

ECONOMIC IMPACT STUDY DANFORTH, MAINE

“East Grand School is the heart of our community and economy.”



A public school is a community hub and an employer, and in most rural areas, often the largest in town. How a community views its school is one that balances many factors. SCEC and SWP present this information on economic impact in the hope that it will be useful to citizens as they consider the many faceted relationship between the community and the school.

This study was conducted under a contract with the Citizens Organization for Rural Education (CORE). Funding was provided by the Maine Community Foundation as well as individual donors.

STUDY PARTNERS

Citizens Organization for Rural Education

Citizens Organization for Rural Education (CORE) is a partnership between Danforth/Weston communities and East Grand School so that we are united in an educational partnership to enhance the education of our students and our long-term community vitality.

Sunrise County Economic Council



The Sunrise County Economic Council (SCEC) is a private, non-profit organization that works to create jobs and prosperity in Washington County. The Council is also the economic development arm of Washington County government.

Strategic Wisdom Partners



Strategic Wisdom Partners (SWP) is a Washington County-based consulting practice serving non-profit, education, health care and social service agencies with strategic planning, board development and special project services.

The Study Components

There were two parts to the economic impact study conducted in the late fall and early winter of 2017.

- (1) SCEC used the IMPLAN economic impact model and 2017 financial information from RSU 84 to estimate the employment impacts of the closure of the entire East Grand School or it's high school only. The INPLAN model was originally developed by federal government and was expanded by the University of Minnesota.
- (2) Sarah Strickland, SWP consultant, conducted individual interviews with Danforth business owners using a representative list compiled by local leaders. A similar set of questions about the economic relationship between their business and the school were used in each interview. The interviews were summarized into major themes to maintain individual's anonymity.

Introduction

The sustainability of East Grand School has been on the minds of decision-makers and citizens for the better part of the last decade. With an aging population¹ and high local property taxes² fueling the discussion, the Danforth-Weston school district may be facing a crossroads. With nearly 60 miles or more (round trip) to another district, sustaining the local school is viewed as critical to keeping families in the area.

While preliminary internal studies show closing the entire school might save the district money, the impact on the local economy and community would be significant³. As a local business owner stated: “Why would you stay here if you could not make it work economically or have a strong community hub regardless of how much you love the place and environment? Who would be left in the town as its population base?”⁴

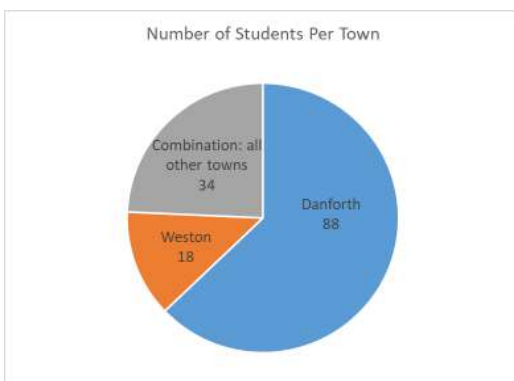
With State enrollment based funding formulas and mandates driving much of the cost of education, the local share to taxpayers is considerable⁵. One solution the district has attempted is to position itself as a destination for tuition students. Being a small school in a remote service area such as Danforth makes the argument to remain open more palatable, for some.

However, with test scores below the state averages in reading, math and science⁶, many view such performance as an issue to bring to the discussion. The district is attempting to offer specialized natural resource-based pathways while strengthening the existing curriculum. Such efforts, to diversify and specialize the education provided at East Grand, are a way forward that potentially combats the issues facing the district, local economy and citizens.

The people of Danforth and Weston take pride in their Vikings as the school serves an integral role in engaging with the local community. Closure of the school would mean that both teachers and students who have known only the East Grand community would have to completely start over in another district with little say in the matter. Either decision, whether to remain open and remedy the problems at hand or simply close the school, could affect the lives of many within the community, potentially for generations to come.

RSU 84/MSAD 14 School District Demographics

The East Grand School serves the greater area of northern Washington and southern Aroostook counties; this region includes Danforth and Weston but also includes several surrounding towns and Unorganized Territories (UTs). As of April 2017, the official student head count was 140, which included nine four-year-old students in the total K-12 calculation.⁷ Eighty-eight students were residents of Danforth, while 18 students were residents of Weston. Students from six other local towns, townships and plantations comprise the East Grand School student body but Danforth and Weston contribute most of the school’s population.



