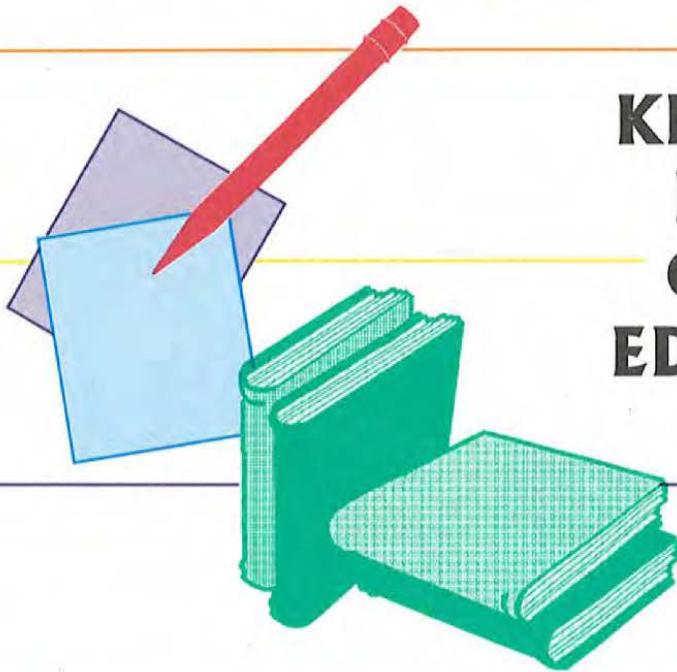
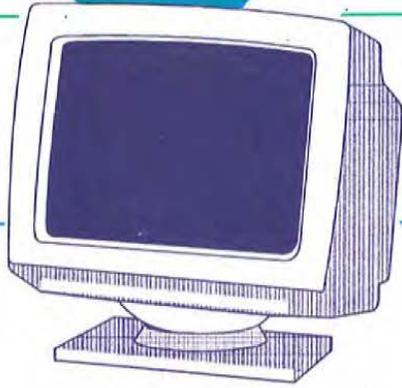


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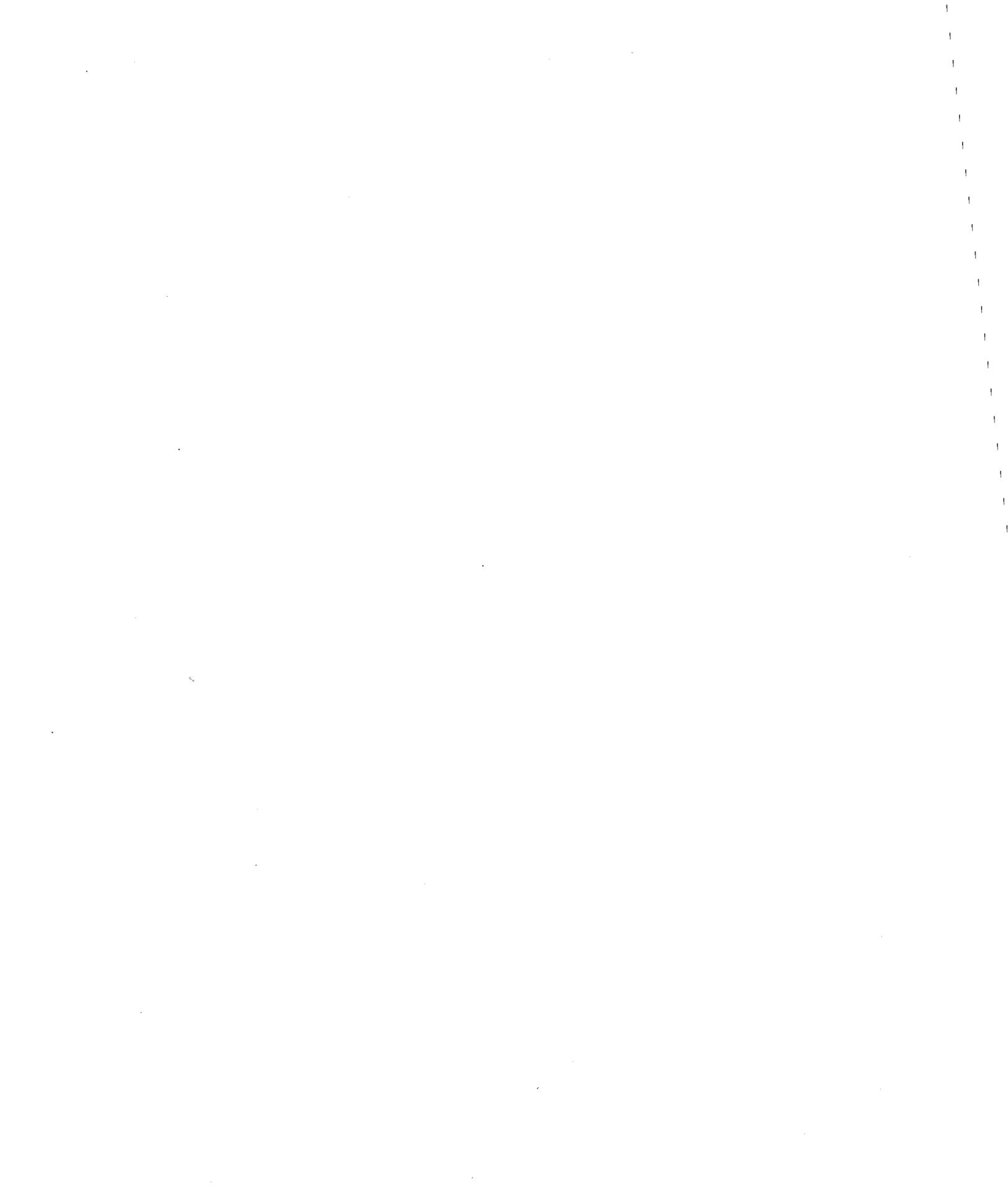
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KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATION EQUITY

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Final Report of the
Committee to Study Organizational
and Tax Issues in Public Schools
February 1995



**KEEPING PROMISES:
HONORING OUR COMMITMENT TO
EDUCATIONAL EQUITY**

Final Report of the Committee
to Study Organizational
and Tax Issues in Public Schools

February 1995

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Nathanial J. Crowley, Sr. is a retired educator and former member of the Maine House of Representatives. He has worked as a high school teacher in six Maine communities, a secondary school principal, guidance director, superintendent, dean of students and college instructor. As a legislator he chaired the Joint Standing Committee on Education, the Joint Standing Committee on Marine Resources, the Joint Standing Committee on Economic Development and served on the Joint Standing Committee on Aging, Veterans and Retirement. He has served on a number of commissions, including the Commission on the Common Core of Learning, the Coalition for Excellence in Education, the New England Board of Higher Education and the Education Commission of the States. He holds a Bachelors Degree and Masters Degree from the University of Maine.

Jean E. Lavigne is Assistant Professor and Director of Graduate Programs at the Department of Public Administration, University of Maine. Her research and teaching interests include educational finance and policy, governmental accounting, public administration and public budgeting and finance. She has served as a financial consultant to the Commission on New York City School Governance, as financial advisor to the Albany City School District Strategic Planning Commission and as Director of Administrative Services for Community College of Vermont. She has published many articles, reports and conference papers on a variety of education, finance and public administration issues. She holds a Bachelors Degree from Rhode Island College, has done graduate study at George Mason University and holds a Ph. D from University at Albany, State University of New York.

Merle R. Nelson is a mediator and former member of the Maine House of Representatives. She chaired the Joint Standing Committee on Human Resources and the Joint Standing Committee on Aging, Veterans and Retirement and served on the Joint Standing Committee on Taxation. She is a former elementary classroom teacher, master teacher, teacher of the blind and teacher of the gifted. She has also served as Business Manager for Ram Island Dance Company and as Vice-President of Nelson Rarlities. She is a member of many boards, including the Holocaust Human Rights Center, New England Organ Bank, YMCA of Portland and the Audubon Society. She holds a Bachelors Degree from Lesley College and a Masters Degree from Harvard College.

John Rosser is Senior Administrator of the Spurwink Schools in Maine, New Hampshire and Rhode Island. He has served as the Commissioner of the Maine Department of Mental Health and Corrections. In New Jersey he has served in public school administrative posts at the building, district, county, and regional levels and as Assistant Commissioner of the Department of Education and Associate Director of the New Jersey School Boards Association. He has served in Maine as a local school board member and on a number of committees and commissions related to children and restructuring government issues. He holds advanced degrees in education from Rutgers University and Temple University.

James A. Soule is the General Manager and owner of A B.E.S.T. Window, Inc. and Portland Window Co. Inc. He is a former high school teacher and General Manager of Portland Glass Company. He has served two terms on the South Portland City Council and two terms as Mayor of South Portland. He has served on a number of local and regional committees working on such diverse issues as regional waste management, transportation, county budgets, and harbor and estuary management. He holds a Bachelors Degree from Bowdoin College and has completed post graduate courses in education at the University of Southern Maine.

Report designed by Tammie J. Breen, Margaret Chase Smith Center for Public Policy, University of Maine.



KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

February 1995

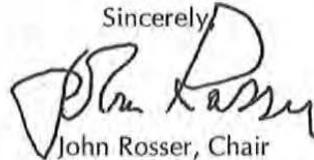
Governor Angus King and
Joint Standing Committee on
Education and Cultural Affairs

Since 1985, there have been five task forces charged with studying the course of education in the State of Maine. Building upon the work of our predecessors, our committee has kept two goals at the forefront of our deliberations: Provide students, no matter where they reside in the state of Maine, an equal opportunity for education; and require taxpayers with equal ability to pay to contribute equally.

Our report, Keeping Promises: Honoring Our Commitment to Educational Equity, addresses what we believe to be the most fundamental problems facing public education in Maine today. We believe that enactment of all its provisions will transform public education for the better.

It is our committee's hope that all who influence or implement policy will have the courage to review our recommendations with an eye to the future. It takes courage to adopt change, for the status quo is comfortable. But, the mere fact that we are the fifth task force since 1985 to wrestle with these issues is testimony enough that the need for change is now.

Sincerely,



John Rosser, Chair



Nat Crowley



Meryl Nelson



Jean Lavigne



Jim Soule

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Unity

I dreamed I stood in a studio and watched two sculptors there.
The clay they used was a young child's mind and they fashioned it with care
one was a teacher - the tools the teacher used were books, music and art.
The other, a parent, worked with a guiding hand and a gentle, loving heart.
Day after day, the teacher toiled with touch that was careful, deft and sure.
While the parent labored by the child's side and polished and smoothed it o'er.
And when at last their task was done they were proud of what they had wrought
for the things they had molded into the child could neither be sold nor bought.
And each agreed they would have failed if each had worked alone.
For behind the parent stood the school and behind the teacher, the home.

