2027 | Master plan delivered (December 2026 target per draft RFQ). Board evaluates MSS capital needs, district capacity plan, and consultant-recommended configurations. |
| Summer 2027 | Grade 6 transition to DCS; grades 7–8 consolidation at FMS |
| Fall 2027 | EC SpEd expands to include 3-year-olds (Cohort 3 Year 2); structural changes operational; Path D redistricted students begin at PES |
| FY29+ (2028 and beyond) | |
| FY29-FY30 | MSS facility decision: major renovation or consolidation, informed by facilities study. PES capacity available for swing space or absorption. |
| Ongoing | Annual review of enrollment, class sizes, transportation routes, PES attendance zone impact |

Part III: PES Financial Analysis

3.1 PES Budget History (FY19–FY27)

PES enrollment and direct budget from FY19 (pre-COVID baseline) through FY27: ^[59]

| FY | School Year | Enrollment (Oct 1) | Trend |
|-------------|----------------|--------------------|---------------------------|
| FY16 | 2015-16 | ~115-120 (est.) | Stable |
| FY18 | 2017-18 | 114 | Earliest confirmed |
| FY19 | 2018-19 | 111 | Pre-COVID baseline |
| FY20 | 2019-20 | 104 | COVID year |
| FY21 | 2020-21 | 103 | Post-COVID |
| FY22 | 2021-22 | 108 | Brief recovery |
| FY23 | 2022-23 | 96 | Decline resumes |
| FY24 | 2023-24 | 89 | Trough |
| FY25 | 2024-25 | 97 | Recovery begins |
| FY26 | 2025-26 | 98 | Growing |
| FY27 | 2026-27 | 105 (proj.) | +18% from trough |

Sources: RSU 5 Superintendent Handbooks (FY22, FY24, FY27), October 1 official headcounts. ^[1]

RSU total budget and PES direct budget:

| FY | RSU Total Budget | PES Direct Budget | PES Enrollment | PES Per-Pupil | Notes |
|------|------------------|--------------------|-----------------|-----------------|----------------------|
| FY16 | \$29,490,203 | N/A | ~115-120 (est.) | N/A | No school-level data |
| FY19 | \$33,058,025 | \$1,649,227 | 111 | \$14,858 | Pre-COVID baseline |

| | | | | | |
|--------------------|--------------|-------------|-----------|-----------------|--------------------|
| FY20 | \$34,192,295 | \$1,610,089 | 104 | \$15,481 | COVID year |
| FY21 | \$34,984,700 | \$1,563,983 | 103 | \$15,184 | |
| FY22 | \$35,714,863 | \$1,664,214 | 108 | \$15,409 | |
| FY23 | \$37,223,151 | \$1,760,784 | 96 | \$18,342 | Enrollment dip |
| FY24 | \$39,080,569 | \$1,808,785 | 89 | \$20,323 | Enrollment trough |
| FY25 | \$41,612,460 | \$1,784,218 | 97 | \$18,394 | Recovery begins |
| FY26 (adopted) | \$44,455,929 | \$2,158,007 | 98 | \$22,020 | Budget, not actual |
| FY27 (proposed) | \$47,357,441 | \$2,270,105 | 105 | \$21,620 | Budget, not actual |

PES direct budgets include Articles 1, 2, 4, 5, 7, and 9. FY19 through FY25 figures are actual expenditures sourced from budget worksheets of subsequent years (FY22 Budget Worksheet for FY19; FY24 Budget Articles for FY20 to FY22; FY27 Budget Articles for FY23 to FY25). FY26 and FY27 are adopted/proposed budgets. Actual expenditures typically run 5 to 10% below adopted budgets due to unspent appropriations and unfilled positions, which is why these figures differ from the adopted budget totals in Section 3.4. ^[59]

3.2 Per-Pupil Cost Analysis

Key comparisons (actuals only, FY19→FY25):

- RSU total budget grew 25.9% (\$33.1M → \$41.6M), or 3.9%/year. This total includes all schools plus central office and district-wide services, whose FTE grew +13.3% over the 2017-2026 period (see Section 1.5).
- PES direct budget grew 8.2% (\$1.649M → \$1.784M), or 1.3%/year using actual expenditure data. On adopted budgets (FY22 to FY27), PES grew 6.6%/year, which is slower than all three other elementaries: DCS (7.8%), MSS (7.3%), and MLS (7.4%). See Section 3.4 for the full all-schools comparison.
- PES enrollment fell 12.6% (111 → 97), pushing per-pupil cost up 23.8% (\$14,858 → \$18,394) despite the budget barely growing.

The per-pupil cost increase is almost entirely an enrollment-denominator effect:

| Period | PES Budget Change | Enrollment Change | Per-Pupil Change | Primary Driver |
|-------------|-----------------------------|-------------------|------------------|-------------------|
| FY19 → FY22 | +0.9% (\$1.649M → \$1.664M) | -2.7% (111 → 108) | +3.7% | Flat budget |
| FY22 → FY24 | +8.7% (\$1.664M → \$1.809M) | -17.6% (108 → 89) | +31.9% | Enrollment trough |
| FY24 → FY25 | -1.4% (\$1.809M → \$1.784M) | +9.0% (89 → 97) | -9.5% | Recovery underway |

As enrollment recovers toward the building's ~180-student design capacity, the per-pupil premium narrows because fixed costs do not increase with moderate enrollment growth.

3.3 Cost Drivers: Fixed-Cost Dilution

PES's per-pupil cost premium exists because fixed costs are spread across fewer students. Using FY27 proposed budgets and projected enrollment:

| Article | PES (105 students) | DCS (467) | MSS (274) | MLS (264) | PES Excess vs. Elem. Avg. |
|--------------------------------|--------------------|-----------|-----------|-----------|---------------------------|
| Art 1 - Regular Instruction | \$11,397 | \$9,875 | \$9,147 | \$8,856 | +\$2,104 |
| Art 2 - Special Education | \$3,134 | \$3,325 | \$3,788 | \$3,678 | \$0 (below avg) |
| Art 5 - Student/Staff Support | \$2,094 | \$1,245 | \$1,460 | \$1,378 | +\$734 |
| Art 7 - School Administration | \$2,457 | \$1,103 | \$1,537 | \$1,516 | +\$1,072 |
| Art 9 - Facilities Maintenance | \$2,413 | \$1,464 | \$2,079 | \$1,827 | +\$623 |

| | | | | | |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total per student | \$21,620 | \$17,206 | \$18,040 | \$17,304 | +\$4,104 |
|--------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|

The premium is concentrated in Regular Instruction (+\$2,104, reflecting minimum staffing levels) and School Administration (+\$1,072, reflecting the irreducible cost of a principal's office). PES is actually **below** the elementary average in Special Education spending per student.

Each school requires a minimum complement of staff (principal, secretary, custodian, nurse, counselor, librarian, plus one teacher per grade) regardless of enrollment. PES does not overspend in absolute terms. It has the lowest raw budget of any elementary in every article. The premium exists because those fixed costs are divided by 105 students instead of 264 to 467. ^[2]

Heating fuel comparison: PES heating fuel costs \$28,000/year (\$315/student). By comparison, DCS costs \$13,000 (\$27/student) but serves 4.5x more students. The per-student premium reflects PES's smaller enrollment spreading a building-level fixed cost, consistent with the fixed-cost dilution pattern above. School-level fuel data for MSS and MLS is not separately itemized in the budget articles.

3.4 Budget Growth: All Schools Compared (FY22–FY27)

School-level adopted budgets are available for all six RSU 5 schools from FY22 through FY27, sourced from the same Excel workbooks (Articles 1, 2, 4, 5, 7, and 9 allocated to each building). This provides a consistent, objective comparison.

Year-by-year direct school budgets (adopted, in \$000s):

| School | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 |
|------------|----------------|----------------|----------------|----------------|----------------|----------------|
| DCS | \$5,509 | \$5,970 | \$6,350 | \$6,903 | \$7,444 | \$8,036 |
| MSS | \$3,478 | \$3,807 | \$4,160 | \$4,480 | \$4,659 | \$4,943 |
| MLS | \$3,197 | \$3,467 | \$3,545 | \$4,053 | \$4,409 | \$4,568 |
| PES | \$1,645 | \$1,868 | \$1,860 | \$1,992 | \$2,158 | \$2,270 |
| FMS | \$4,635 | \$4,937 | \$5,456 | \$5,679 | \$5,964 | \$6,137 |
| FHS | \$8,837 | \$8,905 | \$8,865 | \$9,929 | \$10,030 | \$10,481 |

FY22 to FY27 summary:

| School | FY22 Adopted | FY27 Proposed | \$ Change | % Change | Annual Rate |
|--------|--------------|---------------|-----------|----------|-------------|
|--------|--------------|---------------|-----------|----------|-------------|

| | | | | | |
|------------------|---------------------|---------------------|----------------------|---------------|----------------|
| DCS | \$5,509,152 | \$8,035,575 | +\$2,526,423 | +45.9% | 7.8%/yr |
| MLS | \$3,197,486 | \$4,568,270 | +\$1,370,784 | +42.9% | 7.4%/yr |
| MSS | \$3,478,156 | \$4,942,823 | +\$1,464,667 | +42.1% | 7.3%/yr |
| PES | \$1,645,284 | \$2,270,105 | +\$624,821 | +38.0% | 6.6%/yr |
| FMS | \$4,635,126 | \$6,136,815 | +\$1,501,689 | +32.4% | 5.8%/yr |
| FHS | \$8,837,419 | \$10,481,438 | +\$1,644,019 | +18.6% | 3.5%/yr |
| RSU Total | \$35,714,863 | \$47,357,441 | +\$11,642,578 | +32.6% | 5.8%/yr |

PES grew **slower than all three other elementary schools** (DCS, MSS, MLS) in both dollar and percentage terms. Only FMS and FHS grew more slowly, and they are larger schools where percentage growth rates are naturally lower on a larger base. PES had the lowest absolute dollar growth of any school (\$625K vs. \$1.4M to \$2.5M for the others).

Per-student cost comparison (adopted budget / Oct 1 enrollment):

| School | FY22 Budget | FY22 Enrollment | FY22 Per-Student | FY27 Budget | FY27 Enrollment | FY27 Per-Student | Per-Student Growth |
|--------|-------------|-----------------|------------------|--------------|-----------------|------------------|--------------------|
| PES | \$1,645,284 | 108 | \$15,234 | \$2,270,105 | 105 | \$21,620 | +41.9% |
| DCS | \$5,509,152 | 455 | \$12,108 | \$8,035,575 | 467 | \$17,206 | +42.1% |
| MSS | \$3,478,156 | 301 | \$11,555 | \$4,942,823 | 274 | \$18,040 | +56.1% |
| MLS | \$3,197,486 | 235 | \$13,606 | \$4,568,270 | 264 | \$17,304 | +27.2% |
| FMS | \$4,635,126 | 296 | \$15,659 | \$6,136,815 | 306 | \$20,056 | +28.1% |
| FHS | \$8,837,419 | 595 | \$14,853 | \$10,481,438 | 554 | \$18,919 | +27.4% |

PES has the highest per-student cost (\$21,620), driven by fixed-cost dilution at 105 students. However, its per-student cost **growth** (+41.9%) is comparable to DCS (+42.1%) and significantly lower than MSS (+56.1%). MSS's per-student cost grew fastest because its enrollment declined 9% (301 to 274) while its budget grew 42%. This is the same fixed-cost dilution dynamic that affects PES, just at a larger scale.

Key findings from the all-schools comparison:

1. PES is not growing faster than other schools. It grew slower than every other elementary.

- 2. PES has the smallest absolute budget (\$2.27M vs. \$4.57M to \$8.04M for other elementaries).
- 3. The per-student cost premium at PES exists because of enrollment (105 students vs. 264 to 467 at other elementaries), not because of disproportionate spending growth.
- 4. MSS faces the same cost-dilution trend: declining enrollment (+budget growth) = rapidly rising per-student costs. If this trend continues, MSS will face the same "too expensive per student" critique within a few years.

Note: FY22 enrollment uses Oct 2021 counts; FY27 uses projected Oct 2026. Budget figures are adopted (FY22-FY26) or proposed (FY27). These differ from actual expenditures, which typically run 5 to 10% below adopted budgets. The PES figures in Section 3.1 (which extend back to FY19 using actual expenditures from budget worksheets) show lower totals for the same years because actuals reflect unspent appropriations. Full calculation detail: C-SchoolBudgets sheet in RSU5 Overview FY17-FY29.xlsx.

3.5 PES Staffing: 9-Year Comparison

| Category | FY17 (~9 years ago) | FY21 (~5 years ago) | FY27 (now) |
|---------------------------|---------------------|---------------------|------------|
| Total FTE (DOE data) | 33.8 | ~24-25 (est.) | 24.2 |
| Classroom teachers (DOE) | 10.2 | 10.2 | 9.3 |
| Total direct FTE (budget) | Not available | ~16-17 | 17.83 |
| District FTE share | 6.5% | ~4.5% | 4.6% |
| Enrollment share | ~10% | ~10.3% | ~10.5% |

PES's FTE share has consistently been roughly half its enrollment share, meaning PES receives proportionally fewer staff than its student count would suggest. The 2016 DOE data point uses a different staffing classification model and is excluded from baseline comparisons; see I-DOE Staffing for the full 2016-2026 series. ^[45]

Content area and support staff losses. DOE assignment data by content area and grade level reveals that PES lost not only total positions but also instructional specialization. ^[73] Key losses between 2017 and 2026:

| Position / Assignment | 2017 FTE | 2026 FTE | Change |
|-----------------------|----------|----------|--------|
|-----------------------|----------|----------|--------|

| | | | |
|--------------------------------------|-----|-----|------|
| ELA specialist classroom assignment | 0.9 | 0.0 | -0.9 |
| Math specialist classroom assignment | 1.4 | 0.0 | -1.4 |
| Teacher Support Team Members | 3.0 | 0.0 | -3.0 |
| Ed Tech II | 4.4 | 0.5 | -3.9 |
| Special Ed Teacher + Consultant | 1.8 | 1.5 | -0.3 |
| Speech-Language Pathologist | 0.9 | 0.5 | -0.4 |

The ELA and Math specialist assignments — likely literacy and math intervention/RTI positions classified as Classroom Teacher — disappeared by 2019 and were never restored. PES's classroom teachers are now almost entirely "Non-Subject-Specific" generalists (16.5 of 19.3 assignment FTE). MLS and MSS show similar generalist patterns (typical for schools serving K-5 and PreK-2), but DCS — which serves PreK-8 and has departmentalized middle school grades — maintains dedicated specialists in 8 named content areas including Foreign Language, Life Sciences, Social Sciences, Math, and ELA. The content area data reinforces the headline finding: PES is understaffed relative to its enrollment share, and the decline includes the loss of targeted academic intervention capacity. (*I-DOEStaffing, I-DOEContentArea*)

3.6 Alternative Approaches to the Cost Premium

Several approaches could address PES's per-pupil cost premium without school closure:

Shared services. Share a principal between PES and another elementary school (some Maine districts do this). Share specialist staff (nurse, counselor, librarian) on rotating schedules. Estimated savings: \$110K–\$130K/year.

Multi-age classrooms. Combine adjacent grades (e.g., a 3/4 class of 22 students with one teacher). This is practiced in high-performing systems internationally and could eliminate 1–2 teaching positions. Estimated savings: \$100K–\$150K/year.

Attendance zone redistricting (Path D). PES has a design capacity of approximately 180 students and currently serves 105. Southern Durham and northwestern Freeport include families who are geographically closer to PES than to their current assigned schools. The Board has authority under §1001(8) to redistrict attendance zones without referendum. Adding 15 students brings PES to the district average per-student cost; adding 25 to 30 makes it one of the most cost-efficient schools in the district. This can be implemented as voluntary school choice (lowest resistance) or mandatory redistricting (fastest impact). See Section 2.7 for the

full analysis.

These alternatives are not mutually exclusive. A combination of shared staffing, grade consolidation (Path A), and redistricting (Path D) could eliminate the per-pupil premium entirely without the disruption, transportation costs, or irreversibility of closure.

3.7 Statewide Context: Budget Growth and Cost Drivers

RSU 5's budget growth must be evaluated against statewide trends. Maine DOE publishes annual per-pupil expenditure data for every school administrative unit through the Maine Education Financial System (MEFS), providing an objective benchmark. ^[66]

RSU 5 vs. state average (per-pupil expenditure, actual):

| Year | RSU 5 Per-Pupil | State Average | RSU 5 vs. State | RSU 5 Enrollment | State Enrollment |
|---------------|-----------------|---------------|-----------------|------------------|------------------|
| FY23 | \$16,757 | \$17,655 | -5.1% (below) | 2,069 | 166,797 |
| FY24 | \$18,029 | \$18,316 | -1.6% (below) | 2,089 | 170,519 |
| FY25 | \$20,344 | \$19,804 | +2.7% (above) | 2,001 | 168,611 |
| 2-year growth | +21.4% | +12.2% | | -3.3% | +1.1% |

RSU 5 was 5.1% below the state average as recently as FY23. By FY25, it moved to 2.7% above. Part of this faster per-pupil growth reflects RSU 5's 3.3% enrollment decline (fixed costs spread over fewer students), compared to the state's net gain over the same period. In absolute spending, RSU 5's total grew approximately 17.4% over two years versus the state's 13.3%.

Peer district comparison (FY25 per-pupil expenditures, selected southern/coastal Maine RSUs):

| District | FY25 Per-Pupil | Students | vs. State Avg | FY23-FY25 Growth |
|-----------------------------------|----------------|----------|---------------|------------------|
| RSU 75 (Topsham/Harpwell/Bowdoin) | \$24,452 | 2,287 | +23.5% | +31.3% |
| RSU 21 (Kennebunk/Arundel) | \$23,866 | 2,380 | +20.5% | +4.7% |

| | | | | |
|---|-----------------|----------------|--------------|---------------|
| MSAD 51 (Cumberland/N. Yarmouth) | \$22,054 | 2,228 | +11.4% | +10.4% |
| RSU 5 (Freeport/Durham/Pownal) | \$20,344 | 2,001 | +2.7% | +21.4% |
| RSU 10 (Rumford area) | \$20,271 | 1,728 | +2.4% | N/A |
| State Average | \$19,804 | 168,611 | --- | +12.2% |
| RSU 12 (Westbrook) | \$19,720 | 1,420 | -0.4% | +29.6% |
| RSU 14 (Windham/Raymond) | \$18,664 | 3,083 | -5.8% | +15.0% |
| RSU 22 (Hampden/Winterport) | \$17,919 | 2,048 | -9.5% | +28.3% |
| RSU 16 (Poland/Mechanic Falls) | \$16,453 | 1,661 | -16.9% | +13.9% |

RSU 5 spends less per pupil than its nearest geographic peer (MSAD 51 Cumberland, at \$22,054) and significantly less than coastal RSUs like RSU 21 (\$23,866) and RSU 75 (\$24,452). Among the peer set, RSU 5 falls squarely in the middle.

Where RSU 5 spends differently (FY25, per-pupil by budget category):

| Category | RSU 5 | State Avg | Difference | Note |
|-------------------------|---------|-----------|------------|--|
| Regular Instruction | \$9,074 | \$7,550 | +20.2% | Small-school effect: PES adds fixed instructional cost per pupil |
| Special Education | \$2,863 | \$3,747 | -23.6% | Below average |
| Student & Staff Support | \$2,175 | \$1,657 | +31.3% | Higher than average |

| | | | | |
|-----------------------------|-----------------|-----------------|--------------|---|
| Transportation | \$861 | \$1,093 | -21.2% | Below average (compact geography) |
| Debt Service | \$555 | \$1,012 | -45.2% | Significantly below average (no major bond) |
| System Administration | \$598 | \$696 | -14.1% | Below average |
| Facilities & Maintenance | \$2,319 | \$2,238 | +3.6% | Near average |
| Total | \$20,344 | \$19,804 | +2.7% | |

RSU 5 spends 20% more than the state average on Regular Instruction, reflecting the fixed cost of maintaining four elementary schools (including PES at 105 students). It spends 24% less on Special Education, 21% less on Transportation, and 45% less on Debt Service. The net result is a total per-pupil cost only 2.7% above average.

What is driving budget growth statewide. RSU 5's budget pressures are not unique. Across Maine, districts are experiencing 5% to 10% annual budget increases driven by the same structural forces:

Health insurance (10-17%/year increases). The Maine Education Benefits Trust administers health insurance for most school employees. Premium increases of 10% to 17% are typical. In FY27, Cumberland-North Yarmouth (MSAD 51) attributed \$3M of its \$4M budget increase entirely to health insurance. RSU 21 reported \$843K from a 12% increase alone. This single cost driver can add 2 to 4 percentage points to an entire district budget. ^[67]

Contractual salary and benefit obligations. Personnel costs comprise 78% to 80% of all district budgets statewide. Collective bargaining agreements include step increases, longevity adjustments, and periodic renegotiations. Competitive hiring pressures (particularly for special educators, paraprofessionals, and substitute teachers) have increased compensation requirements across the state. ^[67]

Special education caseload growth. Special education identification rates have risen, and out-of-district placements for students with intensive needs can cost \$80,000 to \$150,000 per student per year. The CDS/EC SpEd transition (LD 345) adds additional mandated services. RSU 5 currently spends below the state average on special education per pupil, but this category grew 21% in two years (FY23 to FY25). ^[66]

General inflation. Construction, materials, fuel, food, and utility costs have risen broadly since 2021. The Maine Legislature's Office of Fiscal and Program Review found that state disbursements for all programs grew approximately 3.3% per year nominally (0.7% above inflation) from FY06 to FY25. Post-2021 inflation has accelerated this beyond historical norms.