Resident Town	Student Count
Danforth	88
Weston	18
Brookton Township	13
Bancroft	7
Orient	6
Reed Plantation	4
Amity	3
Hodgdon	1

¹ Data from Governor’s Office of Policy and Mgt

² Maine Revenue Services 2015 Equalized Tax Rate

³ CORE/SCEC Economic Impact Study

⁴ Survey of local business owners

⁵ RSU 84/MSAD 14 District Budget FY 2017/2018

⁶ 2017-2018 Maine DOE ESEA Report Card

⁷ Maine DOE Enrollment Data April 2017

Findings: Economic Impact of East Grand School

Jobs associated with East Grand School contribute a regional economic output of *\$3.0 million annually*. Given the economic sectors involved, we project that much of this contribution would be in household expenditures in the towns in or adjacent to RSU 84.

THE ENTIRE EAST GRAND SCHOOL

We project at least 43 jobs would be impacted by the entire school closing. Thirty-five of these are direct layoffs and 8 are indirect associated with reduced spending by school employee households. These jobs contribute to the regional economic output of Washington and Aroostook Counties by a little over \$3 million annually.

ONLY EAST GRAND HIGH SCHOOL

We project at least 13 jobs would be impacted by the high school closing. Eleven of these are direct layoffs and 2 are indirect associated with reduced spending by high school employee households. These jobs contribute to the regional economic output by a little over \$932,000 annually in Aroostook and Washington Counties.*

* This is a conservative estimate for the High School Closure Only scenario in that we have assumed that employee compensation in the superintendent, business office, principal, transportation, building operation, and special education administration budgets would not change. It is likely there would be some reduction in these costs although it is likely that the reduction would not be proportional to the reduced spending on instruction, special education, and extra-curricular activities & sports.

Themes: Business Owner Interviews

As the major employer in the area, the school is essential to maintain Danforth as a service hub.

- “The school is a big part of community from an employment perspective. It employs so many people in the area. It isn’t just about the kids. If the school went away it would impact our whole community in a negative way.”
- “Why would you stay here if you could not make it work economically or have a strong community hub regardless of how much you love the place and environment? Who would be left in the town as its population base?”
- “The town and the school are one in the same – without the school there would be no town; without a town there would not be a school.”
- “There would be immediate job loss and this would trickle down to other businesses across the community. There would be an impact on tax revenue, more abandoned houses. The reason for people to consider moving to Danforth would disappear.”

Over 80% of the business owners indicated that their sustainability would be jeopardized in some way over time if the school were closed.

- “It would hurt everyone. When money leaves the town it never comes back.”
- “The impact on the summer residents over time could be significant. If businesses like grocery, gas, clinic and bank closed that also support the summer residents, would they continue to see Danforth as a destination for a second home or vacation?”
- “If the School closes there will be a domino effect and other businesses will close because people will move to find other jobs. Losing part of the population means everyone loses and Danforth will become even less of a community.”

The school is the only draw for families with children to move to the greater Danforth area. School closure – total or partial – would impact the population in significant ways.

- “If the school closes the population will decrease – what would be the draw to move or remain here? If families leave, their relatives will also leave. Aging in place will be much more difficult if families depart.
- “Danforth is far away from other places – students would need to be transported; that alone would be a hardship for families and kids and cause parents to consider looking for other jobs closer to the other school.”
- “For families who live in Danforth today, being geographically closer to a school that serves all their children becomes a reason to leave Danforth.”

The school is a community hub for people of all ages.

- “Lose your school, lose your community.”

Participating Businesses

- Gillis Fuel
 - Town of Danforth
 - East Grand Health Center
 - Danforth Habilitation Center
 - Machias Savings Bank
 - Knight’s Yankee Grocer
 - Kinney’s Garage
 - Greater East Grand Chamber
 - Dave’s Hardware
 - Greenland Cove Camps
 - Cowger’s Lakefront Cabins
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Snapshot of the Region

