Two Coop Middle Schools –
Better Alternative to Grade Reduction

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Background

• Renovation/Addition solution has been defeated during the past two years ($7.9M and $8.55M respectively)

• 48% of respondents in survey want to see more than one option for the middle school solution on the 2004 HB Coop Warrant

• Very likely that there will be a petition warrant article for a coop grade reduction to 9-12
  – Requires only a simple majority to pass
Two Coop Middle Schools – Better Alternative to Grade Reduction

- Educate 7th and 8th grade students at two cooperative middle schools
- Proposal is Approach IV in SAU LINE Discussion Guide
- HB Middle School East (Hollis)
  - Current MS (Brick Building) with $3.72M renovation
  - Capacity of 300 students
  - Close Farley Building
- HB Middle School West (Brookline)
  - New MS built at CSDA site for $6.05M
  - Parcel of CSDA property will be sold to coop for $1
  - Capacity of 250 students
Two Coop MS - Bond Costs

• Total Bond - $9,770,000
  – Renovation - $2,230,000
  – New School - $3,632,000
  – 40% State Aid - $3,908,000

• Net Cost after State Aid - $5,862,000
Advantages of Two Coop MS over Grade Reduction

• Less expensive for both towns!
• Implementation can start right away – solution will be complete sooner (one to two years)!
  – Conditions for students and staff improved as soon as possible
  – Less time in portables and in Farley – retired sooner!
• No change to MS staff contracts
  – Veteran teachers and staff do not need to be “rehired” by Hollis or Brookline School Districts
  – No change of pay scales – it’s still a coop
Advantages over Grade Reduction (con’t)

- Students from either town could attend HB MS East or West
  - policy up to HB Coop School Board
- Extra curricular activities (sports, clubs) could continue as a coop
- Facility equity achieved
- Supports SAU Long Term Facility Plan
- If desired, coop grade reduction to grades 9-12 could be done in future without disruption to students
Grade Reduction Costs

- Grade Reduction Process (Approach V)* will take 1-2 years longer than 2 Coop Middle School Approach
- Building costs are increasing at ~6% / year
- Portables will be used for 1-2 additional years
- For bonds approved after 2004 meeting, state building aid will be limited to 140 sq ft/student (for middle schools)
- Bond interest rates are currently low—likely to increase
- Legal costs of grade reduction in current situation
- While grades 7-8 remain in the coop:
  - State aid will be 40% (vs. 30%)
  - Coop, Hollis, and Brookline District pay scales will remain separate (savings to Hollis and Brookline Districts)

*from SAU LINE Discussion Guide
Compare Two Scenarios

• Two Coop Middle Schools
  – $9.77M Bond for MS Renovation in Hollis and new MS in Brookline passed in 2004
  – Vote to reduce coop to grades 9-12 in 2005 or 2006

• Two Non-Coop Middle Schools (Grade Reduction)
  – Vote to reduce coop to grades 9-12 in 2004
  – Hollis & Brookline Districts become grades K-8 in 2005
  – In 2005, following are passed
    • $3.716M (+ cost increase) Bond for Renovation in Hollis
    • $6.054M (+ cost increase) Bond for new MS in Brookline

• What is the cost of this one year delay?
Savings Areas -
Two Coop MS over Grade Reduction

- Avoids 6% increase in construction costs
  - Hollis saves $156,072; Brookline saves $254,268
- Avoids new limit on state aid by square footage per student
  - Hollis saves $295,011; Brookline saves $302,700
- Saves one year lease and operating costs for portables
  - Hollis saves $41,587; Brookline saves $22,913
- Maintains separate HB Coop, Hollis, and Brookline pay scales
  - Hollis saves $35,000; Brookline saves $144,000
- Avoids interest rate increase; assuming a ½% increase
  - Hollis saves $18,580; Brookline saves $30,270
- State Aid is at 40% (coop) vs. 30% (non-coop)
  - Hollis saves $43,082; Brookline loses $13,082
- Avoids extra legal costs of grade reduction in current situation
  - Hollis saves $15,000; Brookline saves $15,000

**Savings for Coop - $1,360,401**
- Hollis saves $604,331, Brookline saves $756,069
Cost Areas – Grade Reduction over Two Coop MS

• Operating Costs of Two Coop MS versus Grade Reduction*
  – $275,126 higher for Hollis
  – $275,126 lower for Brookline

• Interest and First Year Bond Costs of Two Coop MS versus Grade Reduction*
  – $243,971 higher for Hollis
  – $273,740 lower for Brookline

*from SAU LINE Discussion Guide
Total Costs

- Hollis
  - $275,126 - $604,331 + $243,971
  - **Net Savings of $85,234**

- Brookline
  - -$275,126 - $756,069 - $273,740
  - **Net Savings of $1,304,936**

- Hollis/Brookline Coop
  - **Net Savings of $1.4M**

- Two Coop MS approach actually saves both towns $ because of the “opportunity cost” of the one year delay
  - A two-year delay will cost the coop even more