Enrollment decline and fixed-cost dilution. Maine's statewide enrollment has been declining for over a decade, and the rate varies significantly by district. When enrollment falls, fixed costs (facilities, administration, insurance, minimum staffing) do not fall proportionally, driving per-pupil costs upward even without new spending. RSU 5 lost 68 students (3.3%) from FY23 to FY25 while the state saw a modest net gain (+1.1%).

Recent proposed increases at peer districts (FY26 and FY27 cycles):

| District | Year | Proposed Increase | Source |
|---------------------------------|-------------|-------------------|--------------------------------|
| Westbrook | FY27 | 9.88% | Press Herald, March 2026 |
| Saco | FY26 | 8.25% | Citizen Portal |
| Cumberland-N.Yarmouth (MSAD 51) | FY27 | 7.63% | Press Herald, March 2026 |
| RSU 5 | FY27 | 6.53% | Superintendent Handbook |
| Auburn | FY26 | 5.44% | City of Auburn budget |
| RSU 21 (Kennebunk) | FY26 | 5.5% | Seacoast Online, April 2025 |
| Gray-New Gloucester (MSAD 15) | FY26 | 4.8% | Central Maine, July 2025 |
| Five-Town CSD (Camden area) | FY27 | 3.9% | Midcoast Villager, March 2026 |

RSU 5's proposed 6.53% increase falls in the middle of the range. Several comparable districts proposed larger increases in the same cycle.

EPS formula reform (statewide). The Essential Programs and Services formula, established in 2004, is widely viewed as outdated. Approximately 40% of Maine districts will see their state share of funding decrease in FY27 despite rising costs, because property valuations have increased. In March 2026, Maine lawmakers introduced LD 2226 to overhaul the formula, incorporating poverty rates, regional cost-of-living adjustments, and updated salary benchmarks. MEPRI delivered recommendations to the Legislature in February 2026, emphasizing this is "about changing how the subsidy is allocated out to districts." ^[68] This statewide reform effort mirrors, at the state level, the same cost-sharing concerns RSU 5's Finance Committee has raised internally since 2016.

Key findings from statewide context:

1. RSU 5 is not a spending outlier. At \$20,344/pupil, it is 2.7% above the state average and well below nearby coastal peers.
2. RSU 5's spending profile reflects its school configuration: higher Regular Instruction costs (small-school effect) offset by lower spending on Special Education, Transportation, and Debt Service.
3. Budget growth of 5% to 10% per year is the current norm across Maine, driven primarily by health insurance, salary obligations, and special education growth. These are structural forces, not discretionary decisions.
4. RSU 5's FY27 proposed increase (6.53%) is within the range of peer districts (3.9% to 9.88%).
5. The pressures RSU 5 faces are not going to abate. Health insurance, special education costs, and personnel costs will continue rising regardless of school configuration decisions.

Full calculation detail: C-StateBenchmarks sheet in RSU5_FY28_Projection.xlsx. ^[66]

Part IV: Risk and Community Impact

4.1 Property Value Impact

Research documents 5–15% property value declines in communities that lose their school. ^[20] Schools act as economic anchors in rural communities: Lyson (2002) found that rural villages with schools had higher housing values, lower poverty, higher incomes, and greater civic participation than comparable villages without them. Two Canadian studies of rural school closures found that the economic and social harms extended well beyond families with school-age children, constraining community resiliency and eroding shared identity for the entire population (Oncescu, 2014; Oncescu & Giles, 2014). ^[74] Applied to Pownal's \$392M taxable valuation: ^[27]

| Scenario | Total Value Lost | Per-Household Loss | Annual Tax Revenue Lost | RSU 5 Share |
|------------|------------------|--------------------|-------------------------|-------------|
| Low (5%) | \$19.6M | \$17,000 | \$300,000 | \$175,000 |
| Mid (10%) | \$39.2M | \$34,000 | \$600,000 | \$351,000 |
| High (15%) | \$58.9M | \$51,000 | \$901,000 | \$526,000 |

Lower property values reduce Pownal's assessed valuation, which reduces its contribution to the RSU under the valuation-weighted cost-sharing formula. This lost revenue is redistributed to Freeport and Durham.

4.2 Enrollment Attrition Risk

If PES closes, some Pownal families may leave the district (move, homeschool, private school). Pownal's total state aid is \$567,180 for 205 students (~\$2,767/student). ^[8]

| Scenario | Students Lost | Annual State Revenue Lost |
|------------|---------------|---------------------------|
| Low (5%) | 5 | \$14,000 |
| Mid (10%) | 10 | \$28,000 |
| High (20%) | 21 | \$58,000 |

Costs do not shrink proportionally. Fixed costs remain, and class sizes at receiving schools are already set.

4.3 PreK Parent Opt-Out Risk

Under Path B, community PreK enrollment is voluntary. If Freeport and Durham families decline to bus 3–4-year-olds 19–22 minutes each way to Pownal, the centralized preschool center loses enrollment, per-student costs rise, state subsidies shrink, and EC SpEd students lose the non-disabled peers required for LRE (Least Restrictive Environment) compliance. ^[22]

| Opt-Out Rate | LRE Risk Level |
|--------------|----------------|
| 20% | Significant |
| 30% | Severe |

This risk does not apply to Path A, where community PreK programs continue at each town's local school.

4.4 One-Time Transition Costs

Path A: Estimated one-time costs of \$75,000–\$310,000, comprising: MSS EC SpEd classroom modification (\$25,000–\$160,000; see Section 2.2 and C-ECFacility), DCS/FMS scheduling and room reconfiguration, curriculum alignment across grade-restructured schools, staff reassignment coordination, and community engagement. The MSS estimate is derived from Chapter 124 requirements and the deferred maintenance inventory (C-FacilitiesRisk); the facilities study will provide professional figures.

Path B: Estimated one-time costs of \$575,000–\$1,519,000 (midpoint ~\$1.05M) for staff transition, PES building conversion, legal/hearing process ^[28], portable classrooms at DCS, curriculum transfer, and community engagement.

Neither estimate is captured in the recurring analysis.

4.5 Risk-Adjusted Comparison

Combining the direct budget analysis with quantified risks: (*C-RiskModel*)

| Component | Path A | Path B |
|------------------------------------|---------------------|--------------------|
| Direct net annual impact | Saves \$154K–\$804K | Costs \$161K |
| Property value risk (RSU share) | \$0 | -\$175K to -\$526K |
| Enrollment attrition | \$0 | -\$14K to -\$58K |
| Amortized transition costs (10 yr) | -\$8K to -\$25K | -\$58K to -\$152K |

Risk-adjusted annual impact

Saves \$129K–\$796K

-\$408K to -\$897K

Path A produces positive annual savings under all scenarios modeled. Path B produces negative annual results under all scenarios. The break-even point is never reached because the direct marginal savings are negative before risk costs are applied.

Limitations of this comparison: The risk factors above (property values, enrollment attrition, transition costs) are specific to school closure and therefore apply only to Path B. Path A's grade restructuring carries its own implementation risks: political resistance from families affected by grade reassignment, transportation logistics, and possible short-term enrollment disruption; that are not quantified here. Path A's \$0 risk figures should be read as "\$0 school-closure-specific risk," not as "no risk."

Facilities risk not modeled: Neither scenario accounts for MSS's aging facility and potential \$10M-\$20M capital need within 5 to 10 years (Section 1.7). If PES is closed under Path B and MSS subsequently requires major renovation or consolidation, the district would have no spare elementary capacity to absorb displaced students. This strategic risk is difficult to quantify but could be the single most consequential factor in the restructuring decision.

4.6 What Research Says About Small Schools

The relationship between school size, class size, and student outcomes has been studied extensively:

Small class sizes produce measurable benefits, especially in early grades. Project STAR (Krueger, 1999) randomly assigned students to small classes (13-17) or regular classes (22-25) in Tennessee. Small-class students gained approximately 4 percentile points overall, with effects strongest for early grades and disadvantaged students. Chetty et al. (2011) followed STAR students into adulthood and found that benefits persisted: higher college attendance, higher earnings, and better life outcomes, even after the initial test score advantages faded by middle school. The mechanism appears to be non-cognitive: stronger student-teacher relationships and greater individualized attention during formative years.

Consolidation does not improve outcomes. The empirical evidence on school consolidation consistently shows null or negative effects on student achievement:

- Heinesen (2022, IZA): A Danish natural experiment found short-term negative effects on test scores, most pronounced for students displaced from small schools.
- Coulson and Bhatt (2022, Education Policy): Arkansas consolidation produced null or small positive effects, with no evidence that consolidation allowed greater resource allocation to classrooms.
- Cooley and Floyd (2013, ERIC): Texas small rural consolidation resulted in per-pupil costs increasing while student achievement decreased in absorbing districts, directly contradicting the efficiency rationale.
- Barnes (2022, University of Arkansas OEP): Building transitions — even without school closure — lead to lower value-added academic growth for middle-school students during transition years. ^[74]

- Campbell Collaboration (2021): A systematic review found small-to-zero average class size effects outside the STAR experiment, but noted that benefits are context-dependent and most significant for disadvantaged populations.

RSU 5 outcomes data supports the small-school model. As documented in Section 1.8, PES achieves proficiency rates well above state averages and a GreatSchools rating of 8/10 with the best student-teacher ratio in the district (9:1). Under Path B, PES's 105 students would move to DCS, where class sizes are 20 to 24. The research evidence suggests this change is more likely to reduce than improve outcomes for displaced students, particularly in the transition year (Heinesen, 2022).

Student well-being during transitions. The academic growth effects documented above are compounded by well-being impacts that are harder to measure but well-established in the literature. Rumberger (2015) synthesized decades of research on student mobility and found that school changes lead to fatigue, reduced extracurricular participation, increased stress, and loss of peer and teacher connections, with cumulative harm for students who experience multiple transitions. López and Benner (2025) documented loneliness, anxiety, and depression during building transitions, finding that these effects are strongest during sensitive developmental periods. Under Path B, PES's 105 elementary students would experience a forced building transition — the very dynamic these studies identify as harmful. ^[74]

Disproportionate harm to vulnerable students. Sideropoulos et al. (2024, JCPP Advances) found that neurodivergent children experience significantly greater anxiety during school transitions than their neurotypical peers, with effects that can persist well beyond the transition year. Rumberger (2015) similarly found that highly mobile students and students with higher needs experience greater academic setbacks during school changes, and many never fully recover. PES currently serves 1.2 FTE of special education students (Section 3.5) and its 9:1 student-teacher ratio provides the individualized environment that neurodivergent students benefit from most. Roberts (2024) reviewed best practices for transition programs and found that successful transitions require structured, sustained support — the kind of investment that further strains budgets and offsets the supposed savings from consolidation. ^[74]

Qualitative factors. Proponents of small schools argue that stable school culture, differentiated instruction, and strong teacher-student relationships are benefits that resist quantification but are valued by families. Haynes (2022) reviewed the impacts of rural school closure across Canadian communities and found that the loss of a school erodes shared identity, pride, and sense of place — effects that persist regardless of whether the closure is framed as "closure" or "reconfiguration." ^[74] Opponents argue that the same educational quality can be delivered at larger schools with lower per-student cost, and that limited course variety and peer interaction are drawbacks of very small schools.

These factors are relevant to any complete assessment. The financial analysis (Parts II and III) addresses costs; this section addresses what the research says about what happens to students when small schools are consolidated. The evidence does not support the premise that closing PES would improve educational outcomes. ^{[69] [74]}

Part V: Equity and Cost-Sharing

5.1 How RSU 5 Funding Works

RSU 5's budget is funded from three sources: Required Local Contribution (RLC), Additional Local Monies (ALM), and State Aid.

Required Local Contribution (RLC): Set by the Maine Department of Education under the Essential Programs and Services (EPS) formula. Each town's RLC is determined by its state valuation and the statewide EPS mill rate expectation. The RSU has no discretion over RLC amounts. ^[8]

For FY27: Pownal RLC = \$2,257,247; Durham RLC = \$3,910,950; Freeport RLC = \$14,173,184. ^[3]

Additional Local Monies (ALM): Covers everything the RSU spends above the EPS minimum. Allocated by the cost-sharing formula established in the 2008 Reorganization Plan using fixed percentages based on each town's pre-consolidation ALM share: Durham 21.42%, Freeport 65.98%, Pownal 12.60%. These percentages have not been adjusted since the RSU was formed. ^{[41] [42] [^FC1]}

For FY27: Pownal ALM = \$2,190,978; Durham ALM = \$3,724,663; Freeport ALM = \$11,473,075. ^[3]

State Aid: The EPS state subsidy. Amounts vary dramatically by town: Durham receives \$5,991,564 (59.9% of allocation); Freeport receives \$1,463,889 (8.2%); Pownal receives \$567,180 (18.8%). Durham's lower property values qualify it for substantially more state aid. State aid is real funding that reduces the local tax burden a community would otherwise bear; it should be counted as part of each town's contribution to the district. ^[8]

Total contribution by town (FY27):

| | Durham | Freeport | Pownal |
|---|---------------------|---------------------|--------------------|
| RLC (state-set) | \$3,910,950 | \$14,173,184 | \$2,257,247 |
| ALM (RSU formula) | \$3,724,663 | \$11,473,075 | \$2,190,978 |
| State Aid | \$5,991,564 | \$1,463,889 | \$567,180 |
| Total contribution | \$13,627,177 | \$27,110,148 | \$5,015,405 |
| % of total funding | 29.78% | 59.26% | 10.96% |
| % of students | 35.13% | 54.47% | 10.41% |
| Gap (funding % minus enrollment %) | -5.35 pts | +4.79 pts | +0.55 pts |

| | | | |
|--------------------------|-----------------|-----------------|-----------------|
| Total per student | \$19,693 | \$25,266 | \$24,465 |
|--------------------------|-----------------|-----------------|-----------------|

When state aid is included, Pownal's total contribution (10.96%) is within half a percentage point of its enrollment share (10.41%). The system is near-proportional for Pownal. The remaining disparity is between Freeport (contributing 4.79 points above its enrollment share, or ~\$5,500 more per student than Durham) and Durham (contributing 5.35 points below its enrollment share). This gap exists because the state's EPS formula directs substantially more aid to lower-valuation towns, and the RSU's ALM formula compounds that effect through fixed percentages derived from 2008 property valuations. ^[3] ^[8] [^FC5]

5.2 The Cost-Sharing Formula and Its Effects

The current ALM formula uses fixed percentages frozen since 2008 (Durham 21.42%, Freeport 65.98%, Pownal 12.60%). These do not adjust for changes in enrollment, valuation, or fiscal capacity from year to year. [^FC1] [^FC2]

The full funding picture. As shown in the total contribution table (Section 5.1), when state aid is included alongside local taxes, each town's total contribution is close to its share of students. The Finance Committee reached this conclusion in 2019 using FY20 data (Durham 29.84% of funding vs. 30.73% of students; Freeport 59.60% vs. 58.43%; Pownal 10.56% vs. 10.84%), and the pattern holds in FY27 (Pownal: 10.96% of funding vs. 10.41% of students, a gap of just 0.55 percentage points). [^FC5]

State aid is not incidental. It is real funding allocated by the state based on each community's fiscal capacity. Durham receives \$5.99M in state aid because the state has determined that Durham's lower property values require more support. This aid reduces what Durham taxpayers must raise locally and is as much a contribution to the district's operating budget as any locally raised dollar. Excluding state aid from equity analysis overstates the disparity between towns.

ALM in isolation. When analyzed without state aid, the ALM formula produces large apparent disparities: (*C-Equity*)

| | Pownal | Durham | Freeport |
|--|-------------------|---------------------|---------------------|
| Actual ALM paid | \$2,190,978 | \$3,724,663 | \$11,473,075 |
| ALM if split by enrollment | \$1,809,000 | \$6,104,000 | \$9,476,000 |
| Difference from per-student split | +\$382,000 | -\$2,379,000 | +\$1,997,000 |

These figures have been cited frequently in cost-sharing debates, but they are incomplete. They measure only the ALM pool and exclude both the RLC (which is also valuation-based) and state aid (which compensates

lower-valuation towns). The complete picture (Section 5.1) shows that the system is near-proportional for Pownal and that the primary remaining disparity is between Freeport and Durham. ^[41] ^[42]

Reform history: In 2019, the Finance Committee unanimously recommended replacing the static formula with a dynamic 85% valuation / 15% pupil count formula that would adjust annually. ^[^FC1] In 2023, external consultant Suzan Beaudoin recommended a blended formula (25–35% pupil count, 65–75% fiscal capacity) phased in over 3–5 years. Under all alternatives modeled, Pownal's share would decrease from 12.60% to approximately 10.5–11.0%. ^[^FC2] Neither recommendation has been adopted. The formula can be changed by Board vote under §1481-A. ^[42] As discussed below, the repeated failure of these proposals is partly explained by the total-contribution data: when state aid is included, the case for reform is less clear-cut than ALM-only analysis suggests.

5.3 What Each Town Actually Pays

Town-of-origin consumption analysis: (C-Consumption, C-Revenue)

| Town | Students | Budget Consumed | Revenue Contributed | Net Position |
|----------|----------|-----------------|---------------------|--------------|
| Pownal | 205 | \$5,463,000 | \$5,196,000 | -\$267,000 |
| Durham | 692 | \$15,488,000 | \$14,051,000 | -\$1,437,000 |
| Freeport | 1,073 | \$26,319,000 | \$28,055,000 | +\$1,736,000 |

Per-student cost of education by town (total contribution including state aid):

| Town | Total Contribution (local + state aid) | Students | Total per Student |
|----------|--|----------|-------------------|
| Durham | \$13,627,177 | 692 | \$19,693 |
| Pownal | \$5,015,405 | 205 | \$24,465 |
| Freeport | \$27,110,148 | 1,073 | \$25,266 |

Local tax only (RLC + ALM, excluding state aid):

| Town | Local Tax (RLC + ALM) | Students | Local Tax per Student |
|--------|-----------------------|----------|-----------------------|
| Pownal | \$4,448,225 | 205 | \$21,699 |

| | | | |
|----------|--------------|-------|----------|
| Durham | \$7,635,613 | 692 | \$11,034 |
| Freeport | \$25,646,259 | 1,073 | \$23,901 |

Both tables describe the same system. The local-tax-only view shows a nearly 2:1 gap between Freeport/Pownal and Durham, but this gap exists because the state directs \$5.99M in aid to Durham based on its lower property values. That aid is state policy working as intended: communities with less ability to raise local revenue receive more state support. When state aid is counted as part of each town's contribution, the per-student gap narrows substantially, though Freeport and Pownal still contribute roughly \$5,000 more per student than Durham. ^[3] ^[8]

Contribution vs. consumption. Contribution (what each town puts in) and consumption (what each town's students cost to educate) are different measures. The consumption analysis above shows:

| Town | Revenue Contributed | Budget Consumed | Net Position | Per Student Deficit/Surplus |
|----------|---------------------|-----------------|---------------------|-----------------------------|
| Pownal | \$5,196,000 | \$5,463,000 | -\$267,000 | -\$1,302 |
| Durham | \$14,051,000 | \$15,488,000 | -\$1,437,000 | -\$2,077 |
| Freeport | \$28,055,000 | \$26,319,000 | +\$1,736,000 | +\$1,618 |

Pownal's deficit exists because PES costs approximately \$26,649/student to operate, above the district average of roughly \$24,000. This is the predictable result of running a small school: fixed costs (principal, custodian, nurse, heating, maintenance) are spread across fewer students. This is a real cost that the rest of the district absorbs. Durham's deficit is five times larger, driven by the gap between its total contribution (even with \$6M in state aid) and the cost of educating its 692 students. Freeport is the sole net contributor, subsidizing both other towns by a combined \$1.7M.

These dynamics are structural. They are inherent in any multi-town district where schools vary in size and towns vary in property valuation. They are not evidence of waste, and they would not change under formula reform (which shifts contribution, not consumption). The only way to reduce Pownal's consumption deficit is to reduce PES's per-student cost, either by increasing enrollment (which is happening) or by consolidating PES students into larger schools (which raises the separate questions analyzed in Sections 2.3 and 4.1 through 4.6).

5.4 Assessment Trends

FY27 assessments by town: ^[3]

| Town | FY27 Assessment | Students | Share of RSU Budget |
|----------|-----------------|----------|---------------------|
| Pownal | \$4,448,225 | 205 | 9.39% |
| Durham | \$7,635,613 | 692 | 16.12% |
| Freeport | \$25,646,259 | 1,073 | 54.15% |

Pownal's recent trajectory: ^[43] ^[3]

| Fiscal Year | Pownal Assessment | RSU Budget | Pownal's Share | Source |
|------------------|----------------------------------|---------------|---------------------|--|
| FY24 | \$3,427,607 | \$39,080,569 | 8.77% | ^[43] |
| FY26 | \$3,506,157 | \$44,455,929 | 7.89% | ^[4] ^[12] ^[44] |
| FY27 | \$4,448,225 | \$47,357,441 | 9.39% | ^[3] |
| FY24→FY27 | +\$1,020,618 (+29.8%) | +21.2% | +0.62 points | |
| FY26→FY27 | +\$942,068 (+26.9%) | +6.5% | +1.50 points | |

The single-year FY26→FY27 jump of \$942,068 (26.9%) was driven by Pownal's property revaluation, which raised assessed values by approximately 20%. The RSU's ALM formula uses fixed percentages (Pownal always pays 12.60%), so the revaluation does not change Pownal's ALM share. However, the **state EPS formula** that determines the Required Local Contribution (RLC) is valuation-based: higher assessed values increase Pownal's RLC and reduce its state aid. A correction in assessment ratio was treated by the state as increased ability to pay. Durham and Freeport did not undergo comparable revaluations in this cycle, which is why Pownal's share of the total RSU budget increased from 7.89% to 9.39% in a single year. ^[43] ^[8]

Per household, Pownal's assessment went from \$5,389 (FY24) to \$6,994 (FY27); an increase of \$1,605 per household over three years. Comparable per-household trajectories for Durham and Freeport are not available in the RSU budget documents but would be needed for a complete comparison. ^[43] ^[3] ^[27]

5.5 The Full Equity Picture

The equity question looks fundamentally different depending on whether state aid is included.

