

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

Amend the amendment by striking out all of Part XXXX and inserting the following:

PART XXXX

Sec. XXXX-1. 20-A MRSA c. 114 is enacted to read:

CHAPTER 114

regional collaboration

§ 2601. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Administrative, instructional and noninstructional functions. "Administrative, instructional and noninstructional functions" includes, but is not limited to, system administration, school administration, special education, transportation and buses and facilities maintenance.

2. Collaborative agreement. "Collaborative agreement" means an agreement to share the responsibility for and cost of the delivery of certain administrative, instructional and noninstructional functions. "Collaborative agreements" includes, but is not limited to:

- A. Shared purchasing or contract agreements;
- B. Agreements for shared staff or staff training;
- C. Agreements to share technology or technology support;
- D. Agreements to provide special education programs and support services;
- E. Agreements to share accounting, payroll and financial management services;
- F. Agreements to coordinate transportation routing and vehicle maintenance;
- G. Agreements to share food service planning and purchasing; and
- H. Agreements to coordinate energy and facilities management.

§ 2602. Development of collaborative agreements

A school administrative unit may enter into collaborative agreements with other school administrative units and, whenever possible, with local and county governments and State Government, to achieve efficiencies and reduce costs in the delivery of administrative, instructional and noninstructional functions.

Sec. XXXX-2. 20-A MRSA §15680, sub-§1, ¶A, as enacted by PL 2003, c. 504, Pt. A, §6, is amended to read:

A. System administration. The per-pupil amount for "system administration" is the actual system administration expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, less revenues to system administration for services to other governments and refunds from a statewide school management association, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. Beginning in school year 2008-2009, this per-pupil amount must be based on school year 2005-2006 system administration expenditures then reduced by 50% and inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index;

Sec. XXXX-3. 20-A MRSA §15680, sub-§1, ¶B, as enacted by PL 2003, c. 504, Pt. A, §6, is amended to read:

B. Operation and maintenance of plant. The per-pupil amount for "operation and maintenance of plant" is the actual operation and maintenance of plant expenditures, as defined in the State's accounting handbook for local school systems, for the most recent year available excluding expenditures for leases and the purchase of land and buildings, divided by the average October and April enrollment counts for that fiscal year and then inflated to an estimated allocation year level by a 10-year average increase in the Consumer Price Index or other comparable index. For school year 2008-2009, the resulting per-pupil amount must be reduced by 5%;

Sec. XXXX-4. 20-A MRSA §15681-A, sub-§2-A is enacted to read:

2-A. Reduction for fiscal year 2008-09. For fiscal year 2008-09, the commissioner shall reduce by 5% the allocation for special education costs as described in subsection 2. These calculated special education costs for school administrative units for fiscal year 2008-09 are subject to the appeals procedure described in subsection 2.

Sec. XXXX-5. 20-A MRSA §15681-A, sub-§3-A is enacted to read:

3-A. Reduction for fiscal year 2008-09. For fiscal year 2008-09, the commissioner shall reduce by 5% the allocation for transportation costs as described in subsection 3. These calculated transportation costs for school administrative units for fiscal year 2008-09 are subject to the appeals procedure described in subsection 3.

Sec. XXXX-6. Legislative intent and policy. This Part establishes the process for increasing the efficiency and effectiveness of school administrative units by providing a process for reorganizing them into collaborative administrative school units by assisting units to develop more efficient structures

for providing administrative services. For purposes of this section, "high-performing school unit" means a unit of school administration whose average performance score is higher than would be expected based on that community's characteristics and the prior achievement of students within that unit of school administration.

1. Meetings to be convened in each career and technical education region. Not later than July 15, 2008, the Commissioner of Education, or the commissioner's designee, shall convene one or more meetings in each of the career and technical education regions in the State to present information about the requirements of this Part regarding collaboration among school administrative units.

A. The Commissioner of Education shall provide notice of the meeting or meetings to municipal officials and school officials from the municipalities and school administrative units within the region, as well as to the general public.

B. In addition to other information presented at the meeting, the Commissioner of Education shall provide one or more maps showing the suggested alignment of municipalities and other school administrative units designed to increase efficiency and improve educational quality.