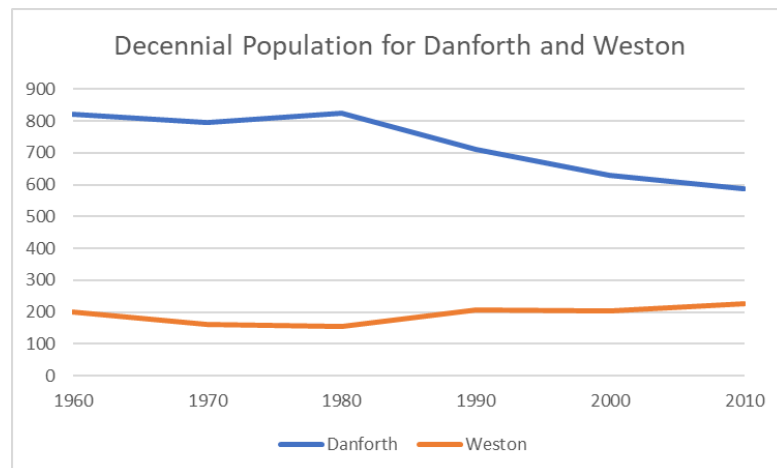
Danforth, Maine is an isolated rural town that is situated nearly 45 miles from Interstate 95 and 80 miles north of the Washington County seat of Machias. Danforth is considered a service center due to its isolation from larger communities and its businesses that provide essential services to the area. It is home to many full-time businesses, including a Machias Savings Bank branch, two gas stations, a restaurant, a grocery store, a hardware store, a medical clinic and many forestry-related and tourism businesses, all of which contribute to the local economy. Danforth is also home to East Grand School that is one of the largest employers in the region. Most importantly, Danforth is home to nearly 600 people.

Danforth and the town of Weston share the East Grand Lake watershed and both benefit from seasonal tourism boosts to local businesses. Weston is the southernmost town in Aroostook County and has a year-round population of approximately 200 people. It sits 32 miles south of Houlton, the nearest town offering access to I-95 and it is less than a ten-minute drive to neighboring Danforth. There are also several tourism and forestry-related businesses located in Weston, as well as two sporting lodges, a variety store and a boat marina. It is also home to the Million Dollar View Scenic Byway, a part of US Route 1 that offers unimpeded views of the Chiputneticook Lakes system and Mt. Katahdin.

Given its isolation, living in Danforth or Weston can be difficult at times. However, the people living there are resilient and strong-willed, and many consider the region to be home for several reasons. Many relocated to the area because it offered a reprieve from life in densely populated cities, while others have family roots that motivate them to ensure that the area prospers for future generations.

Danforth Population Profile

At the 2010 census Washington County had a total population of 32,856 while Aroostook county had 71,870. The population for the town of Danforth was 589 while Weston had 228 residents ⁸. Danforth, not unlike other rural towns in the state of Maine, has an aging demographic and a consistent net out-migration of people from the town. The population declined between 1960 and 1970, but there was a notable increase when the 1980 census was taken⁹. From 1990 to 2010, however, the population of Danforth has consistently declined. Weston has remained relatively stable by comparison, hovering at around 200 people for the past 50 years.



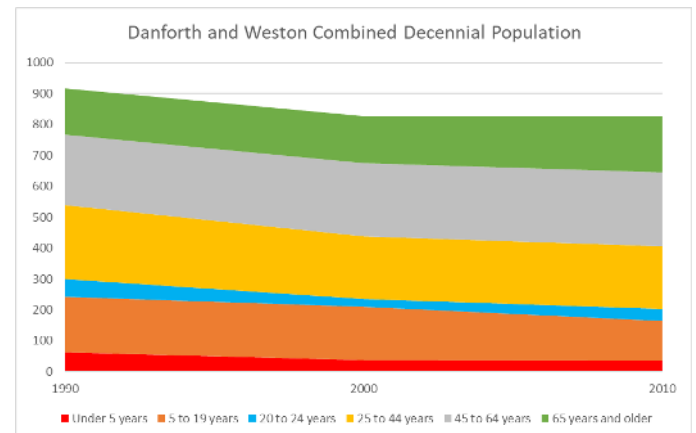
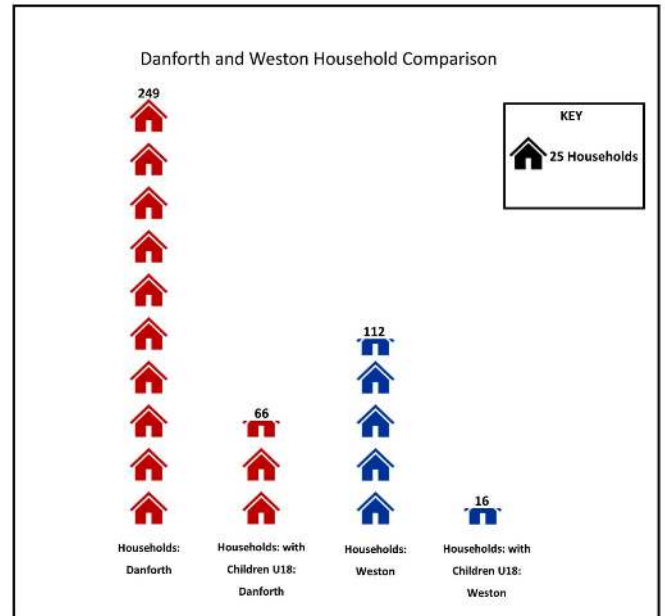
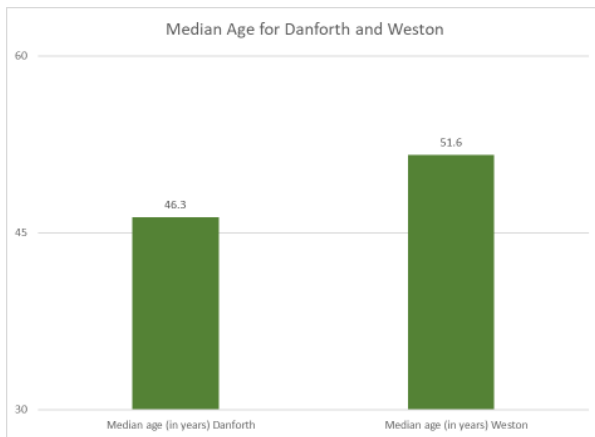
⁸ 2010 US Census Bureau ⁹ Decennial US Census