1. Total contribution including state aid (the complete picture). When state aid is counted as part of each town's contribution, Pownal's total (10.96% of funding) is within half a percentage point of its enrollment

share (10.41%). The system is near-proportional for Pownal. The remaining disparity is between Freeport (59.26% of funding for 54.47% of students) and Durham (29.78% of funding for 35.13% of students). Per student, Freeport and Pownal each contribute roughly \$24,500 to \$25,300, while Durham contributes \$19,693. This \$5,000 gap exists because high-valuation towns receive less state aid by design. The Finance Committee reached the same conclusion in 2019: total contribution tracks close to pupil count. [³FC5] [³] [⁸]

2. Local tax burden only (an incomplete but real experience). Excluding state aid, the local tax per student varies nearly 2:1: Freeport \$23,901, Pownal \$21,699, Durham \$11,034. This is what taxpayers experience on their property tax bills. The gap is real, but it exists because state policy compensates lower-valuation towns with more aid. The ALM-only framing overstates the inequity by ignoring the state's intentional redistribution.

[³] [⁴¹] [⁴²] [⁴³]

3. Where PES costs more than average. PES costs approximately \$26,649/student vs. the district average of ~\$24,000. This is the predictable result of operating a small school with fixed costs. Under a consumption-based analysis, Pownal has a net deficit of \$267,000. (*C-Consumption*)

4. Where PES receives less than its share. PES suffered the largest staffing decline of any school over the past nine years (-28.4%; the next largest is FHS at -12.4%). Four of six schools lost FTE. PES's FTE share (~4.5%) is roughly half its enrollment share (~10.5%). DOE content-area data confirms the decline includes the loss of dedicated ELA and Math intervention assignments, Teacher Support Team Members, and most Ed Tech II positions (Section 3.5). PES has received proportionally fewer resources than other schools and still carries irreducible fixed costs. [⁴⁵] [⁷³]

5. Where Pownal's burden grew fastest. Pownal's assessment grew 29.8% over three years (FY24 to FY27), nearly 9 points faster than the RSU budget itself, driven largely by a property revaluation that the state EPS formula treated as increased ability to pay, raising Pownal's Required Local Contribution and reducing its state aid. The RSU's ALM percentages (fixed at 12.60% for Pownal) did not change. [³] [⁴³] [⁸]

Synthesis. Pownal's consumption deficit (\$267K) and its ALM difference from a per-student split (\$382K) both appear significant in isolation. But when state aid is included, Pownal's total contribution is already near its enrollment share. The more substantial disparity is Freeport's: a \$1.7M net surplus contribution to the district, even after accounting for state aid. This suggests that the cost-sharing formula's primary effect is not a Pownal problem but a Freeport-Durham problem, with Pownal caught in the middle.

Closing PES does not change the cost-sharing formula. Even if PES closure produced net savings (which the analysis in Section 2.3 shows it does not, producing a net cost of ~\$161K/year), those savings would be redistributed by the formula: Freeport would capture ~54% of any savings, Durham ~16%, and Pownal only ~9%. Pownal would lose its community school while receiving the smallest share of any resulting benefit.

Formula reform has been recommended twice by the Finance Committee (2019, 2023) and blocked at the Board level each time. As the total-contribution data shows, the case for reform is nuanced: the system is already near-proportional when state aid is included, which is why Durham's counter-argument ("count the state aid and the system is fair") has been effective. See Section 5.6 for the full failure analysis and Section 2.6 for reform scenarios.

5.6 Why Formula Reform Has Failed

The Finance Committee has undertaken four distinct reform efforts since 2018. Each has stalled at the Board level. Understanding why is essential for any new reform attempt; and for evaluating whether withdrawal (Part VI) is the only remaining path.

Board composition and weighted voting. RSU 5's Board has 11 seats allocated by town population: Freeport holds approximately 6, Durham 3, and Pownal 2. Votes use weighted voting based on population apportionment, not simple head count. In the November 2019 formula reform vote, 5 members voted YES (450 weighted votes) and 6 voted NO (548 weighted votes). The same 450–548 split appears in unrelated 2015 votes, suggesting structural town-aligned voting blocs. ^[60]

The November 2019 vote. The FC unanimously recommended an 85/15 (valuation/enrollment) dynamic formula. Kate Brown moved to adopt; deCsipkes seconded. Board member Steverlynck proposed an amendment for a 60/40 formula with the Minimum Special Education Adjustment kept shared (less favorable to Freeport), then withdrew it. The main motion failed 450–548 (weighted). The NO voters were Pillsbury, Furtney, Sterling, Steverlynck, Vertenten, and Munsen. ^[60] [^FC1]

Durham's structural incentive to oppose. Durham's current ALM share (21.42%) is approximately 14 percentage points below its enrollment share (~35%). Under any formula incorporating pupil count, Durham pays more. The FC's 85/15 recommendation would have increased Durham's assessment by \$35,921 annually, modest but directionally unfavorable. More enrollment-weighted formulas (50/50) would shift approximately \$1.0M toward Durham. Durham's Board representatives have a direct constituent interest in maintaining the static percentages. [^FC1] [^FC4]

Freeport's internal division. Freeport would be the largest beneficiary of enrollment-weighted reform. Its ALM share (65.98%) exceeds its enrollment share (~54%) by 12 percentage points, or \$2.0M/year. Yet Freeport Board members have been split. In 2019, at least two apparent Freeport representatives voted NO. The reason is partially structural: under an 85/15 formula weighted heavily toward valuation, Freeport's high property values actually *increase* its ALM share (to ~67.4%), making it worse off. Freeport only benefits from formulas with significant enrollment weighting (roughly 25% or higher). The 2019 vote failed partly because the recommended formula was the wrong one for Freeport. [^FC4]

The total-contribution reality. The FC's own November 2019 fairness memo showed that when state aid is included, each town's total contribution tracks its pupil count. [^FC5] FY27 data confirms the same pattern: Pownal contributes 10.96% of total funding for 10.41% of students (Section 5.1). This is not merely a "counter-argument." It is the complete picture of how the funding system works. State aid is real money allocated by the state based on each community's fiscal capacity; it is as much a contribution to the district as locally raised taxes. The ALM-only disparity (where Pownal and Freeport pay higher shares than their enrollment shares) exists because state policy directs more aid to lower-valuation towns, which is the state's intentional redistribution. This data has been cited effectively in cost-sharing debates because it is accurate.

Progressive erosion of FC authority. Each reform cycle produced weaker institutional engagement:

| Year | FC Action | Board Response |
|------|-----------------------------------|--|
| 2019 | Unanimous specific recommendation | Voted down 450–548 |
| 2020 | Three options, no recommendation | No vote taken |
| 2023 | Outside consultant retained | Presentation only, no vote |
| 2024 | Six scenarios modeled | "Consensus to leave as is"; no formal vote |

By 2024, the Board did not hold a vote. There was no motion to reject, only an informal consensus. [^FC4]

COVID disruption. The March 2020 Board vote to hire a cost-sharing consultant (approved 7–4) was tabled for COVID. Nearly two years passed before the topic resurfaced (November 2021). The momentum from 2019–2020 was lost. (*Minutes: 2020-03-25, 2021-11-17*)

No external pressure mechanism. In March 2018, the Board voted 10–0 that formula changes would be by Board vote, not referendum. [^FC1] Citizens cannot force the issue through a ballot question. The only external option is RSU withdrawal under §1466, which reframes the entire relationship rather than fixing the formula.

Implications for any new reform attempt. For formula reform to pass the Board, at least one of the following would need to occur:

1. **Freeport unifies.** Freeport's delegation holds approximately 6 of 11 seats. If all Freeport members support an enrollment-weighted formula that reduces their ALM, they can pass it by weighted vote alone. The 2019 failure occurred partly because the 85/15 formula actually increased Freeport's ALM. A formula weighting enrollment at 25% or higher would benefit Freeport and could unify its delegation.
2. **Durham accepts a phase-in.** The Beaudoin consultant recommended 3–5 year phasing specifically to reduce annual cost shock. A \$310K total increase phased over 5 years is \$62K/year, approximately \$38/household in Durham. [^FC2]
3. **Reform is tied to structural savings.** If Path A's grade consolidation savings (\$154K–\$804K) are presented as offsetting Durham's increased ALM, the net impact to Durham could be reduced or eliminated.
4. **Pownal pursues withdrawal.** If Pownal begins the §1466 withdrawal process, the Board faces a practical choice: reform the formula to retain Pownal in the RSU, or manage the transition to a two-town district. The financial impact on RSU 5 is approximately budget-neutral when tuition revenue (including separate SpEd billing) is accounted for at current DOE rates (Section 6.8).

5. **Board composition changes through elections.** Members who supported the status quo in 2019 and 2024 may not hold their seats indefinitely.

The consultant's phase-in was designed to address concern #2. It was never brought to a formal Board vote.

Part VI: Legal and Procedural Framework

6.1 Reconfiguration vs. Closure (§1512)

What the law says. Title 20-A §1512 provides that "a school closing is any action by the regional school unit board that has the effect of providing no instruction for any students at that school." If a school is "closed" under this definition, voters in the host municipality must approve the closure by referendum. ^[30] Additionally, §1511 requires a 2/3 supermajority of the Board. ^[31]

The ambiguity under Scenario 2. Under Scenario 2, PES would continue operating as a centralized preschool center with PreK students receiving instruction. Because instruction is being provided at the building, the statutory trigger ("no instruction for any students") is arguably not met. The Board could frame this as a "grade reconfiguration" (administrative decision) rather than a "school closure" (requiring referendum). ^[30]

Precedent. In February 2026, MSAD #1 in Presque Isle converted Pine Street Elementary from a full elementary to PreK–Gr1 as a "grade reconfiguration," while separately handling the closure of Zippel Elementary through the referendum process. ^[39]

Counterarguments. Pownal could argue that §1512 protects "a school" (not "a building"), that PES the K-5 institution ceases to exist, and that a court should look at the de facto effect. However, no Maine court has ruled on this question, and the MSAD #1 precedent works against this interpretation.

The Superintendent's stated view. At the Durham Select Board meeting on March 10, 2026, Superintendent Gray stated he believes the grade changes would constitute a school closure requiring a town vote from Pownal. ^[46] This is an administrator's stated belief, not a legal finding or formal concession.

§1512 liability. Even if §1512 applies and Pownal vetoes the closure, the statute defines Pownal's liability as "the amount that would be saved if the school were closed." ^[30] As shown in Section 2.3, the net savings are approximately negative \$161,000. There may be no "savings" for Pownal to reimburse.

6.2 RSU Withdrawal (§1466)

Title 20-A §1466 provides a well-established process for municipal withdrawal from an RSU. Forty-three municipalities have successfully withdrawn since 2012, spanning 15 different districts. ^[35] ^[32]

Eligibility. Pownal is eligible. RSU 5 was formed in 2009 and the 30-month membership requirement has long been satisfied. ^[32]

Process (22 steps): ^[37]

1. **Petition.** 10% of Pownal voters who voted in the last gubernatorial election sign a withdrawal petition. ^[32]
2. **Town vote.** Special election authorizes the withdrawal committee and budget (~\$50,000). ^[37]

3. **Withdrawal committee.** Negotiates agreement with RSU 5 covering education continuity, assets, property, debt, and transition. ^[37]
4. **Commissioner approval.** Agreement must be approved by the Maine Commissioner of Education. ^[32]
5. **Final referendum.** Pownal voters approve or reject. Must occur by November 30 for withdrawal effective the following July 1. ^[32]

The process takes 12–24 months from petition to effective date. It is fully reversible until the final referendum vote.

6.3 Property Transfer Under Withdrawal

All three towns deeded their school properties to RSU 5 upon formation in 2009. ^[34] The 2014 Freeport withdrawal agreement, fully drafted and approved by the RSU 5 Board; states in Section 12: *"All real property and fixtures that the Town of Freeport deeded to RSU 5 upon creation of the RSU will be deeded back."* ^[33] The same principle would apply to PES under Pownal withdrawal. ^{[33] [34] [40]}

6.4 Precedents from Other Maine Communities

SAD 75 / Harpswell (2026): Considered 12 consolidation options and eliminated all that would leave any town without a school. Community forums showed "a really strong desire to have a school in each community." The district abandoned the closure entirely. ^[38]

MSAD #1 / Presque Isle (2026): Converted Pine Street Elementary to PreK–Gr1 (for LD 345) as "grade reconfiguration" while closing Zippel Elementary through referendum. ^[39]

Freeport / RSU 5 (2013–2014): Freeport voted 953–768 to begin RSU 5 withdrawal. A full withdrawal agreement was negotiated. Final referendum failed by 76 votes (2,152–2,228). ^{[33] [55]}

Dayton / RSU 23 (2014): Withdrew by vote of 733–18. Mil rate increased from 18.47 to 20.85. ^[35]

Andover / SAD 44 (2015): Withdrew to operate an independent K-5 (~30 students). Mil rate increased from 15.6 to 19.6. Voters approved 298–103 despite financial warnings. ^[35]

Emden / RSU 74 (2025): Currently pursuing withdrawal. Contributes nearly a third of RSU 74's local budget with less than a fifth of students, a disproportion similar to Pownal's. Authorized \$50,000 for the process. ^[37]

6.5 Financial Analysis of Independence

Scenario B (standalone K-5 with full 6-12 tuition) is the most realistic Day 1 configuration because no AOS partner has been identified locally. Scenario C (AOS shared administration) and Scenario E (K-8 PES expansion) represent future optimizations that could produce substantially greater savings. All projections

include a \$50,000/year SpEd risk reserve and present low/high ranges to reflect uncertainty in cost estimates for a newly independent SAU. (C-Independence)

Tuition rate methodology. Tuition costs are calculated using FY26 DOE-published rates: \$15,417/student for grades 6-8 (elementary rate under §5804, based on RSU 5's actual K-8 per-pupil operating cost) and \$15,055/student for grades 9-12 (secondary rate under §5805, capped at the state average). Special education for tuitioned students is billed separately at actual cost under §7302 (see Section 6.6 for details). These rates exclude SpEd, CTE, major capital outlay, debt retirement, and transportation by statute.

Year 1 tuition distinction. Under §1466(4)(A)(1), secondary tuition in the first year of independence is paid at the receiving district's actual per-pupil cost, which for RSU 5 is \$17,307 (FY26), not the state average cap of \$15,055. This creates a one-year tuition premium of ~\$124,000 (55 HS students × \$2,252 per student). Beginning in Year 2, the state average cap applies.

FY26 Baseline: Ongoing Annual Costs (Year 2+)

| | Current RSU (FY27) | Independent (Low) | Independent (High) |
|---|--------------------|---------------------|---------------------|
| PES operating cost (K-5) | (included in RSU) | ~\$2,270,000 | ~\$2,270,000 |
| Administration | (included in RSU) | ~\$290,000 | ~\$290,000 |
| Transportation | (included in RSU) | ~\$325,000 | ~\$325,000 |
| Tuition: grades 6-8 (45 × \$15,417) | (included in RSU) | ~\$694,000 | ~\$694,000 |
| Tuition: grades 9-12 (55 × \$15,055) | (included in RSU) | ~\$828,000 | ~\$828,000 |
| SpEd for tuitioned students | (included in RSU) | ~\$100,000 | ~\$200,000 |
| Other (facilities, IT, food, audit, insurance, capital reserve, governance) | (included in RSU) | ~\$175,000 | ~\$285,000 |
| Contingency (5%) | (included in RSU) | ~\$121,000 | ~\$131,000 |
| Gross budget | | ~\$4,803,000 | ~\$5,023,000 |
| SpEd risk reserve (annual set-aside) | | +\$50,000 | +\$50,000 |

| | | | |
|-------------------------------|--------------------|---------------------|---------------------|
| Less: State EPS share | | -\$504,000 | -\$504,000 |
| Less: Small school adjustment | | -\$75,000 | -\$75,000 |
| Net local tax cost | \$4,448,225 | ~\$4,274,000 | ~\$4,494,000 |
| Difference | | ~- \$174,000 | ~+ \$46,000 |

Low estimate uses conservative assumptions for variable costs (SpEd \$100K, food service \$20K, IT \$30K, insurance \$15K, capital reserve \$15K). High estimate uses upper-bound assumptions (\$200K, \$60K, \$50K, \$30K, \$35K respectively). Administration, transportation, tuition rates, and PES operating cost are the same in both columns because those values are known or formula-driven. All scenarios include a \$50K/year SpEd risk reserve for high-needs cost shocks.

Year 1 Transition Adjustments

Year 1 carries one-time costs that do not recur, partially offset by a one-time credit:

| Year 1 Item | Low | High |
|---|------------------|------------------|
| Uncapped secondary tuition penalty (55 × \$2,252) | +\$124,000 | +\$124,000 |
| Startup costs (IT setup, insurance, CBA review, supt. contract) | +\$40,000 | +\$90,000 |
| Withdrawal process costs (legal, financial analysis, hearings) | +\$70,000 | +\$70,000 |
| Less: Fund balance return (12.6% of RSU 5 undesignated balance) | -\$315,000 | -\$190,000 |
| Net Year 1 adjustment | -\$81,000 | +\$94,000 |

In the best case, the fund balance return more than offsets all one-time costs, producing a net Year 1 credit of ~\$81,000. In the worst case, net Year 1 costs are ~\$94,000 above the ongoing baseline.

FY28/FY29 Projections

Section 6.9 establishes that FY28 withdrawal (July 1, 2027) is achievable under an aggressive timeline, with FY29 (July 1, 2028) as the more certain fallback. Both projections apply the same growth assumptions used in

the FY28 sensitivity matrix (Section 2.8): 6.1% annual cost growth for operating expenses and RSU assessment, 5.9% for the state average secondary tuition cap (5-year CAGR from DOE data), and 6.1% for elementary tuition (tracks the receiving district's cost growth). State aid is held flat (conservative; Pownal is a minimum receiver).

| | FY28 (Low) | FY28 (High) | FY29 (Low) | FY29 (High) |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|
| PES operating cost (K-5) | ~\$2,409,000 | ~\$2,409,000 | ~\$2,556,000 | ~\$2,556,000 |
| Administration | ~\$308,000 | ~\$308,000 | ~\$326,000 | ~\$326,000 |
| Transportation | ~\$345,000 | ~\$345,000 | ~\$366,000 | ~\$366,000 |
| Tuition: grades 6-8 (45 x rate) | ~\$736,000 | ~\$736,000 | ~\$781,000 | ~\$781,000 |
| Tuition: grades 9-12 (55 x rate) | ~\$877,000 | ~\$877,000 | ~\$929,000 | ~\$929,000 |
| SpEd for tuitioned students | ~\$106,000 | ~\$212,000 | ~\$113,000 | ~\$225,000 |
| Other + contingency | ~\$314,000 | ~\$441,000 | ~\$333,000 | ~\$468,000 |
| Gross budget | ~\$5,094,000 | ~\$5,328,000 | ~\$5,403,000 | ~\$5,651,000 |
| SpEd reserve + state aid | -\$529,000 | -\$529,000 | -\$529,000 | -\$529,000 |
| Net local tax cost | ~\$4,565,000 | ~\$4,799,000 | ~\$4,874,000 | ~\$5,122,000 |
| RSU assessment (projected) | ~\$4,720,000 | ~\$4,720,000 | ~\$5,007,000 | ~\$5,007,000 |
| Savings | ~\$155,000 | ~\$79,000 | ~\$134,000 | ~\$114,000 |

Growth assumptions: RSU assessment at 6.1%/year from \$4,448,225 (FY27). Elementary tuition at 6.1%/year from \$15,417 (FY26). Secondary tuition cap at 5.9%/year from \$15,055 (FY26). State aid held flat at \$579K (conservative; Pownal is a minimum receiver). SpEd reserve constant at \$50K/year.

Under low-cost assumptions, savings are positive across all projection years (~\$134K to ~\$174K) and remain stable because both the RSU assessment and independent costs grow at similar rates. Under high-cost assumptions, independence would cost more than RSU membership. The key structural driver is unchanged: Pownal's high property valuation generates a Required Local Contribution through the state EPS formula that exceeds the cost of educating its students independently. This gap is a feature of the funding formula, not a result of RSU overcharging. The primary source of uncertainty is the variable cost items (SpEd for tuitioned students, food service, IT, insurance, and capital reserve), which represent a swing of approximately \$220,000/year between the low and high estimates.