C. Maps presented by the Commissioner of Education and alignment options considered by school administrative unit representatives must reflect:

(1) The intent that school administrative units existing on the effective date of this Act collaborate in units of at least 2,500 resident students except where circumstances justify an exception to that size requirement. When circumstances justify an exception to the requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for offshore islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

2. Notice of intent. By December 31, 2008, each school administrative unit shall file with the Commissioner of Education:

A. A notice of intent to engage in planning and negotiations with other school administrative units for the purpose of developing a collaboration plan to achieve the system administration efficiency goals of a high-performing school unit; or

B. A notice of intent to submit an alternative plan that meets the requirements of a high-performing school unit. An alternative plan may be submitted only by a unit that is:

(1) An offshore island;

(2) A school operated by a tribal school committee pursuant to the Maine Revised Statutes, Title 30, section 6214; or

(3) A school administrative unit that serves more than 2,500 students, or 1,200 students where circumstances justify an exception to the requirement of 2,500 students.

The Commissioner of Education shall respond to each notice of intent by March 15, 2009, indicating whether the intended action complies with the requirements of this Part.

3. Collaboration planning committee. Municipalities that intend to engage in planning and negotiation to create a collaborative school unit shall form a collaboration planning committee.

A. For each proposed regional school unit, the Commissioner of Education shall provide guidelines for the formation of a collaboration planning committee including representation from the school administrative units in existence on the effective date of this Part, member municipalities and members of the general public who are residents of the proposed collaborative school unit. The guidelines must include roles and responsibilities of the committee, timelines for submission of the plan, the format for reporting the collaboration plan and evaluation criteria for approval of the plan.

B. Collaboration planning committees shall hold one or more public meetings to gather input from community members and to determine the sentiment of the public.

4. Submission of plans. By October 31, 2009, each school administrative unit shall submit to the Commissioner of Education either:

A. Its proposed collaboration plan for participating school units; or

B. Its proposed plans for reducing the cost of services within the school administrative unit to meet the requirements of a high-performing school unit.

5. Content. A collaboration plan must include:

A. The units of school administration to be participating in the proposed plan;

B. The size, composition and apportionment of the governing body;

C. A transition plan that addresses the development of a budget for the first school year of the collaboration process;

D. Documentation of the public meeting or public meetings held to prepare or review the collaboration plan;

E. An explanation of how units that approve the collaboration plan will proceed if one or more of the proposed members of the school administrative units fail to approve the plan;

F. An estimate of the cost savings to be achieved through formation of a collaborative school administrative unit process and how costs will be reduced; and

G. Such other matters as the governing bodies of the school administrative units in existence on the effective date of this Part may determine to be necessary.

6. Parameters. In developing a collaboration plan for school administrative units in existence on the effective date of this Part, the governing bodies of school administrative units shall work within the following parameters.

A. The proposed regional school unit must serve not fewer than 2,500 students, except where circumstances relating to the following factors justify an exception:

(1) Geography, including physical proximity and the size of the current school administrative unit;

(2) Demographics, including student enrollment trends and the composition and nature of communities in the regional school unit;

(3) Economics, including existing collaborations to be preserved or enhanced and opportunities to deliver commodities and services to be maximized;

(4) Transportation;

(5) Population density; or

(6) Other unique circumstances including the need to preserve existing or developing relationships, meet the needs of students, maximize educational opportunities for students and ensure equitable access to rigorous programs for all students.

When circumstances justify an exception to the requirement of 2,500 students, the unit must serve as close to 2,500 students as possible and in no case, except for offshore islands and schools operated by tribal school committees, may it serve fewer than 1,200 students.

B. The proposed collaboration unit, viewed in conjunction with surrounding proposed units, may not result in one or more municipalities being denied the option to join a collaborative school unit.

C. The plan must provide comprehensive programming for all students from kindergarten to grade 12 and must include at least one publicly supported secondary school.

D. The plan must reorganize administrative functions, duties and noninstructional personnel in order that the following be accomplished:

(1) The projected expenditures of the collaborative school unit in fiscal year 2009-10 for transportation, special education and facilities and maintenance must be 5% less than the projected transportation, special education and facilities and maintenance expenditures of each of the participating school administrative units in fiscal year 2008-09; and

(2) The projected expenditures of the collaborating school units in fiscal year 2009-10 for system administration must be no more than the legislatively approved essential programs and services system administration rate established for fiscal year 2008-09.

7. Review and approval of plans. If the Commissioner of Education finds that a plan for collaboration meets the requirements of this Part, the commissioner shall notify the municipalities and school administrative units and they shall proceed.