Author Unknown



EXECUTIVE SUMMARY

Mission of the Committee

The Committee to Study Organizational and Tax Issues in Public Schools was created by the 116th Maine Legislature. Its mission was to:

- Review the affordability and efficiency of the organization of school districts in the state and the options, costs and benefits of organizational change;
- Review the affordability, efficiency and fairness of school construction policy;
- Review the tax structure for funding public schools and review the implications of repealing the property tax as the source of local education funds; and
- Review the effectiveness of the education leadership structure in the state and options for improvement of that structure.

Background

During the 1980s Maine was a national leader in education reform, drawing attention and winning acclaim for innovative school reforms and a fair system of school finance. The economic downturn that overtook most of the nation in the 1990s has had a profound impact in Maine, stalling innovation, slowing the growth of state support for education and shifting the burden of support for public schools onto local property taxpayers. Many state and local policy makers are fighting simply to protect gains that once promised to provide a strong foundation for a world class system of public education.

This Committee, the fifth group in 10 years to advise state and local policy makers on public elementary and secondary education, has met publicly over 40 times since September of 1994. We have studied state and national research on school finance, school governance, school construction and school reform. We have consulted with experts in education policy who advise the U.S. and foreign governments, state governments and school districts. But most important, we have listened to hundreds of Maine citizens with a deep interest in the quality of education this state offers its children.

Our report “Keeping Promises: Honoring Our Commitment to Educational Equity” addresses what we believe are the most fundamental problems facing public education in Maine today. We believe that enactment of all its provisions will transform public education.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Summary of Recommendations

The Committee to Study Organizational and Tax Issues in Public Schools recommends:

School Finance

1. **Increase General Purpose Aid to Education by 5 percent each year for FY96 and FY97.** Equal educational opportunity for Maine students and meaningful property tax relief for Maine citizens depend upon the state contributing a higher percentage of the total cost of education.
2. **Provide property tax relief to households by funding the property tax circuit breaker program.** Direct relief to households in which the property taxes paid exceed 4.5% of the homeowner's personal income, with a maximum income of \$50,000. Fifty percent of the property tax will be reimbursed when a homeowner's tax exceeds 4.5% of personal income, and 100% will be reimbursed when the tax exceeds 8.5% of personal income, up to a total of \$3,000.
3. **Add median community income and property value to determine a community's ability to pay for education.** The use of income in determining ability to pay does not reduce reliance on property taxes – only an increase in state funds will do that. It will, however, produce a fairer and more realistic measure of wealth than property value.
4. **Include a regional price adjustment in the school funding formula.** A regional price adjustment is used to reflect differences in the cost of purchasing goods and services in different parts of the state. Inclusion of the adjustment will increase equity for pupils and taxpayers.
5. **Fund only essential programs and essential services.** Direct the State Board of Education to develop an implementation plan for funding essential programs and essential services tied to the recommendations of the Task Force on Learning Results. The State Board should also develop a parallel program that holds schools accountable for student learning.

School Governance

6. **Establish an Education Coordinating Committee to promote efficiency, cooperation and strategic planning between public schools and Maine's institutions of higher learning.** The Committee should advise lawmakers and others on education policy and report its recommendations annually to the Governor and the Legislature. Members will include the Commissioner of Education, the Chair of the State Board of Education, the President and the Chair of the Board of Trustees of the Maine Technical College System and the Maritime Academy and the Chancellor and the Chair of the Board of Trustees of the University of Maine System.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

7. **Establish a permanent research center without walls to collect, integrate and analyze education data for elementary and secondary schools and perform targeted education research.** Maine suffers from a severe lack of useful and accessible information about the condition of public education. A research center funded jointly by the Legislature, the University of Maine System and private organizations will provide reliable statewide data to aid state and local policy makers in decision making.
8. **Increase the membership of the State Board of Education from 9 to 15 members and designate the board as Maine’s policy leader and chief advocate for K-12 public education.** The board should develop a five year plan for education that identifies goals and establishes statewide policy for elementary and secondary education. The board should have its own professional staff and the board chair should address the full legislature annually.
9. **The State Board of Education should convene a task force to advise the board and the Legislature on a statewide plan for consolidation of school administrative units.** Its primary focus should be on middle school and high school consolidation. Based upon the Task Force recommendations, the State Board shall be authorized to require that certain school units consolidate.
10. **The State Board of Education should undertake a review of the organization of school administrative units statewide and identify opportunities for resource-sharing agreements between school units.** Based on its findings the State Board shall require that appropriately identified school units enter into a cooperative agreement with one or more other school units.
11. **The role of local school boards should be reaffirmed as that of making policy. Boards should grant expanded responsibilities to superintendents, who will act as the chief executive officer of the school unit.** Superintendents should hire school principals, who should act as the educational and administrative leader of the school. Boards, superintendents and principals should promote school-based management, empowering teachers and including community members in the operation of the school. School councils should be established to broaden school employee and community participation in public education.
12. **Support the work of the Task Force on Learning Results. The task force is developing long-range education goals and standards for school and student performance.** Once adopted, these criteria will be used to help define what programs and services are essential for all Maine students, which will in turn be used to set state funding priorities for education. This is the single most important education effort underway statewide and deserves strong support.
13. **The Legislature should review the education clause of the Maine Constitution.** The renewed importance of education and its vital connection to Maine’s economic future argue for consideration of a clearer, stronger and less equivocal statement of state support for education than the current education clause provides.

School Construction

14. **Revise the school construction rating process by awarding points for school consolidation and providing financial incentives to units that consolidate.** School consolidation should count for a minimum of 20% of the overall rating awarded to each school project. School construction projects that include consolidation of school buildings within a school unit should receive an incentive payment from the state equal to 10% of the cost of the project. Projects that include consolidation of school buildings between school units should receive an incentive payment equal to 20% of the cost of the project.
15. **School administrative units that receive state subsidy for a school construction project should pay a local contribution for the project.** The contribution will be equal to either 15% of the total project cost or 4 mills multiplied by the unit's fiscal capacity, whichever is less. The local contribution will have a number of benefits, including increasing equity, creating incentives for fiscal efficiency in planning and maintenance, and freeing up state funds for additional school construction projects.
16. **The Department of Education should conduct an inventory of all public elementary and secondary school facilities in Maine.** The inventory should be used to establish a school facilities data base to be maintained by the department. The inventory is a crucial component of the proposal to have every school administrative unit establish a capital improvement program.
17. **All Maine school administrative units should establish and maintain a capital improvement program.** The Department of Education should provide technical assistance to school administrative units and fund a statewide professional assessment of school buildings from interest earned on school construction bond proceeds and unexpended school project balances. Capital improvement programs have a number of benefits, including focusing on educational needs, maintaining a stable financial program and budgeting for capital replacement.
18. **The Department of Education should establish a school construction reserve fund from recovered interest on bond proceeds and unexpended project balances.** During the next fiscal year proceeds from the reserve fund should support the school facilities inventory. The department should establish guidelines for other school construction related uses of the reserve fund. The reserve fund should be used to support general improvements in the operation of Maine's school construction program.
19. **Unanticipated minor capital costs in excess of \$100,000 per incident should be treated as a debt service cost and made eligible for state subsidy.** Current school finance law provides only indirect state subsidy for unanticipated minor capital costs and at only a fraction of the cost. This provision will provide relief to school administrative units faced with unexpected capital expenditures.
20. **The Maine Municipal Bond Bank should establish a school construction investment pool consisting of bond proceeds for school construction projects.** The investment pool will reduce the administrative burden faced by school units who must manage bond funds and should increase interest earnings on the investment of school construction bond proceeds.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

We have made many additional recommendations on a variety of subjects. The report includes recommendations on the following issues:

Use of the Maine Income Tax return to apply for property tax relief;

Data collection by the Bureau of Taxation;

Tuition reimbursement rates for students educated outside their “home” community;

Review of operating costs included in the school finance formula;

Adoption of the Common Core of Learning;

Priorities for the Department of Education;

Appointment of the Commissioner of Education;

Review of the school union district model;

Public school choice;

Social services in the schools;

Provision of services to special needs students;

Technology planning;

Applied technology education;

Capital improvement costs for technology;

Department of Education staffing for school construction;

School construction projects placed on the “protected list”; and

School construction and tuition costs.

INTRODUCTION

The changing global economy and the recent recession have created deep concerns about the quality of elementary and secondary public education in Maine. The concerns come from nearly every quarter and are often contradictory. Some perceive a decline in quality caused by a lack of state funding for education; some think schools lack focus and a clear sense of educational philosophy; some believe that schools have assumed the duties of families and communities and failed to focus on the basics; and some see inefficiencies that weaken an already under-funded enterprise. It is clear that Maine people sense that change is necessary and want it to occur in a thoughtful and deliberate way.

Last spring, after reviewing the experience of several education task forces over the last ten years, the Legislature settled on creating a small committee of five members with a wide range of experience and expertise. They believed that a small group would work efficiently and might avoid the lengthy and complex negotiation process larger groups often experience.

We have been charged with reviewing and making recommendations on the tax structure for funding public schools, the organization of schools units, school construction policy and education leadership (see Appendix 1 for details). We have held approximately 30 public meetings in the last 5 months, and met with hundreds of individuals and members representing dozens of groups (see Appendix 2 for details).

While considering the issues these individuals and groups have raised and possible solutions, we have been guided by one primary goal, and that is to determine what is fairest for all Maine students and taxpayers. For students that has meant focusing on policies that encourage equal opportunities for learning. For taxpayers it has meant focusing on policies that ensure equal treatment and a fair assessment of ability to help support education. In education jargon this is referred to as a commitment to pupil and taxpayer equity, and the court cases and scholarly articles on the subject attest to the notorious difficulty of agreeing on a precise definition. We have tried to look beyond the intricacies of this often technical and theoretical debate and ask practical questions about the issues: are they substantive, are they already being addressed, who can best solve them, are short term or long term solutions needed? Where solutions seem necessary and within reach, we have focused on the big picture: what will advance the interests of students and taxpayers, what will move systems in a direction that we can all agree is simpler or fairer or better?

There are always reasons for doing nothing, for staying with current methods and practices because they are familiar and less threatening than change. Where we have recommended change we have done so not simply for the sake of change, but because with the help of everyone who has participated in this process we see real opportunities for improvement.

We have been aided enormously by the work of the three education task forces that have preceded us in the last five years. In particular, we are indebted to the most recent – The Governor’s Task Force on School Funding, which spent 18 months considering many of the issues on which we have made recommendations. The technical questions it faced and answered provided a foundation upon which many of these recommendations are based.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Our recommendations are unanimous – each of us supports the entire package and views the recommendations as dependent upon each other. We believe that these recommendations, taken as a whole, constitute a vision of education for Maine that provides clarity of purpose, stronger leadership at the state and local level, equal opportunity for students, fair treatment for taxpayers and support for education professionals in exchange for accountability. We urge anyone with an interest in education to consider them carefully and work for their adoption.

