

Excess capacity | Public schools like Millinocket's buoy enrollment by joining the hunt for foreign students' tuition and diversity

By WHIT RICHARDSON
Mainebiz contributing writer

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When Ken Smith took over as superintendent of the Millinocket School Department in July 2010, he inherited a tough challenge: Revenue was falling as enrollment continued to shrink. The high school had fewer than 200 students last year, compared to 700 in the 1970s. The school department budget had a \$1.1 million hole that needed to be filled, otherwise Smith would be faced with spending his first year on the job cutting education programs and laying off staff.

Rather than accept the story line that Millinocket is a dying mill town with no hope of the schools regaining enrollment, Smith decided to change the narrative. While Millinocket wasn't attracting new students from domestic sources, Smith noticed the rising number of international students who wanted to travel to the United States for an American high school experience. With the support of the local school board, he launched a program to recruit international students for Stearns High School. The decision was novel enough to warrant an article in the New York Times that October.

“People have to stop complaining and come up with ways to change their revenue sources,” Smith says. “This seems like a natural to me. To bring in international students and learn from them, as well as driving some income.”

Smith traveled to China last October. The trip is beginning to pay off. This fall, six tuition-paying Chinese students will attend Stearns High, adding \$144,000 to the school department's budget. It's a far cry from the 60 students and \$1.4 million boost Smith expected to deliver to the school system, but it's a start.

Millinocket is a pioneer in what some say is a trend in Maine and across the country. Private schools in Maine, like Lee Academy in Lee and Thornton Academy in Saco, have boarded international students as a revenue generator for a handful of years now, but only recently public schools have begun pursuing the same strategy. “It's a whole different ball game right now,”

says Suzanne Fox, a consultant who has helped several schools in Maine, including Millinocket's, develop international programs. "Just with public schools entering the fray it's huge. It's so huge."

So are the variables. Millinocket expected 60 Chinese students based on assurances from a recruiter in China who failed to deliver, according to a report from The Associated Press. The situation wasn't helped by a Chinese publication that characterized American public schools as mediocre and Stearns, in particular, as "run-of-the-mill."

Despite the slow start, there is enough interest in attracting foreign students to public schools to prod legislative changes. International students can attend U.S. private high schools for four years, but public high schools for only a year, a federal law that Smith is trying to change. Sen. Susan Collins has agreed to co-sponsor a bill to allow public schools to enroll international students for four years. "There is a level of interest," Smith says. "People didn't realize that this law existed, that private schools had the decided advantage."

These new students, the majority from wealthy Asian families, boost school revenue and bring diversity to Maine's schools, but they also bring pockets full of spending money to spread throughout the local business community, where they'll shop for snacks, clothes or buy lift tickets for a winter weekend at a nearby ski resort.



Consultant Suzanne Fox says international high school student help to "brand Maine in China"

Photo/David A. Rodgers

"You bring in 100 new people to a market area and they're spending money at stores, buying clothes, Big Gulps at 7-11, there's going to be an economic impact," says Wade Merritt, vice president of the Maine International Trade Center, which in April led a trade mission to South Korea that included representatives from Lee Academy and John Bapst in Bangor. "There's also extended family. They come to visit [the students], hotel nights, rental cars, using airports and taxis. Getting more people here is the short-term win."

But Fox is more interested in the long-term win that can be realized from the exposure Maine receives from foreign students and their families.

She cites an encounter she had at a Chinese language roundtable she started in Portland for people like her — she has lived and traveled extensively in China — to practice their language skills. About a year ago, a Chinese man who spoke no English showed up, having heard about the meetings from another Chinese person. As it turned out, this man's son was attending Gould Academy in Bethel. Looking to stay close to his son, he had decided to purchase a condo in Portland. He is now a regular member of the meetings, happy to speak his native tongue in such a foreign place as Maine.

One condo sale may not make a splash in the southern Maine real estate market, but Fox sees it as anecdotal evidence of the potential long-term economic development implications these international students and their visiting parents could have on Maine. "The connections that can happen with tourism and the business community..." Fox trails off. "I just think there's more interesting things that can happen. They do have money and they don't know what Maine has to offer. So what I'm trying to do is brand Maine in China."

Education as industry

The economic development potential of attracting international students to Maine's high schools has been on the Maine International Trade Center's radar for several years. In January 2008, MITC set up a half-day program about Maine schools and international educational opportunities. Merritt didn't know what to expect; he would have been happy if 30 people showed up. The program attracted 60 people representing 45 different educational organizations from across the state. "I think Aroostook and Washington counties were the only counties not represented, and I think there was a snowstorm," Merritt says.

It was obvious there was deep interest from Maine's schools in exploring international opportunities. MITC spent the rest of 2008 and 2009 discussing the issues with the educational organizations, and decided to pursue a joint marketing model used by other states and championed by the U.S. Department of Commerce. In April 2010, MITC launched the Study Maine website, supported by a consortium of 14 Maine secondary and post-secondary schools that pay \$250 a year in addition to their MITC membership fees to support the program. A year later, MITC developed the trade mission to South Korea. It's too early to tell how successful the trade mission was for John Bapst and Lee, but Merritt plans to continue tracking the trend.



Photo/Tim Greenway

Bill Nason of PM Construction in Saco says building Thornton Academy's two new dorms for international students was critical work for his company.

Lee Academy has been at the forefront of this trend. In the 2003-04 school year, the school had six international students. This coming year, it expects 90, according to Bruce Lindberg, its headmaster.