A. If the Commissioner of Education finds that a plan for collaboration is not consistent with the purposes and goals of this Part, the commissioner shall return the plan to the governing bodies of those school administrative units by December 15, 2009 with specific suggestions for modification of the plan.

B. Upon the return of a collaboration plan by the Commissioner of Education, the governing bodies of the school administrative unit shall revise the proposed plan for collaboration to address the commissioner's findings and submit a revised plan for collaboration not more than 30 days after the commissioner returns the plan for revision.

C. The Commissioner of Education shall approve or disapprove the revised plan for collaboration not more than 14 days after it is refiled by the unit.

Sec. XXXX-7. Role of the Department of Education. In order to provide for the orderly implementation of this Part, the Department of Education shall:

1. Prepare models. Prepare one or more models for the collaboration of school administrative units in existence on the effective date of this Part, consistent with the provisions of section 6, subsection 3;

2. Assist in collection and presentation of data. Assist all of the governing bodies of school administrative units in existence on the effective date of this Part in the collection and presentation of data pertinent to the charge established by this Part;

3. Assist in meetings and caucuses. Assist in the organization of the meetings and caucuses convened by the governing bodies of the school administrative units in existence on the effective date of this Part to prepare collaboration plans as provided in subsection 1;

4. Provide facilitation services. Make available, upon request, facilitation services to the governing bodies of the school administrative units in existence on the effective date of this Part to ensure the ability of those school administrative units to fulfill the charges required by this Part;

5. Adjust EPS rates. Adjust essential programs and services rates for transportation, facilities and maintenance, special education and system administration expenditures to reflect the ongoing efficiencies resulting from the collaboration of school administrative units in existence on the effective date of this Part; and

6. Submit report. Submit a report to the Joint Standing Committee on Education and Cultural Affairs no later than February 1, 2008 that describes the compliance of the participating school administrative units in existence on the effective date of this Part with the requirements of this Part.

Sec. XXXX-8. Notification of allocation of funding to school administrative units. Notwithstanding the Maine Revised Statutes, Title 20-A, section 15689-B, subsection 2, paragraph A, the notice by the Commissioner of Education to school boards of the estimated amount of state funds to be allocated to the school administrative unit for school years 2008-2009 and 2009-2010 must be provided not later than March 31st.

Sec. XXXX-9. Adjustment for collaborative school unit start-up costs. The Commissioner of Education shall establish an adjustment for fiscal year 2008-09 to support the start-up costs associated with the collaboration of school administrative units in accordance with the Maine Revised Statutes, Title 20-A, section 2602.

Sec. XXXX-10. Department to conduct review. The Department of Education shall conduct a review of unfunded state mandates pertaining to school systems. In conducting its review, the department shall:

1. Prepare a comprehensive listing of the state mandates placed on school administrative units;
2. Identify for each listed mandate the precise legal origin of the mandate, whether state law or rule or a combination of both, or any originating authority. The department shall also provide notice and analysis of federal mandates that contribute to or conflict with specific state mandates on school administrative units;
3. Identify the statewide local government costs of each listed mandate within the limits of practicability; and
4. Identify the characteristics of each listed mandate. Identified characteristics may include, but are not limited to, the following:
 - A. Archaic or unnecessary features or features lacking significant public purpose;

- B. Inadequate funding;
- C. Disproportionate efforts for the public policy benefit;
- D. Coordination between federal law and regulation and state law and rule;
- E. Subjection to excessive administrative oversight; and
- F. An insufficient structure to predict, measure or control local costs.

No later than December 15, 2007, the department shall submit a report that includes its findings and recommendations, including suggested legislation, for presentation to the joint standing committee of the Legislature having jurisdiction over education matters. In its proposed implementing language, the department may include proposals to repeal, modify, redesign, effectively coordinate or delay the implementation of any of the listed mandates, as may be appropriate. Following receipt and review of the report, the joint standing committee of the Legislature having jurisdiction over education matters may submit a bill to the Second Regular Session of the 123rd Legislature.