FINANCING K-12 PUBLIC EDUCATION

Among policy makers and citizens alike there is widespread dissatisfaction with how public education is funded. Most specifically, this dissatisfaction stems from two sources: 1) the reliance on the property tax to fund K-12 public education and 2) the inability of the state school finance formula to achieve equity among taxpayers and students.

Maine has had a distinguished history as a national leader in school finance law. In the 1970s, it was one of the first states to implement an equalizing formula to distribute state funds for K-12 public education. The School Finance Act of 1985 was recognized nationally as an innovative piece of legislation. It increased public accountability for schools by establishing statewide student assessment tests, and increased standards for schools, teachers and students. Severe budget stress, however, culminated in the suspension of the funding levels in 1991.

History of the Problem

The state has not contributed its fair share of funding requirements it passed in the School Finance Act of 1985. At the time the Act was passed, many predicted that the state could not sustain the increasing financial obligation required by law, and forecast that intense pressure on the property tax would result. They were right. And the state's inability to adequately fund the Act during the budget shortfall that began in 1991 has resulted in significantly less funds targeted to public education.

The legislative record of September 10, 1984 reflects the concern of property taxpayers on the newly proposed finance bill that became The School Finance Act of 1985. Senator Collin's stated,

"This program, in my judgement is not adequately financed down the road. It has very grave implications for the property tax because a number of our districts are going to have to hire more people and they're going to have to build more laboratories and those things in part will come from the property tax. We ought not to deceive the people about that; we ought to tell them that's what is going to happen unless we have another solution in the form of a major tax which will fill the gap and factor into formulas in a way that relieves the property tax."

Senator Samuel Collins, September 10, 1984

Unfortunately, Senator Collin's grim prediction came true. In 1980 the state financed 42.8 percent of public K-12 education. By 1990, after several years of reform and an average annual state subsidy increase of 8 percent per year from 1980 to 1986, and an average increase of 17 percent between the years 1986 to 1990, the state's share of the total costs of K-12 public education had increased only slightly to 43.4 percent.¹

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Maine's school finance formula is designed to improve the equitable distribution of resources to children. It attempts to channel more resources to students in low wealth school districts by basing distribution of state funds on a single measure (state-equalized assessed property value) of a district's ability to pay for its children's education. Children's equity, therefore, has been aspired to by subsidizing districts in such a way as to equalize funds between communities.

Even with these equity-orientated features, however, there are other characteristics of the aid distribution system that work against equity:

1. Previous arbitrary legislative actions in the form of hold harmless features, which protect school administrative units from receiving more or less funding than the previous year, have eroded the equalizing force of the formula.
2. Taxpayer's ability to pay for public education has been based on a single factor (assessed property value of the community they are a part of), which does not represent a community's true wealth.
3. Different localities within the state face different costs of living. Thus, the same amount of dollars do not purchase the same amount of goods and services.
4. Differences among children such as proficiency in English and the proportion of poor children in a school are not taken into account in the current school finance formula.
5. High fixed costs of public education, such as building maintenance and minimal staffing requirements, have eroded the ability of some districts to provide the same type and level of educational services as other districts.

The inability of the state to fund the school finance formula at an adequate level or the formula itself to distribute what funds are available in an equitable manner have contributed to the increasing burden on local property taxes to fund public education in Maine. Several other factors related to budget decisions have also contributed to the increases in local property taxes. They include:

- The State did not fully fund its share of the School Finance Act of 1985, creating a shortfall of approximately \$109.1 million in 1994 and \$120 million in 1995. Local option funds (dollars raised locally through the property tax to pay for educational services not funded through the school finance formula) increased rapidly to **partially compensate** for the loss of state funds. Statewide, it is estimated that only \$1 was replaced for every \$4 of state aid loss.
- The State did not fully fund out-of-district placements for special education circuit breaker costs. The state had made a commitment to fund out-of-district placements once the expense exceeded 3 times the secondary school cost per pupil operating rate. However, in the early 1990's there were no funds available for this program. As a result, local communities were forced to pay the entire cost of such placements.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

- The State did not fully fund the resident property tax relief program. The State decreased funding of this 'circuit breaker' program that helped low income Mainer's pay their local property tax bills. This occurred at the same time that property taxes were rising above inflation, wages, and the consumer price index. This will be discussed in more detail later in the report.
- The unfunded liability in the teacher retirement system that is now being paid by the state, reducing the amount of funds available for general fund revenue which might have been used for general purpose aid to schools.

OPTIONS TO THE HEAVY RELIANCE ON THE PROPERTY TAX

Introduction

"Investment in education has a high return, and passing up such investment is costly, especially over the long term. Better schools could be an important determinant of whether the United States is able to sustain a high rate of economic growth. Recent investigations of economic development suggest that, although the nation might be able to achieve short-term productivity improvements by diverting money from education to other kinds of investments, education plays a special role in supporting high, long-run growth."

Erick Hanushek, 1994

THE INVESTMENT THE STATE OF MAINE MAKES IN FUNDING K-12 PUBLIC EDUCATION AFFECTS COMMUNITIES (TAXPAYERS AND CHILDREN ALIKE) MORE THAN ANY OTHER SERVICE THE STATE PROVIDES. The state needs to recommit itself to an excellent, equal education for all children regardless of where they live. Funding the state commitment *must take priority*. The state needs to meet it's obligation to it's children if we are to succeed in the information-driven, rapidly changing global economy. All Mainer's will share in the successes and pay for the failures of the educational system. The most effective way to ensure that Maine's public education system is more successful is to address the problems in the current funding system.

It is critical that steps be taken to alleviate the immense pressure on local property taxes.

Schools are funded by a combination of federal, state and local dollars. The mix of these funds varies from state to state, but the majority of funds come from state and local governments. Nationally, K-12 public education revenue was \$234 billion in the 1991-92 school year.² Nearly half of this revenue came from state sources; slightly less than half came from local sources. The federal government provided only about 7 percent of the total cost of public education nationally. During the same time period in Maine, the state contributed 49.8 percent, local sources 43.3 percent and 7 percent came from the federal government.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

State governments are playing an increasingly larger role in funding K-12 public education. There are three important reasons why:

1. Only the state can equalize resources between rich and poor areas. If all revenue were local, there would be huge disparities between the resources available in affluent and poor areas.
2. The state is in a better position to impose substantial income and sales taxes, for reasons explained later. It is difficult, if not impossible, to have a well-funded educational system without those taxes.
3. Many of the benefits of education spill out beyond the boundaries of the local school district. Such external benefits (for example, more informed citizens, less crime, higher earning ability) provide an important rationale for state support.

State-Local Share

The property tax is the main tax used by local school districts to fund K-12 public education. When schools are poorly financed or resources are unevenly distributed, criticism often falls on the property tax. Steve Gold of the Center for the Study of the States, argues, “Many people criticize heavy reliance on the local property tax because it is often associated with big inequalities of resources among school districts. But the real root of inequality is reliance on local revenue, not the property tax itself.”³

Would the inequality of local revenue be different if local governments had the ability to raise funds through local option sales and income taxes? Gold states, “Disparities would generally be even worse if the local income or sales tax were used instead of the property tax.” This is because some areas attract more commercial development thus generating more sales tax revenue, and income is not evenly distributed over the entire state so that income tax revenues would not be equally distributed. It appears, therefore, *that a larger state role in funding education without eliminating local responsibility to provide some funding would result in a more equitable system of funding schools.*

Educational researchers generally report that a mix of local and state funds, with the state supporting the majority of expenditures, is a superior method to funding education both equitably and adequately. It is important that the local community raise some funds for public education. Raising local funds increases accountability, indicates the preferences concerning education, and increases the overall expenditures of funds.

In states that rely almost solely on state funding, the actual expenditures toward education are lower than other states. For example, before Proposition 13 (which resulted in the primary responsibility of funding public education being placed on the state), California schools were ranked in the top 10 of all states for expenditures per student. In the 10 years plus since its passage, California’s expenditure per student ranking has dropped to 40th⁴ and the quality of education has widely been viewed as inadequate.

Property Tax Burden

No tax is perfect. All taxes involve some inequities, and they nearly always interfere with efficient resource allocation to some degree. The higher a tax's rate, the more glaring its imperfections. From this, two important principles follow:

- States should avoid over-reliance on any particular tax. In other words, they should strive for balance by using all of the appropriate major taxes available.
- Broad tax bases are desirable. That is, exemptions should be avoided if possible. A sales tax with few exemptions, for example, can have a lower tax rate and still produce the same amount of revenue as a sales tax with a narrow tax base.

Maine's property tax burden has been gradually increasing. In 1982 Maine ranked 15th out of the 50 states in tax effort.⁵ In a study completed by the Center for the Study of the States in 1991 Maine was listed as tenth among the states with the highest property taxes per \$100 of personal income.⁶ The Maine Municipal Association examined property tax data subsequent to 1991. They found that Maine's property tax position has clearly become even worse than the Center for the Study of States report indicated. Consistent increases have placed a severe burden on local property taxpayers. Studies find that it is not only the overall higher property taxes but also rapidly rising rates that burden property tax payers. In the case of Maine, taxpayers have faced both high tax effort and rapid rate increases.

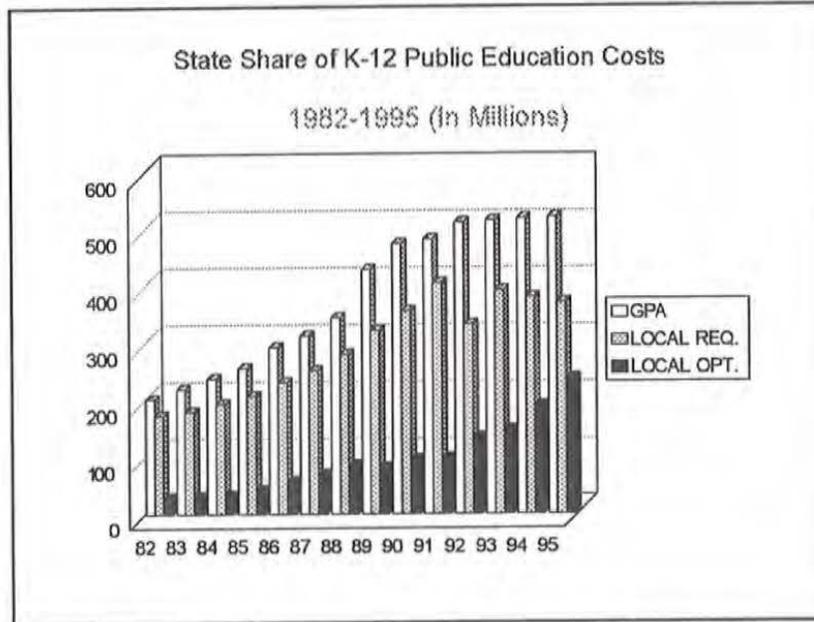
Local option spending for education has risen dramatically, especially since 1991 when the state began to fail to fully fund its obligations. Local option revenues totaled roughly \$99,500,000 in FY91. By October of 1994 the amount of local option revenues raised had reached approximately \$238,971,000 (See Figure 1). To put this in perspective, local option taxes increased faster than the rate of inflation and personal income. At the same time, property tax relief for those most in need, in the form of the circuit breaker, was drastically reduced. This situation has fueled a citizen's property tax revolt in Maine.