Elementary vs. secondary tuition: an important distinction. Grades 6-8 are classified as "elementary" under Maine law and tuitioned under §5804, which caps tuition at the receiving district's own per-pupil cost with no state average ceiling and no statutory inflation limit. Grades 9-12 are tuitioned under §5805, where the rate is capped at the state average (\$15,055 for FY26; projected ~\$15,943 for FY28, ~\$16,883 for FY29). The secondary cap provides genuine cost protection: RSU 5's computed secondary rate (\$17,307 for FY26) exceeds the cap, so Pownal pays the lower state average. However, for middle school tuition, there is no equivalent cap; the rate tracks RSU 5's actual elementary costs. If RSU 5's elementary per-pupil costs increase faster than average, middle school tuition rises accordingly. This is a structural risk not present for high school tuition.

Model Comparison (All Scenarios, FY28 Projected)

| Model | FY26 Savings | FY28 Savings | Per Household (FY28) | Notes |
|-------------------------------|--------------|--------------|----------------------|---|
| K-5 + full tuition, low (B) | ~-\$174,000 | ~-\$155,000 | ~-\$244/yr | Standalone, low-cost assumptions |
| K-5 + full tuition, high (B) | ~+\$46,000 | ~+\$79,000 | ~+\$124/yr | Standalone, high-cost assumptions |
| K-5 + AOS shared admin (C) | ~-\$294,000 | ~-\$275,000 | ~-\$432/yr | Requires AOS partner (not yet identified) |
| K-8 PES + HS tuition only (E) | ~-\$256,000 | ~-\$189,000 | ~-\$297/yr | PES expands to K-8; tuition 9-12 only |

Negative values indicate savings vs. remaining in RSU 5. All scenarios include \$50K/year SpEd risk reserve. AOS admin savings (\$120K) assumed constant. Scenario C and E use low-cost assumptions. K-8 model eliminates elementary tuition line and associated SpEd billing; only 9-12 tuition remains, benefiting from the state average cap.

Scenario B is the most conservative, realistic Day 1 path. Under low-cost assumptions, it saves Pownal approximately \$155,000 per year at FY28 rates. Under high-cost assumptions, it would cost approximately \$79,000 more per year than RSU membership, making the margin thin. This scenario should be understood as the floor, not the ceiling.

Scenario C adds an AOS partnership for shared superintendent, SpEd director, and business office functions, reducing administrative costs by ~\$120,000/year. No local AOS partner has been identified, so this scenario is not available from Day 1, but it represents a plausible medium-term optimization. With AOS savings, the model produces robust savings of ~\$275,000/year even before addressing variable cost uncertainties.

Scenario E (K-8 PES expansion) eliminates the more volatile elementary tuition line entirely by bringing grades 6-8 in-house. It also brings SpEd for those students under Pownal's direct control. While it requires additional teaching FTE and DOE approval, it removes the exposure to uncapped elementary tuition rates and produces the most predictable cost structure. This is the strongest long-term model.

Unlike Andover or Dayton, where independence increased costs, Pownal's high property valuation relative to its school costs means independence is financially viable under all three scenarios at low-cost assumptions, and carries only a small net cost at Scenario B under high-cost assumptions (~\$79K/year at FY28 rates, ~\$124/household).

Risks not modeled: These projections assume stable costs. A small independent district has less capacity to absorb cost shocks. A single high-needs special education student can cost \$80,000 to \$150,000/year (the \$50K SpEd risk reserve partially addresses this). A facility emergency could require bonding, and administrative overhead for a 200-student district may exceed estimates. Pownal would also lose access to RSU-level economies of scale in purchasing, transportation, and technology. The debt service factor (§5805(4), §5804(3)) could add up to 10% to tuition rates if RSU 5 undertakes major capital projects and both parties agree to the surcharge. These risks do not change the baseline projection but increase year-to-year volatility.

6.6 The Secondary Education Question

Pownal has no middle or high school facility. Approximately 100 students currently attend FMS (45) and FHS (55), growing to ~123 at steady state. ^[36]

How Maine's Town Tuitioning Program Works

Maine statute governs tuition under two distinct sections with different cost-cap mechanisms:

Grades 6-8 (elementary under Maine law): §5804. The maximum tuition for elementary students at a public school is the receiving district's own per-student operating cost for the preceding year, as calculated by the Commissioner. There is no state average cap and no statutory inflation limit. For FY26, RSU 5's elementary tuition rate is **\$15,417/student** (based on \$21.68M in K-8 operating expenses across 1,406.5 students). This rate moves with RSU 5's actual costs.

Grades 9-12 (secondary): §5805. The tuition rate is computed from the receiving district's secondary operating expenses, adjusted by an inflation factor limited to 6%, then capped at the state average per public secondary student cost, whichever is lower. For FY26, RSU 5's computed rate (\$17,307) exceeds the state average cap of **\$15,055/student**, so the cap is binding. RSU 5 has been at the state average cap every year since at least FY21.

What the tuition rate excludes. Under both §5804 and §5805, the tuition calculation excludes: (1) special education, (2) career and technical education, (3) major capital outlay, (4) debt retirement, and (5) tuition and transportation. These exclusions are important: special education costs for tuitioned students with IEPs are billed separately at actual cost under §7302, on top of the base tuition rate. The 2014 Freeport withdrawal agreement explicitly states this: "Special education costs are billed separately at actual cost, on top of tuition."

^[33]

Debt service factor. Under both §5804(3) and §5805(4), the receiving district may charge an additional debt service factor for newly incurred capital outlay, capped at 10% of the tuition rate per student per year. This requires agreement from both sending and receiving units and Commissioner approval. It is proportional to the cost of the project and the number of tuition students.

State average secondary cap: 6-year trend. The state average secondary tuition rate has grown at approximately 5.9% per year (compounded) over the past five years: \$11,275 (FY21) → \$11,774 (FY22) → \$12,559 (FY23) → \$13,300 (FY24) → \$14,081 (FY25) → \$15,055 (FY26). This growth rate is slightly below RSU 5's own budget growth rate (~6.5%/year), meaning the secondary tuition cap provides genuine cost protection over time — the sending town's tuition cost rises more slowly than the receiving district's actual spending.

Options for Pownal

Option 1: Tuition all 6-12 students. Using FY26 DOE-published rates: middle school tuition (45 students × \$15,417) = ~\$694K; high school tuition (55 students × \$15,055) = ~\$828K; subtotal ~\$1,522K (current enrollment), growing to ~\$1,872K at steady-state enrollment (~123 students). Special education for tuitioned students with IEPs adds an estimated \$100K–\$200K annually on top of base tuition (see note below). Students continue at the same schools. ^{[36] [33]}

Option 2: Expand PES to K-8. PES has capacity for ~180 students. Adding grades 6-8 (~45 students) brings enrollment to ~150. Requires ~5 additional teaching FTE (\$540K/year). Eliminates ~\$694K/year in middle school tuition but limits course variety. Brings SpEd for grades 6-8 under Pownal's direct control (eliminating the separate SpEd billing). Net annual cost is comparable to Option 1, with substantially more local control and lower tuition-rate volatility.

Option 3: Tuition to other districts. Yarmouth (\$16,876 elementary), Gray-New Gloucester (RSU 15: \$14,473 secondary), or Brunswick (\$15,055 secondary, \$13,680 elementary). Rates vary by district for elementary; secondary rates are capped at the same state average (\$15,055). No clear cost advantage, but school choice gives families options.

Special education cost for tuitioned students. This is distinct from the catastrophic SpEd risk discussed in Section 6.7. The base tuition rate does not include special education. For the approximately 15–20% of Pownal's 6-12 students who have IEPs (consistent with Maine's statewide average of ~18%), the receiving district provides services and bills Pownal at actual cost. Routine SpEd services (resource room, speech therapy, counseling, paraprofessional support) typically cost \$5,000–\$20,000 per student per year. For 15–20 students, the estimated annual cost is \$100,000–\$200,000. This cost is partially offset by state EPS special education allocations, which Pownal would receive for all its students (K-12) regardless of where they are educated.

Under all options, special education is administered by a SpEd director (shared via AOS) with contracted services as needed. ^[33]

6.7 Independence: Practical Realities and Externalities

The financial model in Section 6.5 projects annual savings of \$155K (Scenario B, low-cost assumptions) to \$275K (Scenario C, AOS) at FY28 rates, inclusive of a \$50K/year SpEd risk reserve. Under high-cost assumptions, Scenario B carries a small net cost (~\$79K/year at FY28 rates). This section addresses the practical realities and unquantified trade-offs that determine whether independence is realistic and sustainable.

Transportation

What RSU 5 currently spends. Article 8 (Transportation and Buses) totaled \$1,931,576 in FY26 adopted and \$2,388,457 in FY27 proposed. RSU 5 operates its own fleet of owned and lease-purchased buses with employed drivers. There is no contracted service; Durham's previously contracted routes (Bo-Mar Transportation) were brought in-house in 2017. ^[59]

No per-town breakdown exists. RSU 5 budgets all transportation under a single "System-Wide" cost center. No route-level, per-school, or per-town data is published in any budget document. The best available estimate uses enrollment share: Pownal's 205 students represent approximately 10.5% of district enrollment, suggesting Pownal-attributable transportation costs of approximately \$200,000 to \$250,000 per year. The Section 6.5 model uses \$325,000 for all Pownal K-12 transportation, which includes both in-town routes and secondary school routes.

K-5 (PES). Pownal currently receives RSU 5 bus service for elementary students. As an independent town, Pownal would contract its own K-5 transportation. Estimated cost: \$100K to \$150K per year for 1 to 2 routes covering the town's 21 square miles. ^[22]

6-12 (tuitioning students). Maine law does not require tuitioning towns to provide transportation for students attending receiving schools. Under 20-A §5804, transportation is a negotiated term, not a statutory obligation.

^[61]

Precedent within RSU 5: When Pownal's middle school was eliminated in 2010, the Board voted to provide "transportation in the most economical manner possible up to \$5,000" for Pownal students choosing FMS or

DCS. (*Minutes: 2010-04-28*) The Freeport withdrawal agreement (2014) established a different approach: each SAU transports its own resident students, regardless of which school they attend (Section 4 of the agreement). ^[33]

| Option | Annual Cost | Notes |
|---|------------------|--|
| Contracted bus service (2 to 3 routes to FMS/FHS) | \$150K to \$225K | Most comprehensive; comparable to current RSU service |
| Parent self-transport | \$0 | Significant burden on families; 19 to 22 minute drive each way ^[22] |
| Hybrid (bus to central pickup, parent last mile) | \$75K to \$125K | Reduces routes but still requires family coordination |
| Negotiate transport as part of tuition agreement | Variable | Receiving district may include transport at additional cost |

If Pownal relies partially on parent transport for secondary students, the \$325K total estimate in Section 6.5 could decrease by \$75K to \$150K, improving the independence case. If families choose multiple receiving schools (some to FMS/FHS, others to Gray-New Gloucester or Brunswick), transportation complexity and cost increase.

The parent transport question. Requiring parents to transport all 6-12 students would save approximately \$175K per year but impose a significant burden. For a single-parent or dual-working-parent household, a 19 to 22 minute drive each way twice daily is 75 to 90 minutes of driving per day. This is common in rural Maine tuitioning towns but would represent a change from the current bus service. Any independence proposal must clearly state whether the town intends to provide secondary transportation.

Special Education

The catastrophic risk. A single high-needs student requiring out-of-district placement costs \$80,000 to \$150,000 per year. For RSU 5 (\$47M budget, approximately 2,000 students), this represents 0.2 to 0.3% of the budget. For an independent Pownal (\$3.9M budget, approximately 205 students), it represents 2.0 to 3.8%, which is potentially destabilizing. Two concurrent high-cost placements could consume 5 to 8% of the total budget.

State high-cost reimbursement. Maine provides high-cost special education reimbursement through the EPS formula at two levels. For in-district placements, additional state funding is triggered when a student's cost exceeds 3 times the statewide per-pupil special education rate. For out-of-district placements, the threshold is 4 times the statewide rate. Since FY18, Maine statute (20-A §15681-A) has provided for 100% reimbursement of costs above \$100,000 per student, subject to available appropriations. The state allocated \$21.0M for

high-cost in-district and \$15.2M for high-cost out-of-district placements statewide in FY26. ^[62] This significantly mitigates the catastrophic risk, though reimbursement timing can lag (payments may arrive 6 to 12 months after costs are incurred) and the appropriation is not permanently guaranteed.

No commercial insurance exists. There is no commercial "stop-loss" insurance product for catastrophic special education costs available anywhere in the United States. School districts across all 50 states rely on state reimbursement formulas and self-funded reserves as their only mitigation tools. This is a structural limitation, not a gap in planning.

PES SpEd budget history. PES's Article 2 (Special Education) has been volatile: \$289,497 (FY19), dropping to \$149,108 (FY25, a 49% decline), then rising to \$329,115 (FY27 proposed, a 14% increase over FY19). ^[59] This volatility within an RSU that absorbs risk across 2,000 students illustrates how much more volatile SpEd costs would be for an independent town without risk pooling.

Practical mitigation strategies. Four tools are available to a small independent district:

1. **State high-cost reimbursement** (described above). Provides the strongest protection for truly catastrophic placements above \$100K per student.
2. **Self-funded reserve.** An annual appropriation of \$25K to \$75K builds a buffer for year-to-year volatility. The RSU 5 Finance Committee recommended exactly this approach in June 2023, noting "it might be wise to plan a reserve account for Special Education Out-of-District funds." (*FC minutes, 2023-06-14*)
3. **AOS shared administration.** Under an AOS arrangement, Pownal would share a Special Education Director with other small districts, access contracted related services (speech, OT, PT), and participate in cooperative purchasing for specialized placements.
4. **Regional cooperative.** Under 20-A §7253, municipalities may form regional cooperatives to share SpEd administration, programming, and cost risk. Several small Maine towns use this model.

Quantified risk reserve. The Section 6.5 model includes a \$50,000/year SpEd risk reserve in all scenarios. This reserve is sized to cover year-to-year volatility from high-needs placements. In a year with a high-cost placement, the state's \$100K+ reimbursement partially covers the cost, but the district must fund the first \$100K and may need to cover a cash-flow gap before reimbursement arrives. A reserve of 2 to 3% of the independent budget (\$96K to \$143K at full build-up) would cover most scenarios. The Section 6.5 model also includes a separate \$100K to \$200K/year estimate for routine SpEd costs for tuitioned students (IEP services billed separately by the receiving district under §7302); the risk reserve is for volatility above that baseline.

Athletics and Extracurriculars

Town-tuitioned students are enrolled students of the receiving school. They are regular enrollees whose tuition is paid by the sending municipality, not visitors or home-schooled students seeking participation rights. Under Maine Principals' Association (MPA) rules, enrolled students participate in all interscholastic athletics and extracurricular activities at their receiving school. ^[63]

Pownal's 6-12 students attending FMS/FHS as tuition students would continue participating in Freeport's sports teams, drama, music, clubs, and other programs exactly as they do today. There is no change in athletic or extracurricular access under the tuitioning model.

K-5 students at an independent PES would continue participating in PES activities. If PES independently offers fewer programs due to budget constraints, this is a trade-off; though current PES programming is already limited relative to larger schools.

Social and Political Considerations

Governance. Independence trades RSU 5 Board representation (2 of 11 seats with weighted voting) for full local control through a Pownal School Committee. Pownal's current Board influence is structurally limited. The November 2019 cost-sharing vote demonstrated that Pownal-area members' weighted votes were insufficient to pass reform even with support from other towns. Independence replaces minority representation in a larger body with majority control over a smaller one.

Families across districts. Since 2010, Pownal families have already been split across schools: K-5 at PES, 6-8 at FMS or DCS. Independence formalizes this as an inter-district arrangement rather than an intra-district one. The practical experience for families (children at different schools in different towns) does not change significantly. The Freeport withdrawal agreement established precedent for enrollment continuity: students enrolled in the prior year may continue through graduation. ^[33]

Community relationships. The Freeport withdrawal attempt (2013–2014) provides a preview of how inter-town dynamics shift during withdrawal discussions. A Working Group of Durham and Pownal Board members negotiated with Freeport's withdrawal committee. The process was contentious but produced a complete, workable agreement. If Pownal pursues withdrawal, similar dynamics would emerge, but with Pownal as the withdrawing party and Durham/Freeport negotiating on behalf of the RSU.

Town identity. PES has been described as "the center of a vibrant community" (Principal Buckley, 2010) and its potential loss generated the largest public turnout in the RSU's 17-year history (February 2026). ^{[50] [58]} Independence preserves PES and Pownal's educational identity, a significant non-financial benefit.

Interaction with RSU 5. Initiating §1466 withdrawal changes the relationship between Pownal and the RSU. It may prompt the Board to pursue formula reform (Section 2.6) or other structural changes to retain Pownal, or it may harden positions. The Freeport withdrawal (2013 to 2014) did not produce lasting structural changes to the RSU; after the referendum failed, the status quo resumed. Pownal should pursue withdrawal only if prepared to follow through to completion. The financial analysis (Section 6.5) supports independence as a viable long-term outcome, not only as an alternative to the current arrangement.

Precedent: The 2014 Freeport Withdrawal Agreement

The Freeport withdrawal agreement, fully negotiated and approved before the final referendum failed by 76 votes, provides the most detailed precedent for how a Pownal withdrawal would be structured. Key provisions relevant to Pownal: ^[33]

Education continuity. In year one, the receiving SAU educates all students who were previously enrolled or would have attended. In subsequent years, only students who "remain continuously enrolled" retain the right. A 90-day enrollment break (September through June) terminates the right. This means Pownal 6-12 students at FMS/FHS would have guaranteed seats as long as they remain continuously enrolled.

Tuition rates. Rates follow statute (20-A §5804 for elementary, §5805 for secondary), not negotiation. Year one excludes debt service factor. Subsequent years add a capped debt service factor (limited to 10% of the tuition rate per student per year). Special education costs are billed separately at actual cost, on top of tuition.

Transportation. Each SAU transports its own resident students, regardless of which school they attend (Section 4 of the agreement). RSU 5 would be responsible for transporting any RSU 5 students attending Pownal schools; Pownal would transport its students to RSU 5 schools.

Property transfer. All real property and fixtures deeded to RSU 5 upon formation are deeded back (Section 12). Personal property located at or used exclusively for the withdrawing town's schools also transfers. This includes school buses associated with the town.

Debt allocation. Pre-RSU debts follow the original issuing town. Post-RSU debts follow the school they benefited.

Fund balance. The withdrawing town receives its share of the undesignated fund balance (Freeport's share was 65.98%; Pownal's equivalent would be approximately 12.60%). Payment: 80% within 15 days of effective date, remainder after audit.

Staff rights. All continuing contract teachers assigned to the withdrawing town's schools become employees of the new SAU. Probationary teachers retain years of service toward tenure. Existing collective bargaining agreements carry over in full.

Binding on successors. The agreement is binding on any successor SAU that either party may join or merge with. It can only be terminated by mutual written agreement with Commissioner approval.

6.8 Impact on RSU 5 if Pownal Withdraws

This section models the financial and structural impact on the remaining RSU 5 district (Durham and Freeport) if Pownal withdraws. An objective assessment of the consequences for all parties is essential for informed decision-making by both Pownal and the RSU.

Revenue Changes

| Item | Annual Amount |
|--|---------------|
| Pownal assessment lost | -\$4,448,225 |
| Pownal state aid lost (K-5 portion, ~105 students) | --\$290,000 |

| | |
|--|----------------------|
| Tuition revenue gained (45 students × \$15,417 + 55 students × \$15,055) | +\$1,522,000 |
| SpEd revenue for tuitioned students (billed at actual cost) | +~\$150,000 |
| Net revenue change | --\$2,786,000 |

Tuition revenue assumes all Pownal 6-12 students continue at FMS/FHS. If some choose other districts (Yarmouth, Gray-New Gloucester, Brunswick), RSU 5 tuition revenue decreases.

Cost Changes

| Item | Annual Amount | Type |
|---------------------------------------|----------------------|---------------|
| PES direct operating costs eliminated | -\$2,270,105 | Variable |
| Pownal K-5 transportation eliminated | --\$200,000 | Variable |
| Proportional SpEd/support services | --\$250,000 | Semi-variable |
| Central office overhead reduction | --\$100,000 | Mostly fixed |
| Total cost savings | --\$2,820,000 | |

Most central office costs (superintendent, business office, HR, technology, facilities management) are fixed regardless of whether Pownal is in the RSU. The 139.8 FTE central staff would not shrink by 10% because 10% of students left. Realistic administrative savings are marginal.

Net Impact on Remaining District

| | Amount |
|-----------------------------------|-------------------|
| Net revenue change | -\$2,786,000 |
| Net cost savings | +\$2,820,000 |
| Annual surplus/(shortfall) | ~+\$34,000 |

With corrected tuition revenue (using FY26 DOE-published rates, including separate SpEd billing), RSU 5 would be approximately budget-neutral in the first year after withdrawal. The tuition revenue increase (from higher FY26 rates and explicit SpEd billing) offsets the revenue loss more completely than prior estimates suggested. At steady-state enrollment (~123 Pownal 6-12 students), tuition revenue grows to ~\$1.87M plus ~\$185K in SpEd, potentially producing a modest surplus for the remaining district.