Sec. XXXX-11. Reports; implementing legislation for regional school administrative unit consolidation. No later than January 15, 2008, the Commissioner of Education shall submit to the Joint Standing Committee on Education and Cultural Affairs an initial report that contains recommendations and any proposed legislation necessary to require that all school budgets be approved at referendum and to implement regional school administrative unit consolidation, including legislation to convert school administrative districts and community school districts to the regional school unit form of governance on July 1, 2010. Following receipt and review of the initial report, the Joint Standing Committee on Education and Cultural Affairs may submit legislation to the Second Regular Session of the 123rd Legislature. No later than January 31, 2009, the Commissioner of Education shall submit to the joint standing committee of the Legislature having jurisdiction over education matters a final report that contains recommendations and any proposed legislation necessary to fully implement this Part including proposed legislation to repeal the laws governing school administrative districts and community school districts. Following receipt and review of the final report, the joint standing committee of the Legislature having jurisdiction over education matters may submit legislation to the First Regular Session of the 124th Legislature.

Sec. XXXX-12. Report; school costs information. No later than January 15, 2008, the Commissioner of Education shall report to the Joint Standing Committee on Education and Cultural Affairs the latest cost information for each school unit in the State that delineates costs per student by essential programs and services category including the school unit population. The commissioner shall include the specific cost standards that would apply for a high-performing school unit for each of the essential programs and services categories based on a 1,200 pupil school unit and a 2,500 or greater pupil school unit. The commissioner shall include in this analysis the identification of the system administrative costs for each of the school units. The commissioner shall assess the school units based on total costs per pupil and school administrative costs per pupil as compared to the standard for a high-performing school unit. The format of the report must outline the following expenditures per pupil:

1. Regular instruction;
2. Special education;

3. Career and technical education;
4. Other instruction, including summer school and extracurricular instruction;
5. Student and staff support;
6. System administration;
7. School administration;
8. Transportation and buses;
9. Facilities maintenance;
10. Debt service and other commitments;
11. All other expenditures, including school lunch; and
12. Total expenditure per pupil.

Sec. XXXX-13. Approval of school budget. Notwithstanding any provision of law to the contrary, beginning January 31, 2009, all school administrative unit budgets must be approved by the voters in the respective units to include school administrative unit budgets based on the essential programs and services funding model. The school administrative unit board shall provide to voters a reasonably detailed breakdown for each major subcategory within each budget category. The Department of Education shall adopt routine technical rules pursuant to the Maine Revised Statutes, Title 5, chapter 375, subchapter 2-A defining and establishing the content of those informational subcategories.

1. Budget approval. A school administrative unit's cost center summary budget must be approved at a budget validation referendum as provided in section 14.

2. Transfer between budget cost center lines. During the year for which the budget is approved using the cost center summary budget format, the school administrative unit board may transfer an amount not exceeding 5% of the total appropriation for any cost center to another cost center or among other cost centers without voter approval.

Sec. XXXX-14. Budget validation referendum. Notwithstanding any provision of law to the contrary, after January 31, 2009, the procedure for approval of the annual budget of a school administrative unit must be in accordance with this section and section 13.

1. Budget validation. Following development of the annual school administrative unit budget and approval at a school administrative unit budget meeting as provided in the Maine Revised Statutes, Title 20-A, section 1485, a referendum must be held in the school administrative unit as provided in this section to allow the voters to validate or reject the total budget.

2. Validation referendum procedures. The budget validation referendum must be held to coincide with the existing municipal and fiscal year budget cycle. The vote at referendum is for the purpose of approving or rejecting the total school administrative unit budget approved by the school administrative unit legislative body. The school administrative unit board shall provide printed information to be displayed at polling places to assist voters in voting. That information is limited to the total amounts proposed by the school administrative unit board for each cost center summary budget category article, the amount approved at the school administrative unit budget meeting, a summary of the total authorized

expenditures and, if applicable because of action on an article under Title 20-A, section 15690, subsection 3, paragraph A, a statement that the amount approved in the school administrative unit budget includes locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act. The referendum question must clearly show the comparison of the proposed budget and the essential programs and services funding for a high-performing unit, highlighting the specific funding categories, and state that any spending greater than essential programs and services standards will be paid by local property taxes. In addition, the additional spending must be expressed in total dollar commitment as well as projected impact on mill rate.

3. Budget validation referendum voting. The method of calling and voting at a budget validation referendum is in accordance with this section.

A. A public hearing is not required before the vote.

B. The warrant for a school administrative unit budget meeting to be followed by a budget validation referendum may be a consolidated warrant covering both.

C. The warrant and absentee ballots must be delivered to the municipal clerk at least 7 days before the date of the school administrative unit budget meeting.

D. Absentee ballots received by the municipal clerk may not be processed or counted unless received after the conclusion of the school administrative unit budget meeting and before the close of the polls.