There are a number of examples nationally that indicate tax limitation movements are initiated when property taxes equal approximately 5 percent of the income of taxpayers. Currently, the percentage of local property taxes paid in Maine is 4.6 percent of taxpayers' personal income.⁷ Maine homeowners with incomes of \$25,000, for example, pay property taxes of about 9 percent above the national average. Families earning \$100,000 or more pay property taxes of about 3 percent above the national average in property taxes.

The Legislature and the Governor must act now to alleviate the pressure on local property taxes. There is a probability that in November 1996 a referendum will be on the ballot to limit the property tax to 1 percent of the market value of a property. If passed it will devastate the funding of public education in the State of Maine. Policy makers must take this threat seriously: the stakes are too high to ignore the potential ramifications of a property tax limitation.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Figure 1



For example, in 1994 a 1% property tax cap would have reduced the amount of revenue available to fund all *local government services* and *public schools* to a level of \$609 million. In 1994, with no cap, the overall revenues from the property tax to K-12 *public education alone* was approximately \$600 million. The Maine Municipal Association estimates the loss to local governments at \$400 million if the referendum is passed.

The Maine Municipal Association computed the proposed tax cap impact on local governments for every community; the following are examples.

Table 1: Impact of Selected Communities to Proposed Property Tax Cap

COMMUNITY	LOSS TO TAX CAP IN REVENUE DOLLARS	LOSS TO TAX CAP AS A % OF REVENUES
Auburn	13,434,620	58.07
Augusta	10,434,905	53.92
Bangor	15,514,057	54.55
Bar Harbor	1,179,981	19.03
Cape Elizabeth	4,532,105	43.50
Caribou	2,829,739	61.54
Fort Kent	530,738	34.04
Lewiston	18,635,746	60.16
Portland	46,332,453	59.45

METHODS OF REDUCING THE PROPERTY TAX BURDEN

Reprioritizing Existing Spending

There are many services that the State provides that have no effect on property taxes. Yet, education, for which the state is responsible has a direct effect on the local property tax. Therefore, any increased subsidy from the state defers local option spending and provides property tax relief. Increased subsidy from the state also promotes equity in student's opportunity regardless of where they live within the State of Maine. Reprioritization would require that the state analyze what programs and services it is currently spending it's funds on and increase the allocation of resources to fund K-12 public education.

Sales and Use Taxes

As a consequence of the relatively low tax rate and thin base, Maine taxpayers pay less sales tax at all income levels than the national average. Maine currently has a 6% sales tax rate on most goods. Several states allow local communities to raise and collect sales taxes above the state sales tax rate. For example, in Tennessee the state sales tax is 7 percent and the local governments may charge another 1.75 percent; making the sales tax the consumer faces 8.75 percent in some localities. When combining both state and local sales tax rates confronting the consumer, twenty-six states impose a higher rate than Maine, seven a lower rate, thirteen states the same rate, and four states have no sales tax.⁸ Comparison of sales tax rates can be misleading, however, since each state has its own unique tax base. Maine's tax base is relatively thin (that is, it taxes fewer types of transactions than most states). Only eleven states tax fewer types of transactions than does Maine. A major advantage of broadening the sales tax base is that it would produce substantial revenue without increasing tax rates. This is a particularly important advantage because when tax rates increase, economic distortions grow. Broadening the sales tax base usually also enhances equity in citizen's decisions to purchase either goods or services. Maine could broaden the sales tax base by taxing services. Both New Mexico and Hawaii tax all goods and services.

The major disadvantage to expanding the sales tax base is that it tends to be regressive, not related to one's ability to pay. Regressive taxes take a higher percentage of a lower income person's income than that of a higher income person's income. The degree of regressivity depends upon what goods and services are taxed. If food or utilities are taxed, that increases regressivity; if services used regardless of income are taxed, that too would increase the regressivity of the tax structure for those least able to pay.

The following list provides options on the estimated revenue that could be generated from the State of Maine instituting a 6% tax rate (effective October 1, 1995) on the services listed.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Table 2: Potential Revenues for the State of Maine

PROVISION	GF-FY96	GF-FY97
Tax Professional Services	\$28,293,158	\$42,069,498
Tax Construction Services	\$21,100,097	\$31,374,033
Tax Interstate Phone Calls	\$12,931,712	\$20,111,708
Repeal Sales Tax Trade-in Credits	\$12,297,973	\$19,126,101
Tax Business Services	\$11,864,506	\$17,641,502
Tax Separately Charged Labor Service Fees	\$10,670,917	\$16,595,665
Impose Sales Taxes on State Purchases	\$7,414,074	\$11,530,544
Tax Amusement & Entertainment Services	\$6,720,247	\$9,992,431
Tax Personal Services (Except funeral services)	\$4,955,642	\$7,368,615
Reinstate 1% Tax Rate for Manufacturing Fuel (7/1/95)	\$4,454,184	\$4,641,259
Tax Short-term Publications	\$3,253,241	\$5,059,519
Tax Basic Cable TV Charges	\$2,352,295	\$3,658,345
Tax Property Placed in Interstate Commerce	\$1,177,628	\$1,831,475
Tax Vending Machines	\$517,446	\$1,379,629
Tax Intrastate Transportation Services	\$426,012	\$662,544
Impose Sales Tax on Extended Warranties	\$277,177	\$431,073
Tax Residential Utilities	\$30,267,243	\$47,072,339
Tax Hospital and Nursing Home Purchases	\$11,301,018	\$17,575,614
Tax all Meals at 7% rate	\$15,301,861	\$23,797,819
Tax Grocery Store Salad Bars	\$230,268	\$358,118
Tax Grocery Staples	\$73,097,819	\$113,683,474
Tax Medical Services	\$35,342,624	\$52,551,449
Biennium Total		\$742,759,896

Source: Bureau of Taxation, State of Maine, 1994.

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Income Taxes

The income tax is the only major state tax that is progressive. All state income taxes have a tax base and tax rate. In Maine the top tax rate (8.5%) takes place at a fairly low taxable income level (\$33,000).⁹ The 8.5 percent rate is the third highest marginal rate in the Northeast.¹⁰ In the two states that have higher rates, however, the rates are only levied for taxable incomes over \$250,000.

Table 3: Highest Marginal Tax Rates for State Personal Income Taxes Joint Returns, January 1994

State	Highest Tax Rate (%)	Taxable Income at Which Top Rate Starts (\$)
Connecticut	4.50	0
Maine	8.50	33,000
Massachusetts	5.95	0
Rhode Island	10.89	250,000
Vermont	11.09	250,000
Delaware	7.70	40,000
Maryland	6.00	150,000
New Jersey	7.00	70,000
New York	7.88	26,000
Pennsylvania	2.80	0

Source: Gold, 1994.

In Maine, 2% of the top income tax payers generate 30% of the revenues in income tax.¹¹ It is unlikely that Maine could raise its top rates higher without seriously retarding economic development. High income tax rates tend to encourage affluent people to move to other states and discourage business investment. On the other hand, increasing the tax rates for low income people would be counterproductive since Maine already has a relatively high tax rate for lower income individuals and would not generate the level of funds necessary to justify the expenditure to collect the funds.

Conclusion

It appears the only category of taxes that is significantly below the national average is the sales tax. This is true of both the sales tax rate and the sales tax base. True relief from the burden of property taxes will come from the state increasing funding to public education. The state may do this by raising statewide revenues to fund public education or by *reallocating and reprioritizing existing general funds to public education*.

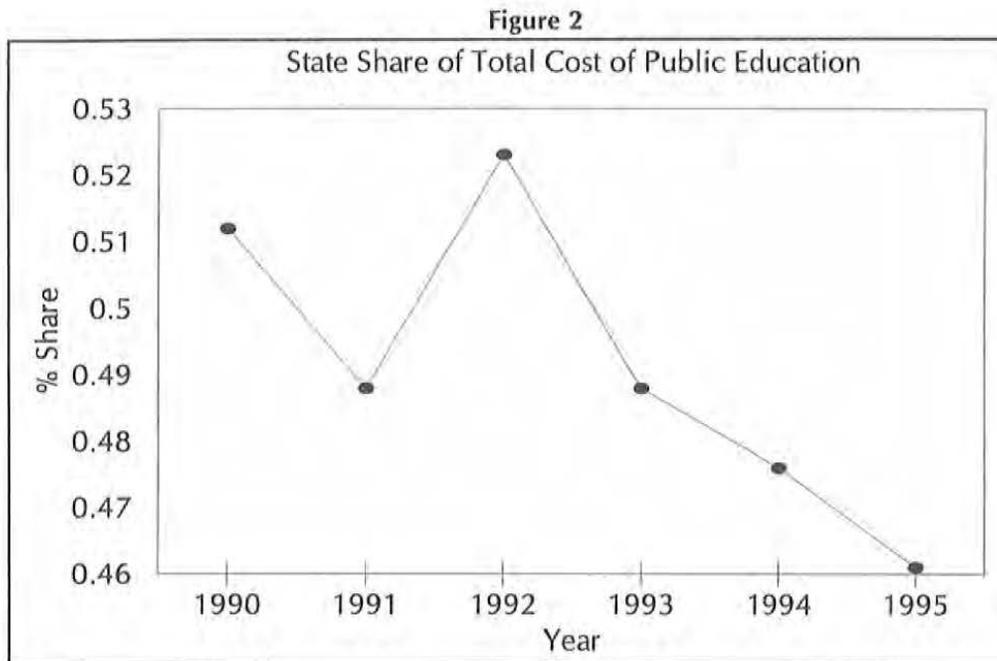
RECOMMENDATIONS RELATED TO REDUCING THE BURDEN OF THE PROPERTY TAX

The following recommendations will reduce the burden of the property tax. They change the overall level of funds available for K-12 public education.

Recommended: SUPPORT A 5% PER YEAR INCREASE IN GENERAL PURPOSE AID TO EDUCATION FOR FY96 AND FY97.