Households

In the town of Danforth, there were 249 established households as of 2010. 26.5% of households (66 in total) were ones with children under the age of 18. For Weston, there were 112 total households; 16 households (14.3% of all households) had children under the age of 18

Age

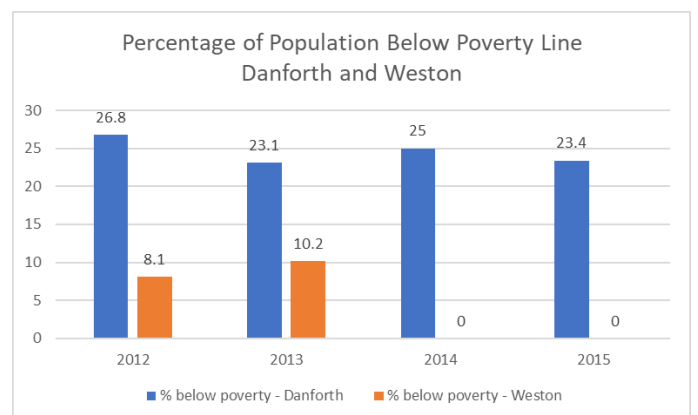
Of the 589 people in Danforth, 22.9% were children under the age of 19. Of the 228 people residing in Weston, 13.7% were children under the age of 19. The median age for the town of Danforth is 46.3 years of age; Weston's median age is 51.6 years.



Poverty

Washington County has 18.0% of its population living below federal poverty guidelines, while 29.4% of Danforth's total population is below the poverty line.¹⁰ By comparison, 17.7% of individuals were below the federal poverty line in Aroostook county, while only 8.0% were below the poverty line in the town of Weston¹¹.

The number of children under 18 in Danforth who exist within this subset of the population is unknown, as these data do not exist at the town level. The same is true for the town of Weston. However, there are limited data that exist for the numbers of families that are below the poverty level for both Danforth and Weston.



¹⁰ 2010 American Community Survey Data

¹¹ Margin of error for percentage of Weston families below federal poverty level: 2014 - 30.70% | 2015 - 37.70%

May 2018
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Community Feedback

Below are several questions for your feedback. We welcome your comments and ideas as we plan for the school district and Danforth's future.

1. To what degree did this study help you understand how the school contributes to our local economy?

1. Not at all 2. Somewhat 3. Quite a lot

2. To what degree did you agree with the themes from the local business owners' interviews?

1. Not at all 2. Somewhat 3. Quite a lot

3. Overall to what degree are you optimistic about the future vitality of the greater Danforth area?

1. Not at all 2. Somewhat 3. Quite a lot

4. Regarding your answer to Question 3, please share the primary reason for your response.

5. With the report in mind, please list 1 or 2 topics you would like to see discussed more at a town meeting or school board meeting.

Thank You for Your Feedback.

Please Fold, Staple/Tape and

Drop off at the Danforth or Weston Town Offices

TO: Citizens Organization for Rural Education
PO Box 252
Danforth, ME 04424