Assessment Impact on Durham and Freeport

The ALM formula would need to be restructured for two towns. If Pownal's 12.60% share is redistributed proportionally:

| Town | Current ALM (of \$17.4M) | Post-Withdrawal ALM (of ~\$14.6M) | ALM Change |
|----------|--------------------------|-----------------------------------|------------|
| Durham | \$3,725K (21.42%) | \$3,574K (24.49%) | -\$151,000 |
| Freeport | \$11,473K (65.98%) | \$11,022K (75.51%) | -\$451,000 |

The ALM pool shrinks because the total budget shrinks, so absolute ALM amounts decrease despite higher percentage shares.

With the near-neutral budget impact, assessment changes for Durham and Freeport would be minimal in the first year. Any remaining adjustment would depend on how the ALM formula is restructured for two towns and whether fixed administrative costs can be reduced over time. The per-household impact is likely within +/- \$50/year, significantly less than a single year's typical budget growth (~6%).

Tuition Revenue as a Stabilizer

RSU 5 would receive approximately \$1.52M in annual base tuition revenue from Pownal's 6-12 students, plus approximately \$150K in SpEd cost reimbursement for tuitioned students with IEPs (~\$1.67M total). This is reliable revenue because Pownal must educate its students, FMS/FHS are the nearest and most established options, and tuition rates are set by statute. ^{[36] [33]}

At steady-state 6-12 enrollment (~123 students), total tuition revenue (base + SpEd) grows to ~\$2.07M/year.

Long-Term Equilibrium

Over 2–3 years, the remaining RSU would reach a new equilibrium:

- Administrative positions consolidated (e.g., one fewer building-level administrator)
- Transportation routes simplified
- SpEd caseloads adjusted
- Budget scaled to serve ~1,765 students instead of ~1,970

At equilibrium, the annual impact on Durham and Freeport is projected to be near-neutral. The primary financial risk is during the 1–2 year transition period.

Strategic Implications for Durham and Freeport

Durham. Loses access to Pownal's property tax base (~\$131M state valuation) but gains from simplified cost-sharing with Freeport. If the two-town ALM formula is restructured based on enrollment, Durham's share (~39% of remaining students) would be much closer to its actual use of RSU services. In a two-town RSU, Durham has less voting power relative to Freeport.

Freeport. Bears the largest absolute dollar increase but also controls the post-withdrawal Board (majority by population and weighted vote). Freeport would have greater influence over budget priorities, staffing decisions, and facility planning. The Freeport withdrawal attempt in 2013–14 suggests some Freeport residents have contemplated operating outside the RSU structure. A two-town RSU with fewer political tensions may be more stable than the current three-town arrangement.

Both towns. Lose economies of scale in central administration, purchasing, and transportation. District-wide programs (special education, technology, curriculum) serve fewer students at roughly the same fixed cost. This overhead increase (approximately 10% per student) is partially offset by the elimination of PES-related costs and the tuition revenue from Pownal's secondary students.

6.9 Withdrawal Timeline and Critical Windows

The §1466 process has statutory deadlines that create specific windows for action. The critical constraint: the final referendum must occur by November 30 of the year prior to the intended July 1 effective date. ^[32]

Statutory Process (Summary of 22 Steps)

| Phase | Steps | Duration |
|---------------------------------|--|-------------------------------|
| Petition and authorization vote | Collect 10% of gubernatorial voters' signatures; public hearing; special election | 2 to 4 months |
| Committee formation | Commissioner directs formation; RSU Board chair calls first meeting within 30 days | 1 month |
| Negotiation | Committee negotiates agreement with RSU 5 | 90 days (extensions possible) |

| | | |
|------------------------------------|---|------------------------|
| Commissioner review | Commissioner gives conditional approval or recommends changes | 60 days |
| Public hearing and final agreement | Public notice, hearing, final agreement submitted to Commissioner | 1 to 2 months |
| Commissioner final review | Approves final agreement, sets referendum date | Weeks |
| Final referendum | 35-day notice to town clerk, public hearing, vote | 2 months |
| Total minimum | | 10 to 14 months |

Is FY28 Independence (July 2027) Possible?

The final referendum must occur by November 30, 2026 (§1466(5)(A)). This is tight but not statutorily impossible. Every time limit in §1466 is a maximum, not a minimum: the committee must submit the agreement "within 90 days" (it may submit sooner), and the Commissioner must act "within 60 days" (she may act sooner). The question is whether the sequential phases can compress enough.

Statutory timeline mapped backward from November 30, 2026. Each step shows the statutory maximum duration and the provision that governs it. ^[32]

| Latest date | Action | Statutory maximum | Reference |
|--------------------------|--|------------------------------------|----------------|
| November 30, 2026 | Final referendum | Immovable deadline | §1466(5)(A) |
| ~October 25, 2026 | Commissioner gives written notice to town clerk by registered/certified mail | At least 35 days before referendum | §1466(5)(B) |
| ~October 20, 2026 | Commissioner approves final agreement and sets referendum date | "As soon as practicable" | §1466(5)(A) |
| ~October 15, 2026 | Final agreement forwarded to Commissioner | Within 30 days of public hearing | §1466(4)(C)(2) |

| | | | |
|---------------------|---|---|------------------------|
| ~September 25, 2026 | Public hearing on withdrawal agreement (RSU Board chair presides; 10-day posted notice) | Commissioner gives 20 days' notice of time/place | §1466(4)(C), (4)(C)(1) |
| ~September 5, 2026 | Commissioner gives conditional approval | Within 60 days of receipt | §1466(4)(B) |
| ~July 5, 2026 | Agreement submitted to Commissioner | Within 90 days of committee formation (may submit sooner) | §1466(4)(A) |
| ~June 5, 2026 | Withdrawal committee formed; RSU Board chair calls first meeting | Within 30 days of notice | §1466(4)(A) |
| ~May 5, 2026 | Town clerk sends registered-mail notice to RSU 5 and Commissioner | Immediately after authorization vote | §1466(3) |
| ~May 5, 2026 | Special election/town meeting authorizes withdrawal and appropriates funds | Secret ballot; majority vote | §1466(1)(C), (2) |
| ~April 25, 2026 | Public hearing on petition | At least 10 days before vote | §1466(1)(B) |
| March–April 2026 | Circulate petition; collect ~90–110 signatures | 10% of 2022 gubernatorial voters | §1466(1)(A) |

At statutory maximums throughout (each actor using the full allowed time), the process requires authorization by approximately early May 2026. Earlier authorization creates margin at each subsequent step.

What must go right for FY28:

Petition and authorization by mid-April. Pownal calls a special town meeting (select persons can call one at any time under 30-A §2521). The petition signatures must be collected, public hearing held (10+ days before), and the vote must pass by majority. This is entirely under Pownal's control.

RSU 5 Board chair calls committee meeting promptly. The statute says "within 30 days." If the Board chair uses the full 30 days, committee formation happens mid-May. If the chair cooperates (or faces political pressure to do so), it could happen faster. Pownal cannot force this.

Negotiation completes in ~60 days instead of 90. The 2014 Freeport withdrawal agreement provides a detailed template — property transfer, tuition rates, transportation, staff rights, debt allocation — all of which can be adapted rather than negotiated from scratch. The 13 required provisions (§1466(4)(A)(1)–(13)) are well-defined. A draft agreement prepared in advance of committee formation would compress this significantly.

Commissioner acts in ~40 days instead of 60. The Commissioner has seen many withdrawal agreements since 2013. A clean agreement following the Freeport template, submitted with the anticipated budget and all required provisions, would be straightforward to review. The Commissioner's office may cooperate with an expedited review if both parties request it.

No commissioner-recommended changes. If the Commissioner sends the agreement back for corrections (§1466(4)(D)), it adds an indeterminate cycle that would almost certainly push past November 30. A well-drafted agreement reduces this risk substantially.

Why FY28 is urgent. §1512 does not reliably protect PES from conversion. As documented in Section 6.1, the statutory trigger for a school-closing referendum is "any action...that has the effect of providing no instruction for *any* students at that school" (§1512(4)). Under Scenario 2, PES would continue hosting PreK instruction. MSAD #1 / Presque Isle treated an identical conversion (Pine Street Elementary from full elementary to PreK–Gr1) as a "grade reconfiguration" — an administrative decision requiring no host-town referendum. The RSU 5 Board could invoke the same logic as early as FY28 budget adoption. If PES is converted before withdrawal completes, Pownal loses its K-5 building, its staff, and the operational base required for independence. FY29 as a "fallback" is not safe if the RSU acts in FY28.

What Pownal controls — and what it does not.

The withdrawal committee is effectively Pownal's committee. §1466(4)(A) assigns 4 seats: one municipal officer, one general public member selected by the municipal officers, one member from the petition group, and one RSU Board member who represents Pownal (selected by the Pownal-area Board directors). Pownal controls 3 seats directly. The 4th is a Pownal resident serving on the RSU Board. "The responsibility for the preparation of the agreement rests with the withdrawal committee, subject to the approval of the commissioner." The RSU Board as an institution does not approve or veto the agreement — the Commissioner does. This means "RSU 5 slow-walks negotiations" is a misconception. RSU 5 is not a party to the agreement preparation.

The two genuine external dependencies are:

The RSU Board chair calling the first committee meeting — "shall call a meeting of the withdrawal committee within 30 days of the notice of the vote" (§1466(4)(A)).^[32] This is a mandatory duty, but the chair is compliant at any point up to day 30. There is no mechanism to compel faster action within the allowed window. If the chair *exceeds* 30 days, §1466(18) authorizes the Commissioner to intervene ("the commissioner may authorize the municipal officers to appoint new representatives to the withdrawal committee"). A mandamus action in Superior Court may also be available for a "shall" obligation that has been violated — but only after the 30-day period has elapsed without compliance. Practically, the chair

will likely use a substantial portion of the 30 days. Budget 30 days for this step.

The Commissioner's review timeline — "Within 60 days of the receipt of the agreement, the commissioner shall either give it conditional approval or recommend changes" (§1466(4)(B)).^[32] The Commissioner could act in 2 weeks or take the full 60 days. If the Commissioner recommends changes (§1466(4)(D)), the agreement returns to the committee for corrections with a "maximum time" set by the Commissioner, and must be re-submitted for conditional approval before proceeding to public hearing. This cycle could add weeks or months. This is the single largest risk to FY28.

How to guarantee FY28: a five-part strategy.

Pre-draft the withdrawal agreement before the committee forms. Retain legal counsel experienced in Maine school law. Draft a complete agreement covering all 13 required provisions (§1466(4)(A)(1)–(13)) using the 2014 Freeport withdrawal agreement as a template. Include the anticipated budget (§1466(4)(A)(13)). Have it substantively finished before the authorization vote. When the committee forms, it reviews and submits — days, not months. This compresses the 90-day window to under 2 weeks.

Pre-engage the Commissioner's office. Before filing the petition, meet with DOE staff. Share the draft agreement informally. Ask what the Commissioner needs to see for expedited conditional approval. Explain the PES conversion timeline and the urgency. This does two things: it surfaces any deficiencies before formal submission (reducing the risk of §1466(4)(D) changes), and it establishes a working relationship that supports faster formal review. If the draft is clean and follows the Freeport template, the Commissioner's 60-day clock becomes a formality.

Move immediately on the petition and authorization. Begin collecting signatures now (March 2026). Request the selectpersons call a special town meeting under 30-A §2521 for mid-April at the latest. The authorization vote, public hearing (10+ days before), and notice to Commissioner and RSU 5 are entirely within Pownal's control. Every week saved here adds a week of margin at the back end.

Minimize committee formation delay. After authorization, send formal notice under §1466(3) by registered mail immediately.^[32] The RSU Board chair's 30-day obligation begins on receipt. The chair is compliant at any point up to day 30 — there is no legal tool to compel faster action within the allowed window. Political pressure (public communication of the statutory obligation, selectboard-to-board-chair correspondence) is the only acceleration mechanism. If the chair *exceeds* 30 days, the Commissioner may intervene under §1466(18), and a mandamus action may be available. Budget the full 30 days in the critical path and recover time elsewhere.

Request the Commissioner set an expedited review schedule. After submission, formally request that the Commissioner prioritize the review, citing the PES conversion threat and the November 30 deadline. The Commissioner has discretion to act faster than 60 days. A clean, pre-vetted agreement with the anticipated budget and all required provisions should require minimal review time.

Revised FY28 critical path with pre-draft strategy:

| When | Action | Statutory basis | Controlled by |
|------------------------|---|--|--|
| March 2026 | Retain counsel; begin drafting agreement; begin collecting ~90–110 petition signatures | §1466(1)(A): 10% of gubernatorial voters ^[32] | Pownal |
| Early April 2026 | Public hearing on petition | §1466(1)(B): "at least 10 days before the special election" ^[32] | Pownal selectpersons |
| Mid-April 2026 | Special town meeting authorizes withdrawal; appropriates \$50K by secret ballot | §1466(1)(C): majority vote; §1466(2): statutory ballot form; 30-A §2521: special town meeting ^[32] | Pownal voters |
| Mid-April 2026 | Town clerk sends registered-mail notice to RSU 5 secretary and Commissioner | §1466(3): "immediately...by registered mail" ^[32] | Pownal clerk |
| Mid-April–Mid-May 2026 | RSU Board chair calls first committee meeting (up to 30 days from notice) | §1466(4)(A): "shall call a meeting...within 30 days" ^[32] | RSU Board chair |
| Mid-May 2026 | Committee formed: 1 municipal officer, 1 public member, 1 petition group, 1 Pownal RSU Board member | §1466(4)(A): composition and selection ^[32] | Commissioner directs; Pownal municipal officers + RSU Board select |
| Mid-May 2026 | Committee reviews and adopts pre-drafted agreement; submits to Commissioner | §1466(4)(A): "submitted to the commissioner within 90 days" (maximum, not minimum) ^[32] | Withdrawal committee (3 of 4 Pownal-controlled) |
| Mid-May–Mid-July 2026 | Commissioner review (request expedited; agreement pre-vetted informally) | §1466(4)(B): "Within 60 days...shall either give it conditional approval or recommend changes" ^[32] | Commissioner |

| | | | |
|----------------------------|--|--|--------------------------|
| Mid-July 2026 | Commissioner gives conditional approval; notifies RSU Board and municipal officers of hearing date | §1466(4)(C): "notify...by registered mail...at least 20 days prior" ^[32] | Commissioner |
| Early August 2026 | Public hearing on withdrawal agreement (RSU Board chair presides; posted notice 10+ days before) | §1466(4)(C): "20 days prior to the date set for the hearing"; §1466(4)(C)(1): "post a public notice...at least 10 days before" ^[32] | RSU Board chair conducts |
| Early September 2026 | Final agreement forwarded to Commissioner | §1466(4)(C)(2): "Within 30 days following the hearing" ^[32] | Withdrawal committee |
| September 2026 | Commissioner approves final agreement; sets referendum date | §1466(5)(A): "as soon as practicable...no later than November 30th" ^[32] | Commissioner |
| Late September 2026 | Commissioner gives 35-day written notice to town clerk by registered/certified mail | §1466(5)(B): "At least 35 days before the date" ^[32] | Commissioner |
| Late October–November 2026 | Final referendum: majority vote; turnout ≥ 50% of 2022 gubernatorial vote | §1466(9): required vote threshold; §1466(7): ballot form; §1466(6)(A): public hearing 10+ days before; §1466(5)(D): polls 10am–8pm ^[32] | Pownal voters |

This path reaches referendum by late October/November 2026, within the November 30 deadline. The margin comes from pre-drafting (saves 60–80 days vs. negotiating from scratch) and pre-engagement with the Commissioner's office (reduces formal review time and the risk of §1466(4)(D) corrections).

Required agreement provisions (§1466(4)(A)(1)–(13)). ^[32] The pre-drafted agreement must address all of the following:

| # | Required provision | Statutory reference |
|---|--------------------|---------------------|
|---|--------------------|---------------------|

| | | |
|----|--|-----------------|
| 1 | Educational services for all students; first-year enrollment continuity (students may attend the school they would have attended); tuition rates per §5805(1), exempt from the state average cap in §5805(2) | §1466(4)(A)(1) |
| 2 | Withdrawal takes effect at end of RSU fiscal year | §1466(4)(A)(2) |
| 3 | No state-eligible school construction need within 5 years (unless pre-existing or would have arisen anyway) | §1466(4)(A)(3) |
| 4 | Transportation services | §1466(4)(A)(4) |
| 5 | Administration of the new unit (should not create new supervisory units if avoidable) | §1466(4)(A)(5) |
| 6 | Distribution of outstanding bonds, notes, and contractual obligations beyond withdrawal date | §1466(4)(A)(6) |
| 7 | Outstanding financial commitments to the superintendent | §1466(4)(A)(7) |
| 8 | Continuation and assignment of collective bargaining agreements for the duration of those agreements; continuation of representational rights | §1466(4)(A)(8) |
| 9 | Continuation of continuing contract rights under §13201 | §1466(4)(A)(9) |
| 10 | Disposition of all real and personal property and other monetary assets | §1466(4)(A)(10) |

| | | |
|----|--|-----------------|
| 11 | Transition of administration and governance to elected governing bodies (may not be elected simultaneously with withdrawal vote unless Commissioner finds extenuating circumstances) | §1466(4)(A)(11) |
| 12 | Child nutrition services in compliance with state and federal law | §1466(4)(A)(12) |
| 13 | Anticipated budget for first year of operation (all revenues and expenditures per cost center summary format under §1485) | §1466(4)(A)(13) |

Note on provision #1: The tuition rate for students sent between the former RSU municipalities is determined under §5805(1) but is explicitly *not* subject to the state average cap in §5805(2). This means for year one, RSU 5's full computed per-pupil rate applies — not the lower state-average rate used in the standard tuition model. In subsequent years, normal tuition statutes (§5804 for elementary, §5805 for secondary) apply with full cap protections. The Freeport withdrawal agreement followed this structure. ^[33]

Remaining risks even with this strategy:

- **Commissioner insists on full 60-day review despite pre-engagement.** Mitigation: formal written request for expedited review; legislative delegation support.
- **RSU Board chair delays committee formation to the full 30 days.** Mitigation: none within the 30-day window (the chair is compliant). If the chair exceeds 30 days, Commissioner intervention under §1466(18) and mandamus are available. The revised critical path budgets the full 30 days.
- **Committee's 4th member (Pownal RSU Board representative) is obstructive.** Mitigation: 3-1 majority; committee decisions do not require unanimity.
- **Political challenge: voter turnout at final referendum.** §1466(9) requires total votes cast $\geq 50\%$ of the 2022 gubernatorial turnout. Low turnout invalidates the result even if the "yes" votes are a majority. Mitigation: schedule referendum to coincide with November general election if possible; aggressive voter mobilization.

Assessment. With the pre-draft and pre-engagement strategy, FY28 completion probability rises substantially — closer to 70–80% with immediate action. The primary remaining risk is a Commissioner who insists on maximum review timelines despite a clean submission. That risk is reduced but not eliminated by pre-engagement. The strategy does not depend on RSU 5's cooperation at any stage.

FY29 Independence (July 2028): Fallback — But PES May Not Survive

If the FY28 timeline slips, FY29 remains achievable with substantial schedule margin. However, if the RSU Board converts PES during FY28 (which §1512 does not reliably prevent — see Section 6.1), FY29 independence would begin without a K-5 building and without existing staff, fundamentally altering the model. FY29 is a viable fallback only for the *process*; it may not be a viable fallback for the *outcome* Pownal is seeking. Working backward from the November 30, 2027 deadline:

| When | Action | Statutory basis |
|----------------------------|---|--|
| Spring 2026 | Collect ~90–110 petition signatures | §1466(1)(A) ^[32] |
| May–June 2026 | Public hearing (10+ days before vote); annual town meeting or special election authorizes withdrawal and appropriates \$50K | §1466(1)(B), (1)(C), (2) ^[32] |
| June 2026 | Town clerk sends registered-mail notice to RSU 5 and Commissioner | §1466(3) ^[32] |
| July 2026 | Commissioner directs committee formation; RSU Board chair calls first meeting (within 30 days) | §1466(4)(A) ^[32] |
| July–October 2026 | Committee prepares withdrawal agreement (within 90 days; extensions available from Commissioner) | §1466(4)(A) ^[32] |
| November 2026–January 2027 | Commissioner review (within 60 days of receipt) | §1466(4)(B) ^[32] |
| February–March 2027 | Commissioner conditional approval; 20-day posted hearing notice; public hearing (RSU Board chair presides) | §1466(4)(C) ^[32] |
| April 2027 | Final agreement forwarded to Commissioner (within 30 days of hearing) | §1466(4)(C)(2) ^[32] |
| May–June 2027 | Commissioner approves; sets referendum date | §1466(5)(A) ^[32] |
| June–July 2027 | 35-day notice to town clerk | §1466(5)(B) ^[32] |

| | | |
|-------------------------|--|---------------------------------------|
| August 2027 | Public hearing (10+ days before referendum) | §1466(6)(A) ^[32] |
| September–November 2027 | Final referendum (by November 30, 2027); majority vote; turnout ≥ 50% of gubernatorial | §1466(5)(A), (7), (9) ^[32] |
| July 1, 2028 | Withdrawal effective; Pownal operates independently for FY29 | §1466(4)(A)(2) ^[32] |

This timeline has substantial margin. The Freeport precedent completed in approximately 11 months (December 2013 authorization to November 2014 referendum). ^{[33] [55]} However, if the RSU Board acts on PES conversion during FY28, this margin is irrelevant to the outcome — the building and staff would already be gone.