There can be no local property tax relief without the state incurring a higher percentage of the total cost of education. Even in the unlikely event of the state raising new revenues, property tax relief would not occur unless the state *increased the funding for elementary and secondary public education to allow for a reduction in local property tax levies while controlling costs.*

All four task forces on funding public education, since 1985, have called for the state to assume a greater share of funding the total allocation awarded for funding schools. The same recommendation was offered by the Speaker's Select Committee on Property Tax Reform's Final Report in November of 1986. Unfortunately, the state share has shrunk instead of growing in the 1990's. See Figure 2. If we are to provide meaningful property tax relief and equalize the experiences of students across the state, the \$26 million that is required for a 5 percent yearly increase is essential.



KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Recommended: FUND PROPERTY TAX RELIEF

A. Fund the circuit breaker and change state statutes to provide for property tax relief for households in which the property taxes paid exceed 4.5% of the homeowner's personal income, with a maximum eligibility of \$50,000 annual income. Fifty percent of the property tax will be reimbursed when the property tax of a homeowner exceeds 4.5% of personal income and 100% of the property tax will be reimbursed when the property tax exceeds 8.5 percent, up to a maximum payment of \$3,000.

In 1992, the income eligibility limit was \$60,000 for the property tax relief program. This year the income eligibility limit was \$25,800. Most local government officials view the current eligibility requirements as too restrictive. It is estimated that the proposed level of funding will require \$22-\$24 million of expenditures to the state general fund, approximately \$10-\$12 million more than is currently being expended. This method will efficiently deliver property tax relief to those most in need. If the state wants to provide meaningful property tax relief this is the amount of money that will be necessary.

B. Use the income tax form to apply for the property tax relief program. This addresses two concerns. First, there is no stigma attached to filling out the Maine state income tax form. Many citizens find it difficult to ask for a special form at the town hall. Furthermore, we wish to encourage even those with no tax liability to complete a state income tax form, so as to provide the most inclusive income data possible. In addition, using the income tax form, as is the case with most other states that have such a program, can result in lower costs for processing and distributing the relief. This recommendation was first proposed by the Final Report of the Speaker's Select Committee on Property Tax Reform in 1986. It is time to act to provide meaningful property tax relief for the citizens of Maine.

C. Direct the Bureau of Taxation to collect the data to determine who is currently paying property taxes in Maine and the composition of the property in the state. The property tax is the major tax base of local communities and has essential linkages to the funding of public elementary and secondary schools. We need to understand the composition of the assessed value of communities. We need to know if property is commercial, industrial, or residential; owned by a corporation or an individual; whether or not it is owned by a state resident; and whether or not it is a primary or secondary home. The answers to these questions will provide the data to model the long term effects of property tax payer relief. Without this data, exploring options for taxpayer relief or increasing revenues are severely limited.

RECOMMENDATIONS TO IMPROVE THE EFFICIENCY AND EFFECTIVENESS OF DISTRIBUTING STATE AID

Recommendation 3 and 4 improve the current method by which the state funds are distributed. They both serve to 'level the playing field' when distributing state funds by identifying a truer measure of the ability to pay for education and a truer method of comparing local purchasing power of municipalities. Recommendation 5 and 6 focus on students who are tuitioned to another school administrative unit, and determining the appropriate method for the state to subsidize particular expenditures by local communities. Recommendation 7 urges that the state change the method of how funds are distributed. It suggests that we depart from the School Finance Act of 1985 and fund by an essential programs and services model.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Recommended: ADD A MEDIAN INCOME MEASURE TO THE ASSESSED PROPERTY MEASURE TO DETERMINE A COMMUNITY'S ABILITY TO PAY.

The use of income in determining the ability to pay does not reduce the reliance on property taxes, only an increase in state funds would do that. It would, however, change the distribution of the funds available to be reallocated. **It would also provide a fairer method of determining ability to pay.** Economists generally find that income is a more realistic measure of one's ability to pay for a good or service than property wealth.

Maine, like most other states, distributes funds to public schools to equalize the opportunity children receive from their schools. State funds are distributed based on the local community's ability to pay for the cost of schools. Measuring the ability to pay ensures that people contribute to the cost of public education in line with their ability to pay. The fiscal capacity of a school administrative unit is the ability of that unit to obtain revenues from its own economic resources through taxation. A state school finance formula must have available some method of measuring the fiscal capacity of each unit in order to compensate for disparities in the fiscal capacity of different units.

With slow-growing state funding, it is necessary to more clearly specify the particular equity values important to the state. The ability to pay principle calls for a distribution of the tax burden that is in line with the economic capacity of the taxpayer. To obtain equity, taxpayers with equal ability to pay should contribute equally. Taxpayers with unequal capacity should contribute correspondingly different amounts. Taxpayer equity is measured by comparing tax burdens to taxpayers.

Currently, the ability to pay is measured by the state-equalized assessed property value. The determination of taxpayer equity is measured by mil rates. Equal mil rates have been understood to mean equal tax effort. We recommend defining taxpayer equity as equal tax effort, measured by more than just equal mil rates. The definition of taxpayer equity should also include actual tax dollars paid as a percentage of personal income.

In Maine the school finance formula is designed to improve the equitable distribution of resources to children by basing the distribution of state funds on a single measure (state-equalized assessed property value) of a district's ability to pay for its children's education. In the late 1980's property values rose rapidly. If fiscal capacity had been determined by both property value and personal income, the wide swings in the calculation of ability to pay would have been moderated. Using two factors, personal income and assessed property value, gives a more complete picture of a single community's ability to pay. **The use of two factors in determining ability to pay will minimize the impact of abrupt changes in either of the two factors.**

Almost half of the states nationally use more than just assessed property values in determining a community's ability to pay.¹² Ten states use a combination of assessed property values and non income measures. Thirteen states use some form of income when considering a community's ability to pay for education (See Table 4). Maine's current formula utilizes only one value to measure a local community's ability to pay. Every state that has ever instituted a second measure continues to utilize it.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

We propose to phase in the income measure by 10 percent a year until it reaches 50 percent of the measure of ability to pay. An analysis of the impact of using income in the formula will be undertaken by the legislature with assistance from the Department of Education after subsidies have been established using income at the 20 percent a year level during the 1996-97 school year. Legislation should be drafted to direct the Bureau of Taxation to certify the median income for each municipality in Maine, based on yearly data from income-tax forms. The bureau should report the median income of each school administrative unit and municipality to the department in machine-readable form.

Median income data will not be ready for use by the department until the 1997-98 school year. For the 1995-96 and 1996-97 school years, income information based on updated numbers from the 1990 U.S. Census can be obtained from a econometric research firm called CLARITAS, based in Baltimore, Maryland. It is our judgment, confirmed by the Director of the State Planning Office and others, that income data from CLARITAS will be as reliable as that collected by the by the Bureau of Taxation. Preliminary indications are that there may be up to four small towns for which income data will be unavailable from CLARITAS. The department should derive income figures for such towns with assistance from appropriate state agencies and departments. We recommend that the state proceed with immediate implementation of this plan.

Table 4: States that include Personal Income in Determining Fiscal Capacity

Assessed Property Valuation and Personal Income

Connecticut
Maryland
New Hampshire
New Jersey
New York
Pennsylvania
Rhode Island
Vermont

Assessed Property Valuation and Personal Income, plus other Revenue Sources

Alabama
Kansas
Mississippi
Missouri
Virginia

"Property is a very narrow and inadequate measure of total family income or wealth in a industrialized society, so use of this measure even though it is a "tax handle" leads to gross distortions. Per capita personal income is a much better measure of true ability to pay since it reflects the earnings from human capital and interest and profits from financial assests as well as real estate."

Walter W. McMahon, 1993

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

There is often no direct relationship between one's annual income and the value of one's property. Yet Maine's school finance formula operates as if there were. Unfortunately, when a resident's property tax is due it is impossible to detach one room from the house in order to pay the tax. Personal income has been found to be a successful measure in many other states that sought to determine a community's ability to pay. Every state that has ever instituted such a measure continues to utilize it.

We have chosen the median residential income because this measure is less sensitive to incomes at the very high and very low ends of the distribution than an average income measure is. We have also chosen the state income tax data to use in the calculation.

See Appendix 3 for the technical explanation of the calculation to determine fiscal capacity based on equally weighting both state equalized assessed property value and median income.

Introducing income as an additional measure of the ability to pay for school administrative units statewide raises the question of cost sharing within two types of districts, CSDs and SADs. Presently, state statute provides that property valuation or the number of students or a combination of both of these measures shall determine how costs are shared among member municipalities. Income should be added to the statute as another factor for identifying a community's ability to pay. This change should take place at the same time income is added to the school finance formula.

Recommended: INCLUDE A REGIONAL PRICE ADJUSTMENT IN THE DETERMINATION OF COST INDICATORS IN THE MAINE SCHOOL FINANCE FORMULA.

A regional price adjustment is essential to ensure equity for both children and taxpayers. A regional price adjustment analyzes how the cost of living varies among geographic areas. If different communities face different costs for goods or services they will not be able to purchase the same amount as another community. For a regional price adjustment to be meaningful, it must accurately represent the differential costs of a typical family living in various areas of the state. The lack of a cost of living index puts at risk all the equalizing attributes of education aid formulas.

States such as Texas, Alaska, Ohio and Florida adjust their public education costs by a statewide regional price adjustment indicator. The Illinois Task Force on School Finance recommended its use in their 1993 report. The National Center for Educational Statistics recently completed a study that built cost indexes for several states, including Maine. This is a critical adjustment to improve the equity of children and taxpayers. When some parts of the state do not face the same costs as other parts of the state equal dollars do not provide for equal purchases. It is especially important to make adjustments to ensure equity when costs are 8-15 percent above or below the state average. In states where cost indexes are used, they seem to match the perceived need prior to adjustment.

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The regional price adjustment is a highly sophisticated approach based on econometric modeling. A typical regional price adjustment system incorporates cost data for housing, utilities, food, transportation, health care, and apparel. The objective is to determine the price or costs of the same real living standard at different locations. The index should reflect the cost of living in the entire community. The regional price adjustment index must be recalculated every three years to ensure accuracy of adjustments. The adjustment will only be made to school operating costs since both program costs and debt service costs are reimbursed at the actual rate of expenditure.

See Appendix 4 for an example of regional price adjustments.

Recommended: A TASK FORCE SHOULD BE NAMED BY THE COMMISSIONER OF EDUCATION TO DETERMINE THE APPROPRIATE TUITION REIMBURSEMENT RATE AND CLARIFY ORGANIZATION ISSUES FOR STUDENTS WHO ARE EDUCATED IN A SCHOOL ADMINISTRATIVE UNIT OTHER THAN THEIR OWN, OR IN A PRIVATE SCHOOL.

The tuitioning of students is a prevalent practice used by many communities in Maine. Students are educated in a school administrative unit outside their “home” community or by a private school. The sending school administrative unit pays tuition to the receiving school administrative unit. See Appendix 5 for a complete list of school administrative units who send their students to another community or a private school. The state sets tuition rates for tuition students. In some cases local school administrative units negotiate other reimbursement strategies.