E. All envelopes containing absentee ballots received before the conclusion of the school administrative unit budget meeting or after the close of the polls must be marked "rejected" by the municipal clerk.

F. If the school budget does not exceed the maximum state and local spending target pursuant to Title 20-A, section 15671-A, subsection 5, the article to be voted on must be in the following form:

(1) "Do you favor approving the (name of school administrative unit) budget for the upcoming school year that was adopted at the latest school administrative unit budget process?

Yes No"

G. If the school budget exceeds the maximum state and local spending target pursuant to Title 20-A, section 15671-A, subsection 5, the article to be voted on for a budget that includes locally raised funds over and above the school administrative unit's local contribution to the total cost of funding public education from kindergarten to grade 12 as described in the Essential Programs and Services Funding Act must be in the following form:

(1) "Do you favor approving the (name of regional school unit) budget for the upcoming school year that was adopted at the latest school administrative unit budget meeting and that includes locally raised funds that exceed the required local contribution as described in the Essential Programs and Services Funding Act?

Yes No

A "YES" vote allows additional funds to be raised for K-12 public education.

A "NO" vote means additional funds cannot be raised for K-12 public education.”

4. Failure to approve budget. If the voters do not validate the budget approved in the school administrative unit budget meeting at the budget validation referendum vote, the school administrative unit board shall hold another school administrative unit budget meeting in accordance with this section and Title 20-A, section 1485 at least 10 days after the referendum to vote on a budget approved by the school administrative unit board. The budget approved at the school administrative unit budget meeting must be submitted to the voters for validation at referendum in accordance with this section. The process must be repeated until a budget is approved at a school administrative unit budget meeting and validated at referendum. If a budget is not approved and validated before July 1st of each year, section 15 applies.

Sec. XXXX-15. Failure to pass budget. Notwithstanding any provision of law to the contrary, if a budget for the operation of a school administrative unit is not approved prior to July 1st, the latest budget as submitted by the school unit board is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved, except that, when the school administrative unit board delays the school administrative unit budget meeting, the operating budget must be approved within 30 days of the date the Commissioner of Education notifies the school administrative unit board of the amount allocated to the school administrative unit under the Maine Revised Statutes, Title 20-A, section 15689-B, or the latest budget submitted by the school administrative unit board becomes the operating budget for the next school year.

Sec. XXXX-16. Special budget meeting. Notwithstanding any provision of law to the contrary, the school administrative unit board may call a special budget meeting when it declares that an emergency exists. The voters of the school administrative unit may authorize the school administrative unit board at a special school administrative unit budget meeting to expend additional funds from the school administrative unit's undesignated fund balance or to pledge the credit of the school administrative unit to obtain additional money for the operation of schools. A special budget meeting held on or after July 1, 2008 must be conducted in accordance with sections 13 and 14.

Sec. XXXX-17. Mandatory budget validation and cost center summary budget form. Notwithstanding any provision of law to the contrary, school budgets developed after January 1, 2009 must conform to the format and referendum procedures set forth in the Maine Revised Statutes, Title 20-A, sections 1701-A and 1701-B.

Sec. XXXX-18. School budgets. Notwithstanding any provision of law to the contrary, municipal school budgets developed after January 1, 2009 must follow the same school budget requirements as school administrative units in accordance with standards established by the Commissioner of Education.’

Amend the amendment by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

SUMMARY

This amendment:

1. Retains those portions of Part XXXX that specifically allow for regional collaboration and that reduce funding for school year 2008-2009 for system administration, operation and maintenance of plant, special education and transportation costs;

2. Eliminates provisions requiring regional school consolidation and instead requires the Department of Education to report to the Joint Standing Committee on Education and Cultural Affairs regarding consolidation and to submit implementing statutory language requiring that all school budgets be approved at referendum in accordance with this Part in the Second Regular Session of the 123rd Legislature;

3. Requires the Commissioner of Education to report to the Joint Standing Committee on Education and Cultural Affairs the latest cost information for each school unit in the State that delineates costs per student by essential programs and services category including the school unit population;

4. Requires that all school budgets be approved at referendum;

5. Establishes an aggressive school administration collaboration process following many of the same process steps as the consolidation process proposed in Committee Amendment "A"; and

6. Requires the Department of Education to identify mandates.

FISCAL NOTE REQUIRED

(See attached)