

New schools not good for small towns

I was the target of a recent Post-Bulletin editorial reprinted in The Free Press challenging my school bond campaign consulting service.

The Post-Bulletin says sometimes a new school represents a new lease for a small community. I disagree with the assumption that schools should play a central role in economic development for small communities. Schools are to teach children to read, write, work math problems and how to think. I also disagree with the conclusion, as the opposite is most often the case.

According to Minnesota Department of Education statistics when one combines the total general fund expenses of Minnesota's smaller school districts — 93 percent of the total districts' — this nearly equaled the combined total of the larger metro districts — the other 7 percent — in the 2002-03 and 2003-04 school years. Collectively those 93 percent smaller districts paid out nearly \$600 million in debt service payments each year during those two school years. These debt ser-



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My View

vice payments are funded in large part through local property taxes. Yet the MDE also said last summer, by the 2005-06 school year 80 percent of all Minnesota school districts will be losing students.

I am confident that a large part of those school districts making up this 80 percent would be the nearly the same as those 93 percent making up the smaller districts paying out \$600 million in taxes to fund debt payments to investors and bond dealers for payments on bonds whose proceeds were used to build new schools. If this payment rate continues, six billion in cash will be sucked out of small towns in Minnesota over a 10 year time period, just for school buildings.

The Post Bulletin is wrong. Small towns are withering away, in part as a result of building new schools and other such wild-eyed "economic development" schemes which drain much needed cash (taxes) out of these communities. When our Midwest rural economy fully reconciles with the high debts and taxes we

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have, I can see the most productive young families leaving for the Cities, other parts of the U.S. or even China to find profitable work at a lower cost of living.

There will be many small towns near empty with fancy school buildings also sitting nearly empty. It is already starting to happen in South Dakota.

Meanwhile, Chinese students are learning math and engineering while American students are studying finance and gender issues.

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