The state must develop some mechanism to compensate schools who have higher operating expenditures per student than the reimbursement rate. It must also address the needs of low state subsidy school units whose tuition rates are higher than the operating costs. The effect of tuition rates should be evaluated in regard to the number of tuitioned students, the capital costs associated with tuitioned students, use of facilities, and the ability of local communities to pay a fair price for the education of its students. The impact of tuitioning on capital construction and renovation should also be reviewed.

Recommended: THE COMMISSIONER OF EDUCATION SHOULD REVIEW THE COMPONENTS OF OPERATING COSTS INCLUDED IN THE SCHOOL FINANCE FORMULA.

Some costs currently included in operating expenses should be moved to program costs to increase the overall efficiency of state reimbursements and smooth out the uncontrollable costs local schools face.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Operating costs include all state and local expenditures except expenditures for early childhood, special education, vocational education, transportation, leases, major capital outlay and debt. Operating costs are reimbursed at the state's average expenditure. A particular community's match is based on the state's determination of a local school administrative unit's ability to pay. Program costs such as special education are reimbursed by the rate of the actual expenditures. All operating costs statewide are totaled then divided by the number of students educated in K-12 public schools. Not all costs may truly be predictable operating costs. For example, if a fire takes place in a section of a school, repairs would be accounted for in the operating fund. The costs to the school facing repair are subsidized at the state share percentage. The costs of the replaced materials and supplies and building itself are considered operating expenses. Even though these costs will not be in next year's budget, they comprise the statewide operating cost. Thus, inappropriate costs drive the reimbursement rate up statewide. Program costs are paid by the state for the actual expenses in particular. Examples of such costs include handicapped access, and minor capital outlay.

Recommended: FUND ESSENTIAL PROGRAMS AND SERVICES

Direct the State Board of Education to develop an implementation plan for funding essential programs and services based on the work of the Task Force on Learning Results. Include a parallel program creating accountability for essential programs and services.

The goal of the state subsidy for education is to provide an equitable, efficient and adequate public education for all children regardless of where they live. The current school finance formula attempts to equalize the ability of local communities to raise revenue for education. Unfortunately, it has not translated into equal programming and services to all children. By funding essential services and programs the state will clarify the types of school experiences we want for all Maine children ensuring equal opportunity.

The Governors Task Force on School Funding (1993) also proposed this new method of funding. Although this committee is supportive of the concept of this type of funding, it was beyond the scope of our work to develop the specifics of what essential services and programs should be funded.

The funding of essential services and programs will not limit a local community's ability to raise funds for public education. It will provide every child with a base of programs and services deemed to be essential by the state board. The state would subsidize the cost of essential services and programs in relation to a community's ability to pay. When this proposal is enacted the method of determining the level of state funding will change. We expect this to take place during FY98, when the work of the Learning Task Force is completed.

See Appendix 6 for a model of the funding mechanism.

SCHOOL GOVERNANCE

The Committee has been charged with reviewing the affordability and efficiency of Maine public schools as they are now organized. We were also required to explore options for organizational change and to measure the costs and benefits of those changes. These are ambitious undertakings, and the four months of working time available to us necessarily limited the depth and breadth of our inquiry. Nevertheless, our research and extended dialogue with educators, business leaders, lawmakers and community members has revealed a great deal of agreement about how to make public education more affordable, efficient and sensibly organized. Accordingly, we have made a number of recommendations designed to encourage communities to work cooperatively by sharing resources and considering consolidation of school districts to improve education quality.

As directed, we have also given a great deal of consideration to the nature and quality of education leadership in Maine. As the report makes clear, individuals and organizations are leading a wide array of initiatives around the state. What has been missing is consensus about who should be leading at the state level. We feel strongly that an expanded State Board of Education, supported by the Commissioner and the Department of Education, should take the lead in establishing state policy on education. At the local level we have recommended that local school boards rededicate themselves to establishing education policy, empowering superintendents, principals, teachers and community members to carry out those policies.

Our recommendations on the organization of school administrative units and education leadership include suggestions for immediate action and for long-term processes. Adopting both is crucial to achieving our vision of how schools can be efficiently organized and well led.

Coordinating Committee

Despite generally sound working relationships among the State Board of Education, the University of Maine System, the Maine Technical College System and the Maine Maritime Academy, these four systems occasionally duplicate the others' efforts or work at cross purposes. For effective long-range planning of publicly funded education in Maine, better coordination is needed.

Recommended: ESTABLISHMENT OF COORDINATING COMMITTEE

This committee proposes that a coordinating committee be established to ensure cooperation among the Department of Education, the State Board of Education, the University of Maine System, the Maine Technical College System and the Maine Maritime Academy. This coordinating committee should consist of the Commissioner of Education and the chair of the State Board of Education; the chancellor of the University of Maine System and the chair of its Board of Trustees; the president of the Maine Technical College System and the chair of its Board of Trustees; and the president of Maine Maritime Academy and the chair of its Board of Trustees. The Commissioner of Education should convene the first meeting of this coordinating committee. Thereafter, meetings should be held no less frequently than twice each year, in accordance with general procedural rules adopted by the committee. The committee shall report on its deliberations and any recommendations to the Governor and the Joint Standing Committee on Education and Cultural Affairs by February 15 each year.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

State Board of Education

Maine lacks a single leader responsible for setting the short and long-term education policy agenda and advocating for children in grades K through 12. During the 1980s the State Board of Education, the Governor, the Legislature, the Commissioner of Education and local educators and citizens all made significant contributions in support of greater resources and higher quality programs for public schools. During the economic scarcity of the past four years the same individuals and groups have struggled to preserve the gains of the 1980s. As a result of their efforts, creativity and innovation are evident in many school administrative units. Yet the effort to preserve and advance the cause of education remains hampered by the absence of an acknowledged and responsible leader empowered to shape and promote short and long-term education policy statewide.

The State Board of Education, a lay board whose members are appointed by the Governor, approved by the Senate and serve staggered five-year terms, is ideally situated to take the lead in setting Maine's education agenda. Board members are broadly representative of all regions of the state and possess a great degree of independence because their terms of office span the tenure of legislators, governors and commissioners of education. The State Board has achieved renewed stature in recent years due to its talented membership, effective leadership and new responsibilities, such as the development of learning standards, to be completed by 1996.

It is time to designate the State Board of Education as Maine's policy leader and chief advocate on behalf of K-12 public education. The following recommendations are designed to confirm that status:

Recommended: NEW STATUTE

Enact a new section of Maine law confirming the State Board of Education's role as Maine's education policy leader, and as chief advocate for K-12 public schools, in full partnership with the Commissioner and the Department of Education.

Recommended: FIVE-YEAR PLAN

The state board is responsible for developing and maintaining a five-year plan that identifies goals and policy directions for K-12 public education in Maine. The plan should incorporate and build upon the work of the Task Force on Learning Results and the Goals 2000 effort. The plan will provide direction on a variety of important issues, including but not limited to: statewide use of the Common Core of Learning; the role of Maine's Department of Education; establishing and measuring learning results; provision of social services for children; applied technology education; school-based management; professional development for school staff; reduction of teacher time spent on non-teaching duties; school improvement plans; and school approval. By the first of February each year the Chair of the State Board or the Chair's designee should address the Legislature on the board's policy goals and the State's progress in achieving the education goals of the five-year plan. The Board will update and extend the plan annually.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Although the State Board of Education and the Department of Education are responsible for the conduct of public education, grades K-12, research and experience confirm that increased attention must be given to preschool children. Therefore, the State Board should give special consideration to promoting services for preschool children in its five-year plan.

Recommended: INCREASED MEMBERSHIP

The board should be increased from 9 to 15 members to broaden geographical representation and allow sufficient numbers to carry out the board's expanded responsibilities. Although we recommend no new requirements for board membership, candidates for the board should be the most experienced, knowledgeable and capable citizens willing to serve.

Recommended: PROFESSIONAL STAFF

The board should have its own professional staff person to assist in carrying out its expanded responsibilities. Reductions in staff at the Maine Department of Education have severely curbed the work of the Department and the State Board. Therefore, beginning in the next biennium the board should have at least one full-time professional staff member.

Recommended: MONTHLY MEETINGS

In keeping with its expanded responsibilities, the board should meet no less frequently than once each month. Board meetings should be widely advertised and include a public comment period.

These recommendations are intended to strengthen and clarify the role of the State Board of Education. The Board's success in fulfilling its mission will depend in large measure upon its continuing strong relationship with the Department of Education. In that sense, it is our intention that the board shall carry out its new responsibilities in full cooperation with the department and the Commissioner.

Task Force on Learning Results

The single most important effort the State Board of Education is now engaged in is developing long-range education goals and standards for school and student performance. To assist in that effort, in 1993 the Maine Legislature directed the State Board to establish the Task Force on Learning Results. The Task Force consists of 20 Maine citizens and is chaired by a member of the State Board.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

In 1994 the Task Force completed the goals and a five-year plan for an education system based on learning achievements. By March 1996, the Task Force is required to establish criteria for student learning based on standards consistent with the Common Core of Learning. Once adopted by the Legislature, the criteria for student learning will be used to help define essential programs and essential services for all Maine students. The definition of essential programs and essential services will in turn be used to set state funding priorities for education. This committee unequivocally supports the work of the Board and the Task Force, and regards their efforts as the foundation of the five-year plan for K-12 education.

Common Core of Learning

Maine's Common Core of Learning articulates a common vision for education in Maine. Developed in 1989 and 1990 by a diverse group of Maine citizens, the Common Core is a non-disciplinary organization of knowledge, skills and attitudes considered essential for every Maine student to have mastered on graduation from high school. The common core does not prescribe a particular curriculum but provides a focus for many Maine communities intent upon changing and improving the quality of education.

Recommended: ADOPTION OF THE COMMON CORE

We recommend that each school unit in Maine consider adopting the Common Core of Learning. Scores of communities have already done so; still more will take another look or study the Common Core for the first time when they learn that it is the foundation on which the Task Force on Learning Results is establishing its criteria for student learning. It is our belief that adoption of the common core by all communities will lead to improved education programs and student outcomes.

Department of Education

Current laws charge the Department of Education with providing educational leadership, providing technical assistance and enforcing regulatory requirements. The Department, in conjunction with the State Board of Education, must continue to provide educational leadership and support for change at the local level as school administrative units make fundamental changes in the way students are educated. The pace of that change will accelerate with adoption of the recommendations of the Task Force on Learning Results, and will place even greater importance on departmental leadership and support.