Interaction With RSU 5 Budget Cycle

| RSU 5 Event | Date | Withdrawal Interaction |
|---|---|---|
| FY27 budget referendum | June 2026 | Pownal votes on RSU budget while potentially authorizing withdrawal at the same town meeting |
| Superintendent's reconfiguration decision | Any Board meeting | Board could act on PES conversion at any time; §1512 does not reliably prevent grade reconfiguration that maintains some instruction at PES (Section 6.1) |
| FY28 budget development | Fall 2026 to Spring 2027 | If withdrawal committee is negotiating, budget uncertainty increases for both parties |
| EC SpEd Cohort 3 implementation | Fall 2026 (4-year-olds); FY28 (add 3-year-olds) | Already approved; operational regardless of withdrawal status |
| FY28 budget referendum | June 2027 | Pownal may vote on the FY28 RSU 5 budget while the withdrawal agreement is in Commissioner review |

The Warrant Article Question

The withdrawal authorization vote requires a specific statutory form (§1466(2)):

"Do you favor filing a petition for withdrawal with the board of directors of regional school unit [RSU 5] and with the Commissioner of Education, authorizing the withdrawal committee to expend \$[amount] and authorizing the [selectpersons] to issue notes in the name of the [Town of Pownal] or otherwise pledge the credit of the [Town of Pownal] in an amount not to exceed \$[amount] for this purpose?"

This can appear as a warrant article at Pownal's annual town meeting (typically late June) or at a special town meeting called by the selectpersons at any time under 30-A §2521. Placing it on the annual town meeting ballot aligns with the RSU 5 budget referendum timing, maximizing voter turnout and public awareness. Based on the Embden (2025) and Freeport (2013) precedents, \$50,000 is the standard authorization amount. ^[37]

^[33]

Can RSU 5 Convert PES During Withdrawal?

Yes. There is no statutory prohibition preventing the Board from acting on school reconfiguration while withdrawal is in process, and §1512 does not reliably prevent PES conversion (Section 6.1). Because Scenario 2 would continue PreK instruction at PES, the Board could frame it as a "grade reconfiguration" — an administrative decision — rather than a "school closing" requiring referendum. The MSAD #1 / Presque Isle precedent supports this interpretation. The Superintendent has stated he believes the conversion would require a Pownal referendum (^[46]), but this is an administrator's stated belief, not a legal ruling, and can change.

This is the primary strategic urgency driving the FY28 withdrawal timeline. If the RSU converts PES before withdrawal completes:

1. **Pownal loses its K-5 building.** The property transfer provisions of §1466(4)(A)(10) and §1466(19) apply to property held by the RSU at the time of withdrawal. If PES has been repurposed, recovering it becomes a negotiation over a functioning preschool facility rather than a reversion of Pownal's school.
2. **Staff disperses.** PES teachers and paraprofessionals would be reassigned to other RSU schools. Reconstituting a K-5 program requires hiring, not retention.
3. **The independence model changes.** Without a K-5 building, Pownal must either build/lease a facility or tuition K-5 students as well, fundamentally altering the financial case.

Conversely, if withdrawal is authorized before conversion occurs, §1466(4)(A)(1) requires the agreement to "provide educational services for all students of the petitioning municipality," and §1466(4)(A)(10) requires "disposition of all real and personal property." A withdrawal in progress creates both legal complexity and political pressure that make PES conversion significantly harder to execute. This is why speed matters.

Voting Threshold

For RSU municipalities (not reformulated SADs), the final referendum requires a simple majority of those voting, with total turnout equal to or exceeding 50% of the town's vote in the most recent gubernatorial election (§1466(9)). If Pownal had approximately 1,000 voters in the 2022 gubernatorial election, at least 500 must vote regardless of the yes/no outcome. If the final referendum fails with less than 45% support, a 2-year

cooling period applies before a new petition can be filed. If it fails above 45%, there is no cooling period. ^[32]

Decision Matrix

| Target | Petition Must Start | Authorization Vote By | Final Referendum By | Effective Date |
|-------------------------|-------------------------|-----------------------|--------------------------|---------------------|
| FY28 (July 2027) | March 2026 (now) | Mid-April 2026 | November 30, 2026 | July 1, 2027 |
| FY29 (July 2028) | Spring 2026 | June 2026 | November 30, 2027 | July 1, 2028 |
| FY30 (July 2029) | Spring 2027 | Summer 2027 | November 30, 2028 | July 1, 2029 |

The FY29 window is the earliest achievable and requires action in spring 2026. Missing this window delays independence by a full year to FY30.

6.10 Binding Protections for Local Schools

Regardless of the withdrawal outcome, the question of whether RSU 5's member communities can secure binding protections against school closure is important for all three towns. The mechanisms below are listed from strongest to weakest. Notably, the only mechanisms that can both be completed within the timeline where PES is at risk and prevent conversion if the Board proceeds are withdrawal (Section 6.9) and a private and special law — the latter of which requires legislative action that cannot realistically occur before the withdrawal deadline. Negotiated protections (reorganization plan amendments, interlocal agreements) require Board cooperation, face timeline constraints, and provide a cause of action (the right to sue after a breach) rather than a prevention mechanism (the power to stop conversion before it happens). These mechanisms remain valuable as structural reforms for the district, but they cannot substitute for withdrawal as a PES protection strategy.

1. Private and special law (Legislature). The Maine Legislature can pass a district-specific law prohibiting school closure without municipal consent or establishing other protections. This is the strongest mechanism: it overrides Board authority and cannot be changed by a Board vote. Precedent exists: PS Law Chapter 19 (2009) exempted three specific districts from consolidation mandates. Pownal's legislative delegation could introduce a bill establishing that no RSU 5 school may be closed without approval by referendum in the host municipality, with "closure" broadly defined to include any reconfiguration that eliminates general instruction. This approach does not require Board cooperation. ^[30]

2. Reorganization Plan amendment (voter-approved). The RSU's founding Reorganization Plan can be amended to include school protection provisions. §1461(3)(A)(13) provides a catch-all clause allowing the plan to include "such other matters as the committee may determine to be necessary." An amendment could:

- Define "school closing" broadly to include any reconfiguration that removes general K-5 instruction
- Require a supermajority (e.g., 3/4 of weighted votes plus approval by each affected town's voters) for any school closure
- Establish enrollment-based protections (no school may be closed while enrollment exceeds a specified threshold)
- Include automatic cost-sharing adjustments triggered by school closure

A plan amendment requires voter approval by referendum in each member municipality (§1502). The Board must initiate the referendum process (a majority of directors must sign the warrant). Pownal cannot force this unilaterally, but it is in the interest of all three communities to establish durable protections that prevent recurring conflict over school closures. If the Board declines to initiate an amendment, Pownal retains the option of pursuing withdrawal under §1466 (Section 6.9). Mount Desert Island RSU revised its reorganization plan through this mechanism, establishing precedent. ^[42]

3. Interlocal agreement (binding contract). Under 30-A §2203, Pownal can negotiate a binding interlocal agreement with RSU 5 that includes school preservation provisions. Key features:

- Enforceable in court under §2203(5)
- Must be filed with the Secretary of State
- Can include specific terms for school continuity, minimum enrollment triggers, cost-sharing guarantees, and consequences for breach
- The Freeport withdrawal agreement's "binding on successors" language provides a model: any provisions would survive changes in Board composition

Limitation: both parties must agree. The Board must vote to enter the agreement. If the Board is unwilling to negotiate binding protections, Pownal's alternative is to pursue withdrawal under §1466, which resolves the protection question independently.

4. §1512 as baseline (existing law). Current law already requires a host-municipality referendum for school closure, plus a 2/3 Board supermajority (§1511). The risk is the "reconfiguration" loophole: if a school is converted to a different purpose (e.g., centralized preschool center) while general instruction continues in any form, it may not constitute "closure" under the statutory definition. The Superintendent has stated on the record that he believes converting PES would require a referendum, but this has not been tested. ^{[30] [31] [46]}

Recommended approach: layered protections. No single mechanism is sufficient. The strongest strategy combines multiple layers:

| Layer | Mechanism | Strength | Requires Board Cooperation |
|-------|-----------|----------|----------------------------|
|-------|-----------|----------|----------------------------|

| | | | |
|---|-------------------------------|---------------------------------|----------------------------------|
| 1 | Private and special law | Statutory (overrides Board) | No (Legislature) |
| 2 | Reorganization Plan amendment | Voter-approved (hard to change) | Yes (Board initiates referendum) |
| 3 | Interlocal agreement | Contract (enforceable in court) | Yes (Board must agree) |
| 4 | §1512/§1511 | Existing statute | No (already in law) |

Layers 2 and 3 require Board cooperation. If the Board is willing to work toward durable protections, these mechanisms produce the strongest outcomes for the entire district. If the Board is not willing, Pownal has two independent paths: Layer 1 (private and special law) can proceed through Pownal's legislative delegation without Board involvement, and withdrawal under §1466 resolves the protection question entirely by establishing Pownal as an independent SAU with full control over PES. Both can proceed in parallel.

What "broad definition of closure" should include. Any protection that only covers outright school closure can be circumvented through creative reconfiguration (converting to a preschool center, moving grades out one at a time, reducing to PreK-only). An effective definition should cover any action that eliminates general K-5 instruction at a school building, regardless of whether the building continues to serve some other educational purpose.

Part VII: Community Engagement

7.1 The Case for Community-Integrated Planning

Every district in Maine faces the same convergence: rising costs, the LD 345 EC SpEd mandate, declining enrollment, and aging facilities. The approach taken to navigate these challenges matters as much as the outcome.

When communities are positioned as respondents to predefined administrative scenarios rather than participants in developing them, several structural problems emerge: data asymmetry creates distrust; town-level concerns are heard too late in the process; and outcomes lack the buy-in needed to survive budget referenda and sustain community investment in public education.

A community-integrated process addresses these problems by surfacing information, objections, and ideas early, producing decisions that are more durable and more defensible than those made over community objection.

7.2 Existing Community Infrastructure

RSU 5's three towns have a robust network of organizations, media outlets, and civic infrastructure that any engagement strategy should build on rather than duplicate.

Parent-teacher organizations (every school):

| School | Organization | Key Activities |
|---------|---|---|
| PES | IMPACT | Field trips, enrichment (running club, basketball, garden club, fiber arts), Lost Valley ski scholarships, Pumpkinfest, Community Day |
| DCS | DCS PTA | Ice cream social, book fairs, Treat Street, craft fair, Jogathon |
| MSS/MLS | Freeport Elementary PTC / Friends of RSU5 (shared, 501(c)(3)) | Supports both Freeport elementary schools |
| FMS | FMS Parent Organization | Junior parent nights, school support |

| | | |
|-----|---------------|-------------------------------------|
| FHS | Freeport PTSO | Concerts, fundraisers, STEM auction |
|-----|---------------|-------------------------------------|

Cross-town youth organizations:

| Organization | Towns Served | Notes |
|----------------------------------|--------------------------|--|
| Tri-Town Little League | Durham, Freeport, Pownal | Youth baseball spanning all three communities |
| Freeport United Soccer Club | Freeport, Pownal, Durham | Non-profit, fall and spring seasons |
| RSU 5 Community Programs | All three | District-run recreation and enrichment using school buildings in all towns |
| Freeport Community Services | Freeport, Pownal | Food pantry, heating assistance, community center |
| Age-Friendly Freeport and Pownal | Freeport, Pownal | Programming for older adults |

These organizations already cross town boundaries and demonstrate that the communities can cooperate when the purpose is clear and the structure is shared.

RSU 5 Board committees:

| Committee | Status | Members |
|--|---|---|
| Finance Committee | Active (standing) | Three Board representatives |
| Policy Committee | Active (standing) | Cheney, Kaikini, Savaiano |
| Strategic Communications Committee | Inactive (deferred to strategic planning) | Sink, Kaikini, Worth |
| 2024 Strategic Planning Advisory Committee | Active (advisory) | Cross-community representatives developing five-year plan |

Local media and communication channels:

| Channel | Reach | Notes |
|---------|-------|-------|
|---------|-------|-------|

| | | |
|---|-----------------|--|
| Portland Press Herald / Northern Forecaster | Regional | Primary coverage of RSU 5; superintendent columns published here |
| Times Record (Brunswick) | Regional | Secondary coverage of Freeport area |
| RSU 5 YouTube | District-wide | Board meetings livestreamed and archived |
| Front Porch Forum | All three towns | Free, moderated neighbor-to-neighbor platform |
| Facebook groups | Variable | "Save Pownal Elementary" group active; DCS PTA page; town community pages |
| Town websites | Per town | Pownal (pownalmaine.org), Durham (durhammaine.gov), Freeport (freeportmaine.com) |

Community meeting facilities:

| Facility | Town | Capacity |
|--|----------|---|
| PES (gym/multipurpose) | Pownal | Community gatherings, school events, PES Chorus holiday concert |
| Mallett Hall (historic 1886 town hall) | Pownal | DeWitt Room and upper auditorium; Select Board, elections, events |
| FHS Library | Freeport | RSU 5 Board meeting venue |
| Freeport Community Center (Bradley Room) | Freeport | 110 to 175 people; \$50/hr |
| Freeport Community Library | Freeport | 60 seated; meeting room available |
| DCS Library | Durham | PTA meetings, school events |
| Eureka Community Center | Durham | Restored 1906 Grange Hall; approximately 45 people |

PES serves as Pownal's primary civic and social gathering space. Pownal has no public library. The school is the center of community life in a way that is not replicated at any other RSU 5 school.

7.3 What 17 Years of Community Engagement Reveals

A review of 389 Board meeting minutes and 337 Finance Committee documents spanning 2009 to 2026 reveals consistent patterns that any lasting solution must address.

The cycle of conflict

The same sequence has repeated multiple times across 17 years:

1. Budget pressure emerges (rising costs, declining enrollment, mandate)
2. Restructuring proposals disproportionately affect Pownal (middle school closure 2010, PES staffing reductions 2015, PES conversion 2026)
3. Pownal mobilizes (public comment, petitions, community organizing)
4. The decision is adopted without Pownal's support or deferred without resolution
5. Underlying structural issues (shared understanding of cost equity, governance representation, communication gaps) remain unaddressed
6. Trust erodes further; the next cycle starts from a lower baseline

Breaking this cycle requires addressing the structural causes, not just the symptoms that trigger each round of conflict. Notably, the cost-sharing formula has been framed as the core structural issue, but the total-contribution data (Section 5.1) shows that the system is already near-proportional when state aid is included. The deeper structural issue may be the absence of a shared understanding of how the funding system actually works.

Where consensus has been achieved

Despite the persistent cost-sharing dispute, the communities have found genuine common ground in several areas:

Educational quality. Curriculum decisions, strategic planning, and student outcomes have consistently achieved Board consensus. The RSU 5 strategic plan was adopted unanimously in 2019 after a multi-stakeholder process. Strategic Goal 1 ("All RSU 5 students experience a joyful learning climate that is safe, nurturing, and fosters curiosity") was developed collaboratively. The question "Is it good for kids?" has been used as a closing principle by the Finance Committee. (*FC minutes, 2015-10-14*)

Facilities planning. The Facilities Committee conducts joint walk-throughs of every school in every town, treating all buildings as part of one system. Capital plans have been updated annually since 2010 with cross-school prioritization. Major projects (FHS renovation, solar feasibility study, life-safety upgrades) have

proceeded with broad support. (*FC minutes, 2011-10-12; 2018-11-14*)

Shared services. Practical cooperation has succeeded where ideological disagreements persist. Examples include the shared groundskeeper position between RSU 5 and the Town of Freeport (50/50 cost split), the solar partnership study encompassing all three towns' buildings, and the RSU 5 Community Programs serving all communities. (*FC minutes, 2018-09-12; 2018-11-14*)

The 2019 Finance Committee consensus. After two years of deliberation including meetings with all three towns' leadership, the FC reached a unanimous recommendation on cost-sharing reform. This proves that consensus is achievable even on the most contentious issue, when the process is thorough and inclusive. The recommendation failed at the Board level (Section 5.6), but the FC's process itself succeeded. (*FC presentation, 2019-10-23*)

Where engagement has broken down

Public participation is reactive, not proactive. The three largest public comment turnouts in the RSU's 17-year history were all in response to perceived threats: the April 2010 Pownal middle school closure (~29 speakers, ~19 from Pownal), the April 2009 first RSU budget (~23 speakers, 14 from Pownal), and the February 2026 PES reconfiguration (17 Pownal residents). No comparable turnout has ever occurred in support of a shared vision or proactive planning. Budget referenda consistently pass with low turnout and persistent inter-town opposition (Pownal did not approve a single RSU 5 budget until FY20, a decade after formation). Community energy mobilizes to oppose, not to build.

Town identities override district identity. Board votes on cost sharing and school configuration consistently split along town lines. The weighted voting system amplifies this dynamic. Despite the mission statement's aspiration that "our community supports the concept that each individual bears responsibility to the success of our mission," the practical reality is that each town's representatives advocate for town-level interests.

Communication is episodic, not ongoing. RSU 5 has conducted at least 10 major surveys since 2009, held community budget meetings, and published budget brochures. But these efforts are tied to specific budget cycles or crises rather than sustained year-round. The Strategic Communications Committee has been inactive since the current strategic planning process began.

The budget feedback loop is broken in both directions. The annual budget process illustrates the communication failure at its most consequential. The Superintendent develops a proposed budget internally (September through February), makes Tier 1 and Tier 2 cuts based on administrative judgment about what the community will tolerate (Section 1.2), and presents a near-final number to the Board in March. The Board deliberates and adopts a budget. The community's only structured input is the Annual Budget Meeting in May (where articles are discussed) and the referendum in June (a binary yes/no on the finished product). If the referendum fails, the cycle restarts under compressed timelines and heightened frustration.

This creates two failures. First, *downward*: residents receive a total budget number and a percentage increase but have no accessible explanation of what is driving the increase or where genuine discretion exists. The FY27 budget grew \$2.9M (6.53%). Of that increase, how much is contractual salary obligations? How much

is health insurance (which has been rising 10-17% annually statewide)? How much is SpEd caseload growth? How much reflects policy choices the Board could have made differently? Without this decomposition, a resident cannot distinguish a 6.5% increase from an 8% increase on the merits. The Community Budget Brochure initiative (Strategic Communications Committee, 2023-2024) was designed to address this gap, but it was a one-time effort tied to a single budget cycle and has not been sustained.

Second, *upward*: the Board and Superintendent have no structured mechanism for gauging community appetite for spending levels early enough to shape the budget responsively. By March, Tier 1 and Tier 2 cuts have already been made. The administration's judgment about what the community will accept is informed by past referendum outcomes and general sentiment, not by direct input on current-year priorities and constraints. The FY25 budget failed on first referendum and required revision, a costly and disruptive process that reflects the absence of early feedback, not a failure of the final product.

A draft Request for Qualifications (RFQ) for the facilities study, expected to be published on the [RSU 5 website](#) in spring 2026, proposes assigning 25% of the evaluation criteria to "Community Engagement Strategy: Quality of plan for Freeport, Durham, and Pownal outreach." The district recognizes the value of structured community engagement for a \$100K facilities study. The annual operating budget, at \$47M and growing, has a far larger impact on every resident and receives no comparable engagement infrastructure.

The shared values that already exist

Buried within the minutes archive are expressions of shared purpose that are rarely surfaced publicly:

The RSU 5 mission (adopted 2010): "To provide our students with a world-class education that will challenge minds, engage creativity, develop self-discipline, and advance inherent strengths."

The RSU 5 vision (adopted 2010): "Our community supports the concept that each individual, be they student, educator, parent, or community member, bears responsibility to the success of our mission."

The fairness framework (developed 2018 to 2019 by the Finance Committee): Any cost-sharing method should be Transparent, Variable (adjusting to changing conditions), Fair, and Not Overly Burdensome to any individual town.

The FC's perspective on identity (2019): "The Finance Committee sees the RSU taxpayer, not individual towns, when assessing impact, though undeniably it must acknowledge the three municipalities when it comes time to issue the warrants to raise local revenue." (*FC fairness assessment, 2019-11-06*)

These are not aspirational slogans. They are statements that real Board members and committee chairs articulated during contentious debates. They represent genuine shared ground.

7.4 Building a Lasting Resolution

The 17-year cycle will not end by finding the right answer to any single question (formula, school configuration, budget level). It will end when the communities establish a shared understanding of what they are building together and a structure that prevents unresolved grievances from compounding.

Why previous resolutions failed to last

1. **The formula was never actually reformed.** The FC reached consensus four times (2019, 2020, 2023, 2024); the Board never acted. Each deferral increased cynicism about the process.
2. **Decisions were made for towns, not with them.** Pownal's middle school closure (2010) passed 7 to 4 on weighted votes. The current PES reconfiguration proposal was presented as an administrative scenario, not a community-developed option.
3. **Short-term fixes created long-term distrust.** Reducing PES principal to half-time (2010), then restoring it as a "third-tier priority" (2015), then cutting staffing again (2024 to 2026) signals that Pownal's school is always the adjustment variable.
4. **No shared metric of success exists.** Without agreed-upon criteria for evaluating outcomes, every budget cycle restarts the debate from scratch.

What a lasting resolution requires

A shared understanding of cost-sharing equity. The cost-sharing debate has recurred in every budget cycle because the two sides use different metrics: ALM-only analysis (which shows large disparities) vs. total-contribution analysis including state aid (which shows near-proportional results). As long as neither side acknowledges the other's framing, the dispute will persist. A lasting resolution requires that all parties agree on a common baseline for measuring fairness. The total-contribution data (Section 5.1) should be publicly presented alongside ALM data so that the community can evaluate both perspectives with full information. If, after reviewing the complete picture, communities still prefer a formula adjustment, the 85/15 + Path A combination (Section 2.6) is the only scenario where all three towns see net assessment decreases.