Lindberg admits the school was facing “life or death” before it pursued its international program. But the school has rebounded. Since the 2003-04 school year, the school’s budget has doubled from \$2 million to \$4 million; its work force has grown from 55 to 75; and the quality of its educational programs has increased. Six years ago, Lee had two Advanced Placement classes available to students; now there are 14. “So surely it helps the international students,” Lindberg says. “But, more importantly, it helps the local students, too.”

Lee has opened satellite campuses in Shenzhen, China, and Daegu, South Korea, which provide a steady flow of foreign students to its Maine campus and create exchange opportunities for Maine teachers.

Carl Stasio, headmaster of Thornton Academy, which caters to students from Saco, Dayton and Arundel, tells a similar story. Thornton began looking at recruiting international students six years ago when it was obvious the number of domestic students would continue to decline. “It was painfully obvious we couldn’t sustain our programs on public tuition,” says Stasio. “We needed to ensure a flow of kids, so six years ago we began to look at boarding.”

This coming school year, Thornton’s third boarding international students, the Saco campus will welcome 114 students from 16 countries, each paying about \$37,500 in tuition, room and board. Stasio admits Thornton wouldn’t have pursued the international program if not for the obvious financial considerations, but he recognizes the additional benefits it has provided the school. “Maine is the whitest, oldest and most monolingual state in country,” Stasio says. “If we’re educating young people for a changing world, we ought to look at our demographic and give kids a broader experience.”

After the New York Times published its story about Millinocket’s decision to pursue an international program, Fox began receiving calls from all over the country. “I’m a little

consulting company,” she says. “But suddenly schools in Hawaii, Ohio, Kansas, South Dakota are calling me.”

Fox is now working with about 20 high schools in New England to develop international programs, including public high schools in Orono and Wiscasset.

Tracking this trend, however, is difficult. While organizations like the Institute of International Education track the number of international students at post-secondary schools in the United States (Maine’s colleges and universities were home to 1,233 international students during the 2009-10 school year), no organization officially tracks the number of international students studying at American high schools. Kathryn Chandler, who follows an extensive array of data on American public and private high schools for the National Center for Education Statistics, was not aware that American high schools were enrolling more international students and admits the NCES high school survey does not track enrollment by nationality. “We don’t have any data on it at all,” she says. “If there’s a trend, maybe we should be asking about it.”

Despite the lack of official data, Merritt estimates there are between 700 and 800 international high school students studying in Maine, the majority in private schools.

Another statistic that’s hard to nail down is the actual economic impact these international students have in the communities in which they live and study. “As far as economic impact numbers, it’s very difficult to get without a hardcore, Charlie Colgan-type study,” Merritt says. So far, no such study has been completed.

At Thornton Academy, Stasio estimates his international students bring \$5,000 to \$6,000 of discretionary spending a year to the surrounding communities. “It’s hard to ascertain, but we would consider we’ve had a dramatic impact to economic development,” Stasio says.

Thornton’s enrollment boom has also required the construction of two new dorms in the past three years to accommodate the growth. Saco-based PM Construction, which traditionally focused on the retail sector before the recession, built both. PM recently completed the second dorm, a project that generated 40 jobs throughout this summer, according to Bill Nason, PM Construction’s president and CEO. PM is also renovating some nearby properties, which Thornton purchased for additional office and dorm space. All told, these projects have a price tag approaching \$3.4 million. There are also future plans for a cafeteria expansion and possibly even more dorm space. “Any one customer that counts for 10% of your revenue is very substantial,” Nason says. “Thornton Academy is a critical part of our business plan on an ongoing basis.”

Recruiting the parents

Maine is not well known in China. But Fox wants that to change.

She recently collaborated with the Maine Office of Tourism to translate some of its Maine marketing material into Chinese. “Now when headmasters go to China, they have all the tourism material to give to parents,” Fox says.

Selling Maine to Chinese parents is part of the recruitment strategy. During Smith's recruitment trip to China, he focused on the natural resources and pristine wilderness Millinocket has to offer. Chinese parents want their kids to learn and be safe, Smith says. He adds that environmental issues are becoming more important in China. "I talk about drinking out of the faucet," Smith says. "That's not even known in China. Some of these kids have hardly seen the sun there's so much pollution in some of their cities."

Fox also has connections at a Chinese television station and is trying to get some commercials promoting Maine on Chinese television, something Vermont has had success with, Fox says. She also is trying to organize investment tours for potential Chinese investors and visiting parents.

"I think there's a lot more to do to build business and educational connections," Fox says. "I think having Maine's tourism piece translated is a first little step."

The long-term economic development potential of international students also is not lost on Stasio, the headmaster of Thornton. A healthy economy means healthy schools, he says.

One government program Stasio thinks could attract parents of his students is the EB-5 program, which provides a path to citizenship for foreign nationals who invest in new U.S. businesses that create at least 10 jobs. "We've had a number of families touring around southern Maine to look at possible business opportunities," Stasio says. "It's very embryonic at this point, but we're hoping long term that some families would choose to invest here, create entrepreneurial activity and strengthen Maine's economy in a more direct way, and strengthen contact with us and ensure a flow of more kids to us over the decades."

Likewise, Smith says his contacts in China have expressed interest in business opportunities in Maine. Perhaps those connections would lead to a deal to buy the two idle paper mills in Millinocket and East Millinocket, Smith ventures. "What we need is more business and more people coming up with ideas of how to create that business," Smith says. "We have a huge market in China. They want our products. So how do we get our products to them?"