Implementation of these changes will require an infusion of technical assistance at all levels. The Committee has repeatedly heard that staff development is critical in the accomplishment of the efforts schools are making to redesign the educational process. Department staff with expertise in the change process should support or direct these changes and should facilitate the professional development of teachers and administrators.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

The Department is the state education agency responsible for enforcing regulation associated with state and federal laws. The federal government provides in excess of \$80 million to Maine, most of which is distributed to local school administrative units. Department staff give technical assistance, monitor, and evaluate the programs and develop state plans for complying with the federal regulations. The federal programs that will have the greatest impact on local schools are the Improving America's Schools Act, Individuals with Disabilities Education Act, Goals 2000/Educate America Act, Carl D. Perkins Applied Technology Act and the National School Lunch Program Act.

Recommended: DEPARTMENT OF EDUCATION PRIORITIES

Among the priorities of the Department of Education, in conjunction with the State Board of Education, should be the following:

- Through continuous involvement with all constituencies, to provide strong, practical leadership for the improvement of education;
- To implement the recommendations of the Task Force on Learning Results, which is in the process of developing standards for student and school performance. The Task Force should continue to design assessment processes to evaluate student and school performance based upon these standards. The Goals 2000 Technology Task Force should continue to develop a plan for improved student learning through the use of technology in all schools. This work is part of the initial plan for Maine's work on Goals 2000 and will integrate many of the Department's and other organizations' efforts toward the achievement of the national education goals;
- With the assistance of a \$10 million dollar grant from the federal government, to implement the School to Work system. This initiative is one strand in Maine's commitment to achieving the national education goals;
- To continue training teachers in the Reading Recovery Program, with the goal of placing at least one Reading Recovery teacher in each elementary school. Early intervention is one key to ensuring that all Maine students graduate from school prepared for success;
- To continue to assess and improve the Maine Educational Assessment (MEA) and to help educators make use of testing results at the local level;
- To continue to implement performance-based initial teacher certification pilots so that teachers are prepared to educate students to meet the standards defined by the Task Force on Learning Results, and to add voluntary pilot programs for teachers now in service. This is one of the first steps in addressing the national education goal for professional development;
- To assist the Governor's Office and the Legislature in preparing a strategy for a technology telecommunications infrastructure that will bring two-way video, voice and data instruction and communication into every Maine school;

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- To assist the State Board of Education in its review of the organization of school units statewide for the purpose of encouraging resource sharing agreements between school units;
- To assist the State Board of Education in its review of opportunities for school consolidation;
- To collaborate with existing social service agencies to coordinate services in the public schools. The department should also enter into agreements with the Department of Human Services to ensure services for preschool children;
- To continue to provide incentive and restructuring grants to local schools in order to facilitate change;
- To assist in developing a funding formula that provides adequate state resources to equitably fund essential programs and essential services available to all Maine students; and
- To assist in the collection of data necessary to measure and compare the quality and cost of education programs and services in all Maine schools.

Commissioner

There has been considerable debate in the Legislature over who should select the Commissioner of the Department of Education. Some have argued that a commissioner appointed by the Governor is restricted by the Governor in her or his ability to advocate for education. They cite as an example the limited impact commissioners have had on winning more funds for general purpose aid during the recent budget crisis. They also note that a commissioner appointed by the state board would face none of the political restraints that constrain a gubernatorially appointed commissioner.

The research literature on the selection of commissioners nationally reveals no best method. Commissioners are appointed by Governors in 12 states, appointed by the board of education in 26 states and popularly elected in 11 states. The method of selection appears based upon a number of factors, including past practice and perceived effectiveness.

Recommended: APPOINTMENT OF COMMISSIONER

It is our view that changing the method of selecting the commissioner will neither increase the stature of the position nor ensure greater influence in advocating for public education. In states where the commissioner is not appointed by the Governor, a rival cabinet level official responsible for promoting the Governor's education agenda is often put in place, thereby marginalizing the commissioner and limiting her or his efficiency. In contrast, a commissioner appointed by the Governor, and therefore a part of the cabinet, can advocate strongly, both privately and publicly, for education.

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Whatever limits may be placed on a gubernatorially appointed commissioner do not apply to the State Board of Education, legislators and the many other advocates for education. If education is to remain a high state priority, the commissioner, however appointed or elected, will have little success without the combined assistance of the entire education community.

Cooperative Agreements

A number of school administrative units across the state have joined together to cooperatively deliver or purchase education services on a regional basis. These alliances, referred to generally as “cooperative agreements”, permit groups of otherwise disconnected school units to pool their resources and offer a wider range of academic programs and purchase supplies and services at lower costs. For example, school units might jointly employ a language instructor or a business manager. Or they might cooperatively develop professional training and development programs. ECO 2000 in Aroostook County and the Casco Bay Education Alliance in Cumberland County are two examples of cooperative agreements among school units that successfully provide enhanced educational opportunities in a cost-effective manner.

In addition to the obvious advantages cooperative agreements make possible for local school units, students and taxpayers statewide also benefit when limited state and local dollars are spent more efficiently. Still another benefit of cooperative agreements is that they represent an intermediate step between independent school units acting in isolation and actual physical consolidation of school units. Although physical consolidation may be an appropriate step in some circumstances, cooperative agreements may be forged and adjusted with relative ease and provide immediate positive results. In recognition of that fact, and based on the success of projects like ECO 2000 and the Casco Bay Education Alliance, it is apparent that cooperative agreements can have a significant impact on the quality and efficiency of education statewide.

Recommended: COOPERATIVE AGREEMENTS REQUIRED

The State Board of Education is authorized to undertake a review of the organization of school units statewide, with the intent of identifying current resource sharing agreements and opportunities for additional cooperative agreements. Based on its findings the state board shall require that an appropriately identified school unit or units develop a plan for resource sharing and enter into a cooperative agreement with one or more other school units. Cooperative agreements may also include agreements between school administrative units and applied technical education centers and regions.

Consolidation

In 1957, as a result of the Sinclair Act, Maine undertook a systematic program of school consolidation aimed at reducing the number of smaller districts throughout the state. It did so in order to increase the school tax base, the breadth of the education program, the quality of instruction and reduce the per student costs of education in school units.

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In spite of that consolidation effort, Maine still has too many school administrative units (284), too many separate administrative structures with their attendant staffs, and too many education programs impoverished by a lack of resources. Small and isolated school units cannot achieve the economies of scale needed to purchase the material and human resources necessary to provide the high quality education Maine children will need in the 21st century. Recent research conducted by Professor Josephine LaPlante from the Muskie Institute at the University of Southern Maine and data now being collected for the Legislature by researchers from the Colleges of Education at the University of Southern Maine and University of Maine confirm that the education programs offered in small isolated school units pale in comparison to programs routinely offered in larger consolidated schools.

Although the data and the research on school consolidation confirm that larger school units can provide greater efficiency and higher quality programs and services, the decision to consolidate is a complex and emotional matter. Schools often serve as the focal point of community identity. A friendly atmosphere and easy access to staff are important characteristics. And research shows that consolidation does not inevitably result in improved student outcomes. As a result, it must be recognized that while reducing the number of school units in Maine is important, it can only be done successfully by undertaking an open and thorough examination of the options.

Recommended: STATE PLAN FOR CONSOLIDATION

The State Board of Education should convene a Task Force on School Consolidation charged with reviewing opportunities for school consolidation in Maine. Its primary focus should be on middle school and high school consolidation. The task force should be broadly representative of the various stakeholders and should have the resources to assemble and analyze various data. Access to Maine's Geographic Information Systems, a computerized mapping system that can display education data on a school administrative unit-by-unit basis will be crucial to that effort. Based upon the task force recommendations, the State Board of Education shall be authorized to require that certain school units consolidate. The State Boards' school construction policy should support its policy on consolidation. The State Board shall report on the progress of their work to the Joint Standing Committee on Education and Cultural Affairs no later than one year after adoption of this legislation.

School Unions

School unions are composed of two or more school administrative units joined for the purpose of providing joint administrative services, including a superintendent. In practice, they are independent school units whose only connection to each other is the sharing of a superintendent. Each school unit has its own school board, curriculum and standard operating procedures. The superintendent acts as the chief administrative and education official for each unit, establishing separate policies, developing separate curricula and attending separate board and community meetings for each unit.

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School unions have been the source of criticism for a variety of reasons, including:

- Some school unions fail to take advantage of opportunities for cooperative purchasing, hiring and delivery of education services in areas where geography appears to pose no impediment to such arrangements;
- Students within some of the union districts do not receive equal learning opportunities;
- Most school unions place unusually high demands on superintendents – it is not uncommon for union superintendents to attend required meetings every night during the week; and
- The management of school unions requires that superintendents spend nearly all of their time keeping track of administrative process and procedures rather than establishing and promoting an education vision for their community.

Recommended: SCHOOL UNION REVIEW

The Task Force on School Consolidation (see prior recommendation) should review with particular care school units that are members of school unions. The Task Force should focus on a number of criteria, including but not limited to whether unions provide adequate educational opportunities for students, whether they are more or less efficient than other school administrative structures, and whether student outcomes in unions are significantly different than elsewhere. Based on its findings, the task force may recommend that communities participating in a school union continue unchanged, establish cooperative agreements, consolidate or take some alternative action.

School Administrative Districts

School administrative districts (SADs) provide opportunities for efficiency and educational quality unavailable to smaller school units. As a result of those benefits, the committee believes that SADs should be encouraged to form and to remain intact. Unfortunately, rising property tax bills and discontent with the cost-sharing methods within SADs have led a number of communities to investigate withdrawing from SADs.

Maine law provides for three methods of sharing costs in an SAD:

- cost-sharing based on property valuation;
- cost-sharing based on the number of resident pupils in each community; and
- any combination of the first two methods.

It is currently easier to withdraw from an SAD than to change the cost-sharing arrangement. A requirement to renegotiate cost-sharing formulas every ten years should reduce the incidence of withdrawal.

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Recommended: RENEGOTIATION OF COST-SHARING ARRANGEMENTS

In order to ensure the long-term equity of cost-sharing arrangements within an SAD, the board of directors shall be required to hold a meeting of municipal representatives a minimum of every ten years to reconsider reapportioning membership on the district board and to reconsider the method of sharing the costs of operating the district.

Under current law a municipality may begin the process of withdrawing from an SAD by presenting to municipal officials a petition signed by 10% of the voters voting in the last gubernatorial election, followed by a majority vote by secret ballot at a special election. If the request is passed, municipal officials are required to establish a withdrawal committee charged with preparing a withdrawal agreement. In view of the State's investment in educational equity for students and its commitment to conserving limited resources by subsidizing efficient school units, we believe that the SAD withdrawal process should be more rigorous.

Recommended: TWO-THIRDS VOTE REQUIRED FOR SAD WITHDRAWAL

The residents of a participating municipality within a school administrative district composed of two or more municipalities may petition to withdraw from the district in the current manner. The petition must be approved by secret ballot by a two-third's vote of the voters at a special election (rather than by the simple majority requirement now in use) before it may be presented to the board of directors.