A permanent community engagement structure. The proposed Strategic Planning Council (Section 7.5) should not be a one-time advisory committee. It should become a standing body that meets quarterly, reviews budget and enrollment data, receives community input, and provides recommendations to the Board on an ongoing basis. Past advisory committees (Durham Advisory Committee 2014, Pownal Advisory Committee 2014, Strategic Plan Advisory Committee 2017) dissolved after delivering their reports, and their work did not carry forward.

Shared metrics and transparent data. The RSU 5 analysis workbooks (FY22 through FY29) provide a model for transparent, verifiable data. Making this data publicly accessible, with annual updates, ensures that all participants in the conversation work from the same facts. The Community Budget Brochure initiative (developed by the Strategic Communications Committee in 2023 to 2024) is a step in the right direction but should become a permanent, annually updated publication.

A budget transparency cycle that closes the feedback loop. The current budget process runs almost entirely inside the administration and Board from September through March, with community input limited to a near-final vote in May/June (Section 7.3). Closing the feedback loop requires two additions to the annual cycle:

Fall community budget forums (October-November). Before the Superintendent begins building the budget, the district holds public forums in each town that explain the structural cost landscape: what percentage of the budget is contractual salary obligations, what health insurance trends are doing statewide, what SpEd caseload growth looks like, what mandates are arriving, and what the realistic range of total increase is before any discretionary choices are made. The goal is not to set the budget number by popular vote, but to ensure that residents understand the cost drivers and can express priorities: where do they want the district to invest, and where do they want the administration to look hardest for savings? This input reaches the Superintendent *before* Tier 1 and Tier 2 cut decisions are made.

Pre-adoption budget explainer (March-April). After the Board adopts a budget, the district publishes a plain-language decomposition of the increase: X% is health insurance, Y% is contractual salary steps, Z% is enrollment-driven staffing, W% is the EC SpEd mandate, and the remaining portion reflects discretionary choices and their rationale. This gives residents the information they need to cast an informed vote at referendum, rather than reacting to a single percentage without context.

The RSU's draft RFQ for the facilities study proposes assigning 25% of the evaluation criteria to community engagement quality. Applying the same standard to the annual operating budget -- a \$47M decision that affects every household in three towns -- is a reasonable and achievable expectation.

Regular cross-town forums. The Finance Committee's 2018 town leadership meetings (held in April and June with leaders from all three towns) produced the most productive inter-town dialogue in the RSU's history, leading to the unanimous 2019 recommendation. This format should be institutionalized: semi-annual meetings between the Board, town select boards/council, and community representatives, held in rotating locations across all three towns.

Concrete outreach strategy

Building on existing infrastructure rather than creating new channels:

| Audience | Channel | Action |
|-----------------------|--|--|
| Parents (all schools) | IMPACT, DCS PTA, Freeport PTC, FMS PO, FHS PTSO | Quarterly presentations on budget status and planning process; invite PTO leaders to Council meetings |
| Families across towns | Tri-Town Little League, Freeport United Soccer, RSU 5 Community Programs | Distribute information at cross-town events; informal outreach to families who already cooperate across town lines |
| General public | Front Porch Forum, town websites, Press Herald/Forecaster | Monthly brief updates on planning progress; guest columns |

| | | |
|-------------------|--|--|
| Engaged citizens | Town select boards/councils, budget committees | Semi-annual joint forums (rotating: Mallett Hall, FHS Library, DCS) |
| Broader community | RSU 5 YouTube, Facebook, change.org petition signers | Livestream all Council meetings; publish all data and draft recommendations online |
| Educators | School faculty, staff listening sessions | Staff input sessions at each school (Superintendent Gray initiated this format in fall 2025) |

The goal is not to persuade. It is to ensure that every resident of Durham, Freeport, and Pownal has access to the same information, understands the trade-offs, and has a genuine opportunity to shape the outcome before decisions are made.

7.5 Proposed Strategic Planning Council

Composition:

- 2 community members from each town (6 total), selected through an open application process with Board confirmation
- The Superintendent (ex officio)
- 1 Board member (rotating, non-voting liaison)
- The Business Manager (ex officio, for data access)
- An independent facilitator (contracted, not a district employee)

Mandate (four deliverables):

1. **Shared data foundation.** All budget, enrollment, staffing, facilities, and tax data compiled in a single, open resource accessible to all participants and the public.
2. **Scenario development.** The Council develops and evaluates restructuring scenarios; including those already proposed and any additional scenarios that emerge from community input. Each scenario is modeled against shared criteria.
3. **Equity impact assessment.** Every scenario evaluated on its impact on each town's tax burden, property values, staffing, enrollment, and community.
4. **Recommendation to the Board.** The Council presents a recommended path (or ranked options) with full documentation and any minority views. The Board retains final authority.

7.6 Evaluation Criteria for Restructuring Decisions

Any restructuring scenario should be assessed against a shared framework:

| Criterion | Weight | Measured By |
|--------------------------------|----------|---|
| Net financial impact (annual) | High | Dollar savings/costs, fully loaded |
| EC SpEd mandate compliance | Required | LRE ratios, FAPE coverage, facility standards |
| Enrollment stability | High | Projected enrollment, attrition risk |
| Tax equity across towns | Medium | Per-student local tax burden, formula impact |
| Staffing equity across schools | Medium | FTE per student, DOE staffing trends |
| Transportation impact | Medium | Route count, ride times, cost |
| Community impact | Medium | Property values, school identity, reversibility |
| Political feasibility | Medium | Multi-town support, referendum risk |
| Programmatic quality | High | Class sizes, course offerings, transition quality |

7.7 Proposed Timeline

| When | Action |
|------------------|---|
| April 2026 | Board establishes Council; open application process |
| May 2026 | Council convenes; facilitator engaged; shared data created |
| June–August 2026 | Data gathering, community forums in each town, scenario development |

| | |
|----------------------------|--|
| December 2026–January 2027 | Master plan results delivered and integrated (December 2026 target per draft RFQ); scenarios evaluated alongside consultant's alternative configurations |
| November–December 2026 | Council deliberation; draft recommendation |
| January 2027 | Recommendation presented to Board |
| February–March 2027 | Board deliberation; FY28 budget developed |
| May–June 2027 | FY28 budget goes to voters |

Part VIII: Historical Context

8.1 Formation and Immediate Conflict (2009–2010)

RSU 5 was formed on July 1, 2009, consolidating the school districts of Freeport, Durham, and Pownal. Cost-sharing concerns emerged before the RSU officially opened.

April 15, 2009: At one of the final pre-RSU board meetings, Pownal resident Scott Kaplan stated he "believes consolidation in this manner will not work" and suggested an AOS instead. Multiple board members and citizens expressed concern about the tax impact on Pownal. The minutes record that "legal council is reviewing the option of changing the cost sharing formula through a referendum." (*Minutes: 2009-04-15*)

June 25, 2009: The first RSU 5 budget (\$23.5M) was rejected by 79 votes. Pownal voted 382–34 against (11:1 ratio). Durham voted 209–69 against. Freeport approved 479–70. Pownal faced a 26% property tax increase. ^[47]

A revised budget passed in a subsequent referendum (1,058–786), but Pownal (58–343) and Durham (117–330) again voted overwhelmingly against. Freeport's 883–113 approval carried it. ^[48]

March 2010: Nine months after the RSU's first budget failed, the Superintendent proposed eliminating Pownal's middle school program (36 students) to save \$185,000. ^[49]

April 2010: Pownal residents mobilized. Thirty-five of 54 survey respondents opposed closure. No one spoke in favor. PES Principal Peter Buckley: "The school is the center of a vibrant community." Resident Tom Hall: "Will Pownal always be the center of the cost savings efforts on the part of this board?" ^[50]

April 28, 2010: The Board voted on a phased motion to eliminate the middle school program. It passed 7–4 (686–312 weighted votes). Transportation was capped at \$5,000. (*Minutes: 2010-04-28*)

Fall 2010: Pownal Middle School closed. The classrooms became a district-wide special education program. PES became K-5. The principal position was reduced to half-time. ^[51]

8.2 Budget Conflicts and the Freeport Withdrawal (2011–2015)

From 2009 through at least 2015, Pownal and Durham voted against every RSU 5 budget at referendum, while Freeport consistently approved:

| Year | Pownal Vote | Durham Vote | Freeport Vote | Result |
|-------------------------|-------------|-------------|---------------|----------|
| FY10 (Jun 2009) | 382–34 No | 209–69 No | 479–70 Yes | Rejected |
| FY10 revised (Jul 2009) | 343–58 No | 330–117 No | 883–113 Yes | Passed |

| | | | | |
|-----------------|-------------------|------------------|-----------------|--------|
| FY11–FY14 | No (each year) | No (each year) | Yes (each year) | Passed |
| FY16 (Jun 2015) | 204–117 No | 376–142 No | 917–378 Yes | Passed |
| FY20 (Jun 2019) | 135–96 Yes | 85–72 Yes | 333–98 Yes | Passed |

FY20 was the first time Pownal approved an RSU 5 budget, a full decade after formation. ^[52] ^[54]

December 2013: Freeport voted 953–768 to begin withdrawal from RSU 5. Proponents argued "promised financial savings had not materialized." Pownal and Durham's combined 9-out-of-10 budget rejections were cited as evidence the RSU was not working for any town. ^[53] ^[55]

November 2014: Freeport withdrawal referendum failed by 76 votes (2,152–2,228). A complete withdrawal agreement had been negotiated. ^[55] ^[33]

2015: PES principal position increased from half-time to full-time, classified as a "reasonable" (third-tier) budget priority, below "critical" or "necessary." Nursing hours and teaching support at PES were also added, with the note that PES "needed additional staffing." ^[57]

8.3 The Cost-Sharing Formula Debates (2009–2024)

Cost-sharing concerns have persisted for the entire 17-year history of RSU 5. The current formula uses fixed ALM percentages from the 2008 Reorganization Plan (Durham 21.42%, Freeport 65.98%, Pownal 12.60%), frozen at each town's pre-consolidation share. [^FC1]

| Date | Event | Source |
|----------|--|---------------------|
| Apr 2009 | Legal counsel reviewing cost-sharing formula before RSU opens | Minutes: 2009-04-15 |
| Apr 2012 | Per-pupil expenditure report discussed; \$11,037 cited | Minutes: 2012-04-25 |
| Jun 2012 | Board member Dube requests Finance Committee review formula impact | Minutes: 2012-06-13 |
| Mar 2013 | Pownal faces 6.20% mil rate increase vs. Freeport's 1.69% | Minutes: 2013-03-26 |
| Dec 2017 | "RSU 5 Cost Sharing Formula" discussed with legal counsel | Minutes: 2017-12-13 |

| | | |
|-------------------|--|-----------------------------|
| Jan 2018 | Board instructs Finance Committee to evaluate cost-sharing method | [^FC1] |
| Mar 2018 | Board votes: any formula change will be by Board vote, not referendum | [^FC1] |
| Apr–Jun 2018 | FC meets with town leadership from each municipality; solicits input | [^FC1] |
| Aug 2018 | Freeport Town Council letter identifies two concerns: Mil Expectation overcharges Freeport's RLC, and Min. Spec. Ed. Adj. not applied 100% to Freeport | [^FC1] |
| Dec 2018–Jun 2019 | FC fact-finding phase; researches other RSU formulas, legal framework | [^FC1] |
| Jun 2019 | FC unanimously recommends 85% valuation / 15% pupil count dynamic formula | [^FC1] |
| Oct 2019 | FC methodology presented at Board meeting (PES); pros/cons of alternatives | [^FC1] |
| Nov 2019 | FC presents fairness assessment: total contribution tracks pupil count under current method; Board motion to adopt 60/40 alternative; fails | [^FC5]; Minutes: 2019-11-06 |
| Feb 2020 | Board presented with three options (maintain current, 85/15, 60/40); no action taken | [^FC3] |
| Mar 2020 | Board votes 7–4 to discuss hiring cost-sharing consultant | Minutes: 2020-03-25 |
| Feb 2023 | Suzan Beaudoin presents cost sharing analysis; recommends blended formula phased over 3–5 years | [^FC2] |

Jan 2024

FC presents updated cost sharing scenarios to Board with FY24 data; models 6 formula alternatives (25/75 through 50/50 pupil/valuation)

[^FC4]

Under all alternatives modeled by the FC and its consultant; from 25/75 to 50/50 pupil/valuation. Pownal's ALM share would decrease from 12.60% to approximately 10.5–11.0%. The static 2008 percentages persist unchanged. [^FC1] [^FC2] ^[42]

8.4 The 2026 Reconfiguration Proposal

February 11, 2026: Superintendent presents "Planning for the Future of RSU 5," a 20-slide restructuring proposal covering three scenarios: Scenario 1 (status quo), Scenario 2 (PES becomes a centralized preschool center; Pownal K-6 to DCS), and Scenario 3 (PES becomes a district-wide 6th grade school; Pownal K-5 to DCS). The presentation frames the discussion around four lenses (Early Childhood, Middle School Equity, Financial Sustainability, Community Identity) but provides no financial modeling for any scenario. Meeting ran until 10:16 PM. The presentation was not made public at the time. ^[10] ^[76]

February 25, 2026: Board unanimously approves spending \$100,000 from capital reserves for a facilities study. Seventeen Pownal residents speak during public comment, the largest Pownal turnout in the entire 17-year minutes archive. (*Minutes: 2026-02-25*)

March 10, 2026: At the Durham Select Board meeting, Superintendent Gray states he believes the grade changes would constitute a school closure requiring a Pownal town vote. ^[46]

March 12, 2026: Portland Press Herald reports on the proposal. Online petition opposing the dissolution has gathered 1,000+ signatures. ^[58]

March 23, 2026: Superintendent Gray presents the restructuring proposal to the Pownal Select Board. The presentation becomes publicly available when posted to the Select Board agenda. ^[76] The agenda also includes a draft letter from the Select Board to Superintendent Gray (pending approval) that formally contests the "repurposing" characterization as "school closing" and initiates FOAA requests for financial data needed to evaluate withdrawal under §1466. ^[77]

The presentation's emphasis on community engagement as a primary decision lens (Slide 8: "Each school is an expression of community identity and history"; Slide 16: "How shall we engage the community, ALL communities?") is difficult to reconcile with the 17-year pattern documented in Section 7.3, in which Pownal's unified community input has not altered a Board outcome on restructuring or cost-sharing decisions.

Appendices

Appendix A: Data Sources and Methodology

All figures are derived from the RSU 5 per-FY analysis workbooks:

- **FY27 workbook** (FY27/RSU5_FY27.xlsx): 37 sheets including parsed source data (blue P- tabs) and the full analytical model (amber I- and green C- tabs) with 45 footnoted source citations.
- **FY28 projection workbook** (FY28/RSU5_FY28_Projection.xlsx): 30 sheets including PES preservation analysis (C-PESPreservation), FY28 projection (C-FY28Projection), path comparison (C-FY28Paths), risk model (C-RiskModel), independence analysis (C-Independence), legal assessment (C-LegalAnalysis), equity analysis (C-Equity), and DOE staffing trends (C-DOEStaffing).
- **Historical FY workbooks** (FY22–FY26): Each contains independently parsed and verified budget data.

Every formula is traceable to its source. Users can test different assumptions by adjusting input cells.

Verification methodology: All computed totals are reconciled against RSU-stated figures. See RECONCILIATION.md for the detailed verification process.

PES budget data: FY19 actuals from FY22 Budget Worksheet; FY20–FY22 actuals from FY24 Budget Articles; FY23–FY25 actuals and FY26–FY27 adopted/proposed from FY27 Budget Articles. Enrollment from October 1 official headcounts (Superintendent Handbooks). RSU total budget history from FY24 Board Adopted Handbook. All values cross-verified across overlapping documents. ^[59]

Appendix B: Full Citation Index

Notes: Footnotes 11 and 23 are unused in the current numbering sequence. All URLs were verified as of March 2026.

^[1]: FY27 Budget Handbook, RSU 5 Superintendent's Office, pp.3–4 (02/11/2026). "Projected Enrollment 2026–2027" and Teacher/Class Size table.

^[2]: FY27 Superintendent's Proposed Budget Articles, 89-page line-item detail (02/11/2026). URL: <https://resources.finalsite.net/images/v1770852540/rsu5org/spzuwjskm8vh3t9bjck8/2026-2027SuperintendentsRecommendedB>

^[3]: FY27 Budget Handbook, RSU 5, Budget Impact Summary pp.9–10 (02/11/2026). URL: <https://resources.finalsite.net/images/v1770852522/rsu5org/ytm49nnwpbrzi4oiwg4i/FY27BUDGETHANDBOOK02112026.pdf>

^[4]: Pownal FY26 Real Estate Tax Commitment Book, committed 07/29/2025, rate \$15.300/thousand. Source: Town of Pownal Assessor.

^[5]: Freeport FY26 tax rate \$13.85/thousand at 100% assessment ratio, committed 09/15/2025. Source: Freeport Assessor.

^[6]: Freeport FY25 Budget Presentation, Proposed Tax Changes table. URL: <https://www.freeportmaine.com/DocumentCenter/View/2711/FY-25-Budget-Presentation>

^[7]: Durham FY26 tax rate \$33.58/thousand at ~53% assessment ratio, committed 08/12/2025. Source: Durham Assessor.

^[8]: Maine DOE FY25–26 Warrant Article F: Education Subsidy Information for Property Tax Bill (09/09/2025). URL: <https://www.maine.gov/doe/sites/maine.gov.do/files/inline-files/School%20Finance%20-%20FY25-26%20Warrant%20Article>

^[9]: FY26 Adopted Budget, RSU 5, \$44,455,929 total. Approved by voters 06/10/2025 (817 Yes, 494 No). Source: <https://www.rsu5.org/budget/fy26>

^[10]: RSU 5 Planning for the Future presentation (02/11/2026). URL: <https://resources.finalsite.net/images/v1770852531/rsu5org/vfrsu75oj4ebaxvsbcwc/PlanningfortheFutureofRSU5.pdf>

^[12]: Pownal tax breakdown (RSU 58.4%, County 3.3%, Town 38.3%) from Pownal municipal records, FY26.

^[13]: Census/ACS population estimates: Pownal 1,590; Durham 4,339; Freeport 8,771. Sources: censusreporter.org, maine-demographics.com (2023 est.)

^[14]: Maine CDC vital statistics / CDC WONDER. Cumberland County birth rate ~9.5/1,000; Androscoggin County similar.

^[15]: Maine DOE Public Pre-K Guidebook (01/21/2025). Chapter 124: max 16 students/classroom, 1:8 staff ratio. URL: <https://www.maine.gov/doe/sites/maine.gov.do/files/inline-files/Early%20Learning%20-%20Public%20Pre%20K%20Guidebo>

^[16]: Pownal is in Cumberland County; Durham is in Androscoggin County; Freeport is in Cumberland County.

^[17]: Portland Press Herald, 10/02/2025: "Freeport-area schools begin planning for new early childhood responsibilities." By July 1, 2028, districts assume CDS responsibilities for FAPE ages 3–5. URL: <https://www.pressherald.com/2025/10/02/freeport-area-schools-begin-planning-for-new-early-childhood-responsibilities/>

^[18]: RSU 5 Early Childhood Transition Task Force membership and meeting schedule. URL: <https://www.rsu5.org/quick-links/early-childhood-planning-cds>

^[19]: RSU 5 Service Model Options PK3, presented at Dec 18, 2025 Task Force meeting. URL: <https://www.rsu5.org/fs/resource-manager/view/da1426f4-8cc1-4b09-bd89-477da9c623ed>

^[20]: Research on school consolidation and property values: Duncombe & Yinger (2010), Syracuse University CPR; EdWorkingPapers #22-530 (Arkansas, 2022). Findings: 5–15% property value decline in high-income areas post-closure.

^[21]: Maine Chapter 124 Section 9. School Facilities for Public Preschool Programs. 35 sq ft/child, toilets within 40 feet, water source in classroom, natural light required. URL: <https://regulations.justia.com/states/maine/05/071/chapter-124/section-071-124-9/>

^[22]: Driving distances estimated from Google Maps between PES (587 Elmwood Rd, Pownal ME), DCS (654 Hallowell Rd, Durham ME), MSS (17 West St, Freeport ME).

^[24]: Patriquin Architects, "Checklist for Early Childhood Conversion Projects." URL: <https://www.patriquinarchitects.com/checklist-for-early-childhood-conversion-projects/>

^[25]: FY27 Superintendent's Proposed Budget Handbook (Revised 02/11/2026). Total operating budget \$47,357,441. URL: <https://www.rsu5.org/fs/resource-manager/view/78dce71e-a8e6-4435-b33f-9746e8541a3a>

^[26]: Superintendent Tom Gray, "A message to the Freeport-area schools community about the FY 2027 budget," Portland Press Herald, 02/04/2026. Confirms three budget approaches. URL: <https://www.pressherald.com/2026/02/04/a-message-to-the-freeport-area-schools-community-about-the-fy-2027-budget-column>

^[27]: U.S. Census Bureau, American Community Survey 5-Year Estimates (2019–2023), Table DP04. Pownal CDP, Cumberland County, ME: ~636 housing units, median home value ~\$340,000. Source: data.census.gov

^[28]: Maine Revised Statutes, Title 20-A, Chapter 103: School Administrative Units. Sections 1461–1466 govern school closure procedures. URL: <https://legislature.maine.gov/statutes/20-A/title20-Ach103.pdf>

^[29]: Title 20-A §4102: Closing of a school building. Specifies three conditions (replacement, condemnation, lack of need) and voter approval requirements. URL: <https://www.mainelegislature.org/legis/statutes/20-A/title20-Asec4102.html>

^[30]: Title 20-A §1512: Closing school in RSU. Subsection 4 defines "school closing" as "any action...that has the effect of providing no instruction for any students at that school." Municipal referendum required. URL: <https://legislature.maine.gov/legis/statutes/20-A/title20-Asec1512.html>

^[31]: Title 20-A §1511: Supermajority vote to close school in RSU. Requires 2/3 of elected Board membership. URL: <https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec1511.html>

^[32]: Title 20-A §1466: Withdrawal of a single municipality from a regional school unit. 22-step process; 30-month eligibility; 10% petition; Nov 30 referendum deadline. URL: <https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec1466.html>

^[33]: RSU 5 Freeport Withdrawal Agreement (April 4, 2014). Section 12: "All real property and fixtures that the Town of Freeport deeded to RSU 5 upon creation of the RSU will be deeded back." Vote failed 2,152–2,228. URL: <https://resources.finalsite.net/images/v1657657653/rsu5org/a3niwxub5ppkhdhbiflk/fwcrevisedplan4-4-14.pdf>

^[34]: Portland Press Herald, 06/24/2009: "Freeport school properties turned over to RSU 5." All three towns deeded school properties to RSU 5 upon formation.

^[35]: Maine DOE Withdrawal List: 43 municipalities have successfully withdrawn from RSUs/SADs since 2012, spanning 15 different districts. URL: <https://www.maine.gov/doe/schools/structure/withdrawal/list>

^[36]: Maine DOE Public School Secondary Tuition Rates (12/16/2024). State average secondary tuition: \$14,080.88. URL: <https://www.maine.gov/doe/funding/reports/tuition>

^[37]: The Maine Monitor, 05/31/2025: "What does it mean to withdraw from a Maine school district?" 22-step process explainer. URL: <https://themainemonitor.org/school-district-withdrawal-explainer/>

^[38]: Portland Press Herald, 02/25/2026: "SAD 75 abandons option to close Harpswell's only public school." Community opposition led district to drop all closure options.

^[39]: WAGM, 02/09/2026: "MSAD #1 Plans Grade Reconfiguration for Next Year." Pine Street Elementary converted to PreK–Gr1 as "grade reconfiguration."

^[40]: Title 20-A §4104: Proceeds from sale of school building. Properties transferred by member towns remain subject to ownership/disposition rules. URL: <https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec4104.html>

^[41]: Portland Press Herald, 10/29/2019: "RSU 5 looks at new cost-sharing formula." Finance Committee proposed 85% valuation / 15% enrollment for ALM. URL: <https://www.pressherald.com/2019/10/29/rsu-5-looks-at-new-cost-sharing-formula/>

^[42]: Title 20-A §1481-A: Finances. RSU cost-sharing for additional operating costs. Subsection 3 permits alternate formulas. URL: <https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec1481-A.html>

^[43]: Pownal 2025 Annual Report, Financial Audit for Year Ending June 30, 2024. Education expenditure: \$3,427,607 (FY24 RSU 5 assessment). URL: https://www.pownalmaine.org/uploads/dm/3487/2025_Annual_Report

^[44]: RSU 5 FY26 Q&A Budget Document (revised 03/19/2025). Total FY26 taxation = \$35,600,800. URL: <https://www.rsu5.org/fs/resource-manager/view/86633cc3-a30d-4151-aaea-a35ff03d6803>

^[45]: Maine DOE NEO Staff Historical Data (Dec 1, 2015–2025). Dataset: StaffHistoricalDec1, SAUOrgId=1449. Public data request fulfilled by Maine DOE Data Team (03/09/2026). DOE Helpdesk Issue #66636.

^[46]: Durham Select Board Meeting, March 10, 2026 (6:00–48:00). Superintendent Tom Gray stated he believes the grade changes contemplated for PES would constitute a school closure requiring a specific vote from the Town of Pownal. This is the Superintendent's expressed belief, not a legal determination.

^[47]: Portland Press Herald, June 26, 2009: "RSU 5 budget fails by 79 votes as Pownal, Durham voters balk." Pownal voted 382–34 against; Durham 209–69 against; Freeport 479–70 in favor. Pownal faced a 26% tax increase.

^[48]: RSU 5 Budget 2009-2010 page (rsu5.org). Revised budget passed July 28, 2009: Freeport 883–113 Yes, Durham 117–330 No, Pownal 58–343 No. Overall: 1,058–786.

^[49]: Portland Press Herald, March 31, 2010: "Pownal program could be cut to save \$185K in RSU 5." Superintendent Welsh proposed moving 36 middle school students to Freeport or Durham.

^[50]: Portland Press Herald, April 7, 2010: "Pownal residents mobilize to keep Middle School open." Principal Buckley: "The school is the center of a vibrant community." Resident Tom Hall: "Will Pownal always be the center of the cost savings efforts on the part of this board?"

^[51]: Portland Press Herald, August 18, 2010: "RSU 5 boasts new school in Durham, new program in Pownal." Middle school students moved to Freeport/Durham; classrooms converted to special education program.

^[52]: RSU 5 Budget 2019-2020 page (rsu5.org). FY20 budget passed June 11, 2019: Pownal 135–96 Yes, Durham 85–72 Yes, Freeport 333–98 Yes.

^[53]: Sun Journal / Forecaster, December 18, 2013: "Freeport votes to withdraw from RSU 5." Freeport voted 953–768 to begin withdrawal.

^[54]: Sun Journal, June 10, 2015: "RSU 5 budget approved despite Durham, Pownal no votes." FY16: Pownal 117–204 No; Durham 142–376 No; Freeport 917–378 Yes.

^[55]: Sun Journal / Forecaster, December 2013 and November 2014. Freeport withdrawal referendum failed by 76 votes (2,152–2,228).

^[56]: Portland Press Herald, May 21, 2014: "Spending decisions for RSU 5." FY15 budget: \$27.3M (5% increase). "Hits hardest Durham and Pownal residents."

^[57]: Portland Press Herald, May 5, 2015: "RSU 5 board adds more time for public budget input." PES principal increase from half-time to full-time classified as "reasonable" (third-tier) priority.

^[58]: Portland Press Herald, March 12, 2026: "Under budget challenges, Pownal Elementary School could be repurposed." Online petition with 1,000+ signatures opposing the dissolution.

^[59]: PES budget data by article and fiscal year: FY19 actuals from FY22 Budget Worksheet; FY20–FY22 actuals from FY24 Budget Articles; FY23–FY25 actuals and FY26–FY27 from FY27 Budget Articles. Enrollment from Superintendent Handbooks (FY22, FY24, FY27). RSU total budget from FY24 Board Adopted Handbook. All values cross-verified.

[^FC1]: RSU 5 Finance Committee, "RSU5 Cost Sharing Method" presentation (10/23/2019). Includes timeline, fact-finding summary, evaluation criteria, and unanimous recommendation for 85% valuation / 15% pupil count dynamic formula. URL: <https://www.rsu5.org/fs/resource-manager/view/e796d782-3cd9-40a5-a469-170f4012f863>

[^FC2]: Suzan Beaudoin Consulting LLC, "RSU #05 Cost Sharing" analysis (02/08/2023, presented to Board 01/10/2024). Comprehensive review of EPS funding, RSU 5 formula components, historical trends, and recommended formula reform with 3-5 year phase-in. URL: <https://www.rsu5.org/fs/resource-manager/view/9b729fe8-4714-4151-9089-b2685143d291>

[^FC3]: RSU 5 Finance Committee, "RSU5 Cost Sharing Methodology Options" (02/12/2020). Three options presented: maintain current (static), 85/15 (FC recommendation), 60/40 (Board alternative). URL: <https://www.rsu5.org/fs/resource-manager/view/5d81442a-a346-4818-bea7-1ec6ef1879de>

[^FC4]: RSU 5 Finance Committee, "Cost Sharing Discussion" presentation to Board (01/10/2024). Updated scenarios using FY23 and preliminary FY24 data, modeling 6 formula alternatives from 25/75 through 50/50 pupil/valuation. URL: <https://www.rsu5.org/fs/resource-manager/view/3ad01542-1cd2-4253-a024-1c43a0b33e65>

[^FC5]: RSU 5 Finance Committee, "Assessment of Fairness" memo to Board (11/06/2019). Concluded that total contribution by town (local + state) tracks pupil count under current method. Showed FY17–FY20 education mil rates and total contribution percentages. URL: <https://www.rsu5.org/fs/resource-manager/view/a0dc7eb1-8193-45c6-8653-bdf87eacb943>

^[60]: RSU 5 Board of Directors Meeting Minutes, November 6, 2019. Cost-sharing formula reform vote: Motion by Brown, seconded by deCsipkes. Amendment by Steverlynck (60/40), withdrawn. Main motion failed 450–548 (weighted). NO: Pillsbury, Furtney, Sterling, Steverlynck, Vertenten, Munsen.

^[61]: Title 20-A §5804 (elementary tuition) and §5401 (transportation). Maine law does not require tuitioning towns to provide transportation for students attending receiving schools; transportation is a negotiated term. URL: <https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec5804.html>

^[62]: Maine DOE FY2025-26 Summary of EPS Special Education Allocation and High-Cost Out-of-District Adjustment by SAU (01/23/2025). Statewide allocations: \$21.0M high-cost in-district, \$15.2M high-cost out-of-district. URL: <https://www.maine.gov/doe/sites/maine.gov.doe/files/inline-files/School%20Finance%20-%20FY26%20Summary%20of%20Pr>

^[63]: Maine Principals' Association (MPA) eligibility rules. Town-tuitioned students enrolled at a receiving school participate in all interscholastic athletics and extracurricular activities as regular enrollees. URL: <https://www.mpa.cc>

^[64]: RSU 5 Board of Directors, February 25, 2026. Voted unanimously (11-0) to expend up to \$100,000 from Capital Reserves for a districtwide facilities study of all buildings. Superintendent Gray cited "a confluence of factors coming up within the next few years." This is the first comprehensive facility assessment in the district's history. A draft RFQ (Request for Qualifications) for the project scopes the work as a

"Comprehensive Facility Study & 10-Year Long-Range Master Plan" encompassing all eight RSU 5 locations, with a draft timeline targeting contract award in May 2026 and final delivery by December 2026. See also: Superintendent Gray, "A community conversation about Freeport-area schools' future," Portland Press Herald, March 5, 2026.

^[65]: RSU 5 FHS Facilities Study Advisory Committee / PDT Architects, January 2013. Concept Design Report estimated total FHS renovation at \$16,950,000 for a 650-student (80% capacity) building. Three categories of deficiency: age (original 1961 building), overcrowding, and site plan. Board approved contract with PDT Architects November 19, 2014 (11-0). Finance Committee minutes: FC-2013-01-09-minutes.

^[66]: Maine Department of Education, "School District Expenditures by Budget Category: Per-Pupil Report." Published annually from the Maine Education Financial System (MEFS). FY23 report published January 8, 2024. FY24 report published January 7, 2025. FY25 report published January 7, 2026. Per-pupil figures are total general fund expenditures minus tuition receipts, divided by October 1 resident pupil count. URL: <https://www.maine.gov/doe/funding/reports/expenditures>

^[67]: Peer district budget increase data sourced from: Westbrook (Press Herald, March 9, 2026), Cumberland-North Yarmouth MSAD 51 (Press Herald, March 10, 2026), RSU 21 (Seacoast Online, April 2, 2025), Saco (Citizen Portal, FY25), Auburn (City of Auburn FY26 proposed budget), Gray-New Gloucester MSAD 15 (Central Maine, July 22, 2025), Five-Town CSD Camden area (Midcoast Villager, March 2026). Health insurance figures and personnel cost percentages cited from the same sources.

^[68]: Maine Legislature LD 2226 (2026 session), "An Act to Reform the Essential Programs and Services Funding Formula." MEPRI (Maine Education Policy Research Institute) delivered recommended parameter updates in February 2026. Central Maine, "Maine lawmakers write bill to reform school funding formula," March 4, 2026. The Maine Monitor, "How much state funding does each Maine school district get?", 2025.

^[70]: Maine Revised Statutes, Title 20-A §7209-A: "Transition of responsibility for ensuring a free, appropriate public education for children eligible under Part B, Section 619." Enacted as PL 2023, c. 643, Pt. W, §17. Full text: "In order to meet the requirement that, beginning July 1, 2028, all school administrative units are designated as responsible for child find activities and for ensuring a free, appropriate public education for children eligible under Part B, Section 619 pursuant to section 7006, the following transition schedule and supports apply." Subsection 2 specifies additional SAUs may be approved during the 2025-2026, 2026-2027, and 2027-2028 school years. The statute does not establish any requirement for general PreK programming. URL: <https://www.mainelegislature.org/legis/statutes/20-a/title20-Asec7209-A.html>

^[71]: Maine DOE Public Pre-K Guidebook (01/21/2025), p.3: "public preschool programming remains optional for any school administrative unit." The guidebook distinguishes between mandatory EC SpEd services (FAPE under Part B, §619) and voluntary public preschool programs. URL: <https://www.maine.gov/doe/sites/maine.gov.do/files/inline-files/Early%20Learning%20-%20Public%20Pre%20K%20Guidebo>

^[72]: RSU 5 Board of Directors Meeting, February 4, 2026. Board voted unanimously to join Cohort 3 (2026–2027) of the EC SpEd transition from CDS to RSU 5. Superintendent reported net local impact of approximately \$17,300. Staffing: 0.2 ECSE coordinator, 0.9 SLP (reallocated from existing budget), 1 SpEd

teacher, 2 EdTechs (fully state-funded). Most startup and ongoing services supported by 100% state-funded allocation for early-joining districts. Projected initial enrollment: ~25 four-year-old students. Source: Citizen Portal AI summary of board meeting video, confirmed against RSU 5 board agenda.

^[73]: Maine DOE NEO Staff Historical Data — Staff by Content Area & Grade Level (Dec 1, 2015–2025). Dataset: [Fed_Reporting].Reports.StaffHistoricalDec1 + [NEO] assignment data, SAUOrgId=1449. Adds Subject and Grade Level dimensions to the position-level FTE in ^[45]. Assignment-level FTE may exceed person-level FTE because one teacher can have multiple assignment rows. Public data request fulfilled by Maine DOE Data Team (03/20/2026). DOE Helpdesk Issue #66872. Raw data file: data/DOE/MDohle RSU 5 Staff by Content & Grade.xlsx. Full analysis: I-DOEContentArea sheet in RSU5_FY28_Projection.xlsx.

^[74]: Research on school closure, building transitions, and student well-being. Compiled by Save PES Education Subcommittee (March 2026); raw document: data/Save PES/Impacts of School closure and building transitions.docx. Individual references: Barnes, K. (2022), "Building transitions lead to lower value-added growth for middle-school students," University of Arkansas OEP; Haynes, M. (2022), "The impacts of school closure on rural communities in Canada: A review," *The Rural Educator*, 43(2), 60-74, <https://doi.org/10.55533/2643-9662.1321>; López, B. A., & Benner, A. D. (2025), "Promoting students' well-being during the transition to high school," *State Education Standard*, 25(2), 28-33; Lyson, T. A. (2002), "What does a school mean to a community? Assessing the social and economic benefits of schools to rural villages in New York," *Journal of Research in Rural Education*, 17(3), 131-137; Oncescu, J. (2014), "Creating constraints to community resiliency: The event of a rural school's closure," *Online Journal of Rural Research and Policy*, 9(2), 1-30, <https://doi.org/10.4148/ojrrp.v9i2.1975>; Oncescu, J., & Giles, A. (2014), "Rebuilding a sense of community through reconnection: The impact of a rural school's closure on individuals without school-aged children," *The Journal of Rural and Community Development*, 9(3), 295-318; Roberts, R. A. (2024), "A review of best practices for implementation of transition programs from middle to high school" (ED659771), doctoral dissertation, University of Bridgeport, ERIC; Rumberger, R. W. (2015), "Student mobility: Causes, consequences, and solutions," National Education Policy Center, <http://nepc.colorado.edu/publication/student-mobility>; Sideropoulos, V., Palikara, O., Burchell, E., Ashworth, M., & Van Herwegen, J. (2024), "Anxiety during transition from primary to secondary schools in neurodivergent children," *JCPP Advances*, 5(2).

^[76]: Gray, T. (2026). "Planning for the Future of RSU 5." Presentation to RSU 5 Board of Directors, February 11, 2026. 20 slides covering three restructuring scenarios (Scenario 1: status quo; Scenario 2: PES to centralized preschool center; Scenario 3: PES to district-wide 6th grade school). Contains no financial modeling, cost estimates, or transportation analysis for any scenario. Not made public at original presentation; first published as attachment to Pownal Select Board agenda for March 23, 2026. Archived: data/RSU 5 Presentations/PlanningfortheFutureofRSU5.pdf. URL:

https://towncloud-core-prod.s3.us-west-2.amazonaws.com/uploads/pownal-me/meetings/item_attachment/attachment/241/Plann

^[77]: Town of Pownal Select Board. Draft letter to Superintendent Tom Gray, March 23, 2026 (on Select Board agenda for approval). Signed by Chair Jon Morris, Katherine Day, and George Pottle. Formally contests the characterization of the PES conversion as "repurposing," asserting "school closing" as the accurate term.

Initiates FOAA requests for financial obligations, property division, and monetary asset data required to evaluate withdrawal under 20-A §1466. Cites specific withdrawal statutes: §1466(4)(A)(6) (financial commitments), §1466(4)(A)(7) (superintendent obligations), §1466(4)(A)(10) (property and asset division).
URL:

https://towncloud-core-prod.s3.us-west-2.amazonaws.com/uploads/pownal-me/meetings/item_attachment/attachment/251/RSU5

^[69]: Educational quality data from US News & World Report school profiles (2024-25), GreatSchools.org ratings (2024-25), and NeighborhoodScout (Maine DOE 2023-24 assessment data). Maine state averages from Maine DOE MEFS reports. Facility suitability data from RSU 5 Finance Committee minutes (2016-2023), DCS design specifications (SchoolDesigns.com/Harriman Architects, 87,521 sq ft built 2010), and Maine Chapter 124 outdoor space requirements (05 CMR 071-124-9, Section 9). Maine DOE construction standards from "Standards and Guidelines for New School Construction," May 2015 (revised October 2025). MSS playground safety netting: FC minutes 2016-06-28. MSS playground paving deferred: Capital Plans 2019-2022 (Item 10/11, \$25K). MSS fencing: FC minutes 2023-04-07 and 2023-06-14. Consolidation research: Krueger, A. (1999), "Experimental Estimates of Education Production Functions," Quarterly Journal of Economics; Chetty, R. et al. (2011), "How Does Your Kindergarten Classroom Affect Your Earnings?," Quarterly Journal of Economics; Heinesen, E. (2022), "The Short-Term Effects of School Consolidation on Student Achievement," IZA Discussion Paper 10195; Coulson, A. & Bhatt, R. (2022), "The Effect of School District Consolidation on Student Achievement," Education Policy; Cooley, D. & Floyd, K. (2013), "Small Rural School District Consolidation in Texas," Administrative Issues Journal. Full calculation detail: C-EducationQuality sheet in RSU5_FY28_Projection.xlsx.

Appendix C: Glossary

| Term | Definition |
|---------------|---|
| ALM | Additional Local Monies: the portion of the RSU budget above the state-required minimum, allocated to towns by the RSU's cost-sharing formula |
| AOS | Alternative Organizational Structure: a Maine model where independent towns share administrative services |
| CDS | Child Development Services: Maine's early intervention program for children with disabilities ages birth to 5 |
| DCS | Durham Community School |
| EC | Early Childhood; programs and services for children ages 3–5. In this document, "EC SpEd" refers to the mandated special education services (FAPE under Part B, §619); "community PreK" refers to voluntary general preschool programs |
| EPS | Essential Programs and Services: Maine's school funding formula |
| FAPE | Free Appropriate Public Education: federal requirement under IDEA |
| FHS | Freeport High School |
| FMS | Freeport Middle School |
| FTE | Full-Time Equivalent: a standardized measure of staffing |
| IDEA | Individuals with Disabilities Education Act: federal special education law |
| LD 345 | Maine legislation (PL 2023, c. 643, Pt. W, §17; codified as Title 20-A §7209-A) transferring EC SpEd responsibilities from CDS to school districts by July 2028. Mandates only special education services; does not require general PreK programs |

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|------------|--|
| LRE | Least Restrictive Environment: IDEA requirement that students with disabilities be educated alongside non-disabled peers to the maximum extent appropriate |
| MLS | Mast Landing School (Freeport) |
| MSS | Morse Street School (Freeport) |
| PES | Pownal Elementary School |
| RLC | Required Local Contribution: the state-determined minimum each town must contribute to education funding |
| RSU | Regional School Unit: Maine's model for multi-town school districts |
| SAD | School Administrative District: an older Maine school district structure, predecessor to RSUs |

This document consolidates analysis from: RSU 5 Planning and PES Reconciliation 2026; RSU 5 FY28 Projection and PES Analysis; RSU 5 Strategy and Community Engagement Framework; and independent cost evaluation research. All source workbooks and methodology documentation are available for public review.