School Boards

School boards possess broad authority to manage the schools under their jurisdiction. As lay boards, they ably reflect community concerns and sensibilities and are well equipped to establish community wide goals and policies. In addition to their goal and policy setting role, school boards currently hire and fire all school personnel, engage in collective bargaining, establish local education budgets, adopt a general course of study and otherwise provide for the education of children in grades K-12.

The most effective school boards are committed to setting local goals for children's education and to establishing sound education policies for achieving those goals. They ensure that these goals and policies are carried out at each school by employing a superintendent with strong leadership and managerial skills, who in turn permits principals and staff to operate the schools "from the bottom up." When school boards are diverted from their broad policy setting role and become embroiled in the details of school management, they not only become less effective, they prevent professional educators from performing the jobs they have been hired to do.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Recommended: SCHOOL BOARD AS POLICY MAKER

The role of the school board should be reaffirmed as that of making policy. Free of the details of school management, boards can focus on broad policy objectives that advance the quality of education and improve its efficiency. School boards should hire a superintendent to serve as the educational and administrative leader of the school unit – a district chief executive officer, if you will. The board should continue to establish hiring and firing policies, including necessary criteria and reporting requirements, but the CEO, not the board, is responsible for executing those policies. Boards will continue to direct collective bargaining negotiations, including meeting the requirements of collective bargaining in Title 26 of the Maine Statutes, to establish annual budgets and otherwise adopt and direct the general course of studies in the schools.

Recommended: SUPERINTENDENT AS CEO

As Chief Executive Officer, the superintendent, not the board, is responsible for appointing principals. Consistent with collective bargaining and other requirements, the superintendent is also responsible for hiring all other personnel within the school unit, either directly, in the case of employees not working for a principal, or in concert with principals who recommend those personnel reporting to them. The superintendent will be evaluated annually by the board to ensure quality and accountability.

Recommended: PRINCIPAL AS BUILDING LEADER

Management of schools “from the bottom up” requires increased decision making power at the building level and the empowerment of principals. As education leader and manager of the school, the Principal is responsible for its management and operation, subject to the supervision of the superintendent. The principal recommends, hires and fires all personnel assigned to the school, consistent with district personnel policies adopted by the school board and subject to review and approval by the superintendent. The principal and staff are jointly responsible for developing and maintaining a five-year plan for the school, based on the Common Core of Learning. The principal is also responsible, subject to direction from the superintendent, for purchasing all textbooks and other school supplies. In keeping with these responsibilities, principals should receive regular and intensive support for professional development. Opportunities to participate in programs such as the Academy of School Leaders at the University of Maine will be crucial to increasing the effectiveness of principals as school leaders. Funding to support professional development should be treated as an essential service and should be eligible for state subsidy.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Recommended: REVIEW OF TEACHER ROLE

Changes in the role of superintendents and principals and an increased focus on student learning place new and greater demands upon teachers. The vital and complex role teachers play in public schools will be changing as school administrative units undertake reforms. Given the changes now occurring and those likely to come, the State Board of Education, in conjunction with the Department of Education, should form a task force to undertake a broad and comprehensive review of the role of teachers and the need for expanded professional development in Maine's public schools. The study committee should consist of school board members, superintendents, principals, teachers, community members and others. The task force should report its findings and recommendations to the State Board within one year of adoption of this legislation.

School-based Management

Education reform in Maine and the nation is increasingly focused on school-based management, which may be described generally as requiring increased decision making at the building level and empowering teachers and principals to manage their schools. School-based management has been successfully implemented as the strategy for reform in S.A.D. 4 (the Guilford area), and test results there show dramatic improvement.

As the Task Force on Learning Results and Goals 2000 redefine goals and standards for public schools in the state, school governance structures must be reexamined and in many cases reinvented. The Task Force is currently developing standards for all students and schools, including content, performance, and opportunity to learn standards. The process of implementing the standards at the local level will require that the entire school community participate in school governance in a new way. Empowering principals, teachers, staff, students and parents to make decisions at the building level in accord with policies established by local school boards will enable schools to better serve their students and improve learning results.

Recommended: SCHOOL-BASED MANAGEMENT AND REFORM

School-based management should be incorporated into the State Board of Education's five-year plan for public education as a strategy for improving student and school performance. In order for school-based management to succeed, "all" school staff, both professional and nonprofessional, must receive regular, coordinated staff development support. Although this support may cost more than units currently spend for staff development, the investment is central to the success of school-based management. (See School Finance section for additional information on staff development.)

School Councils

In keeping with the spirit of school-based management, the committee has explored establishing school-based committees, called school councils, which would be responsible for assisting the principal in setting educational goals for the school, identifying the educational needs of the students, reviewing the annual school budget and formulating a school improvement plan.

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In at least one state, school councils are required in every school so that teachers, parents and community members have an increased voice in school plans for improvement following policies established by the school board; a greater stake in school success; and more reasons to support public education. In many other states, school districts have independently developed local committees or councils to open the schools to new people and new ideas as the connection between community involvement in the schools and student performance becomes apparent.

Based on national research and discussions with educators in Maine and nationally, the committee believes that school councils can be an effective asset in education reform.

Recommended: SCHOOL COUNCIL PILOT SITES

The State Board of Education should implement pilot projects for testing the concept of school councils as a vehicle for broadening the involvement of teachers and other school employees, parents and other community members. The State Board should select sites from among a group of volunteer schools. If possible, schools from a variety of district types should be chosen, including SADs, CSDs, unions and municipal schools. School council membership and functions should be flexible but should include representatives of major stakeholders in the school and community. The local school board should select members of the school council. The principal should chair the school council.

The school council should meet regularly to develop a school vision and goals based on the Common Core of Learning and consistent with standards set by the Learning Results Task Force and in accordance with local school board policies. The council is intended to encourage widespread community involvement in the school - it should not be used to micro-manage the school. The council and principal should also formulate a school plan to achieve the goals. Each school improvement plan should be submitted to the school board for review and approval annually. The State Board should evaluate the pilot projects and determine whether school councils should be implemented statewide.

Education Research

Public education in Maine is a \$1.5 billion-dollar business operating without basic information about the condition and quality of schools in each community. There is no single, easily-accessed source of information concerning school finance, school programs, course offerings, availability of technology, teacher training, the condition of school facilities or a dozen other important issues. Without such information it is impossible to determine present and future needs, assess efficiency, measure educational quality or monitor equity in student programs and services.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

The 116th Legislature, frustrated by the absence of reliable education data and research, appropriated \$50,000 last spring to begin developing an education information system (i.e. a data base) and to commission targeted education research. The Legislature contracted with the University of Maine System, who made a matching contribution of \$50,000, and formed a steering committee to help guide the effort to systematically track and analyze important K-12 education conditions statewide. This effort, referred to now as the Partnership for Education Research, has led to completion of a school resource survey and the first phase of an integrated education information system.

We strongly endorse the education research effort now underway through the Partnership for Education Research. The 116th Legislature deserves praise for recognizing the need and appropriating the funds to collect, integrate and analyze education data and perform regular research. If continued, this investment will produce significant dividends in the long term by encouraging fairness, efficiency and accountability at the state and local level.

Recommended: RESEARCH INSTITUTE

The Partnership for Education Research should be institutionalized as a permanent education research institute without walls devoted to collecting, integrating and analyzing education data and performing targeted education research. The institute should fully develop and maintain the education information system now under development.

The Department of Education must continue to play a key role in the work of the institute, collecting data on a regular basis, ensuring timely access, and providing technical support to transfer data to the institute. The department will need to devote increased resources to upgrade its technological capacity to adequately fulfill that role.

Funding for the institute should be provided from three sources: the Legislature; the University of Maine System; and private businesses, organizations and foundations. The University has agreed to an annual match of \$50,000. Their actual contribution this year in research time, data collection and analysis will far exceed that amount and cannot be sustained.

We recommend an appropriation from the general purpose aid to education account of \$100,000 for the 1995-96 fiscal year. That appropriation will permit further development of the education information system, establishment of a set of education indicators leading to measurement of education resources, statewide analysis of data and some independent research.

For the 1996-97 school year and subsequent years, we recommend an appropriation of \$250,000. That appropriation will allow maintenance of the education information system; development of an accountability system that tracks and monitors student and school progress in meeting performance standards now being developed by the Task Force on Learning Results; and regular reports and specialized research for the Legislature.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

A concerted effort should be made to secure private funds to help support the research institute. Organizations that participate in the partnership or make regular use of its research results should be asked to contribute to its support. Businesses, foundations and other groups with an interest in education should also be asked for support.

A University of Maine System employee with expertise in education research should be named as director of the institute in accordance with a process to be worked out between the Joint Standing Committee on Education and Cultural Affairs and the institute steering committee. Although the institute director is a university employee and the education data base will be housed at the university, the institute is independent of the university, the Department of Education, the State Board of Education and other educational groups.

Final decisions on research goals, data collection and other institute activities will be made by the Joint Standing Committee on Education and Cultural Affairs in collaboration with the institute steering committee. The steering committee should include representatives from the Joint Standing Committee on Education and Cultural Affairs, the State Board of Education, the Department of Education, the University of Maine System, as well as representatives of key groups with an interest in education issues.

The research center's data base and research results should be readily available to any group or individual. The institute should charge a fee for use equal to the cost of providing documents, data tapes or other material.

School Choice

School choice is a generic term used to describe a variety of circumstances in which students, with the assistance of their parents, may choose to attend a school other than that commonly designated for their community or district. Choice can include: complete freedom to attend any school, public or private, with financial support from the State and local district up to some maximum amount; choice to attend any public school with state and local support; choice of all students in a district to attend a restricted set of public schools through formal agreements between districts; or choice to attend any public school through less formal agreements between superintendents.

Many Maine students now have limited public school choice of the last two varieties. Options are most often available at the high school and middle school levels and appear most often to be limited by geographical rather than administrative constraints.

Recommended: PUBLIC SCHOOL CHOICE

Public school choice through formal agreements between districts and less formal agreements between superintendents appears to be working and should continue. Additional public school choice options should be tried as well. The State Board of Education should explore such options, including expanded choice between units with cooperative agreements.

Special Needs Services

It is estimated that more than 12,000 of school aged children in Maine suffer from learning disabilities and up to 10,000 have Attention Deficit Disorder. Case studies and growing research indicate that children with learning disabilities and children with attention deficit disorder can learn and succeed with adequate identification, evaluation, educational programming, and teacher and parent training.

Recommended: TASK FORCE ON SPECIAL NEEDS

The Department of Education should convene a task force composed of K-12 educators, higher education educators, health care providers, physicians, psychologists, parents and community members to study and develop strategies to ensure that schools and teachers are prepared to identify children with learning disabilities, attention deficit disorder and attention deficit disorder with hyperactivity; to evaluate student needs; and to create education programs to meet student needs. The task force should report its findings and recommendations to the Department within one year of adoption of this legislation.

Social Services

A significant number of Maine's children face poverty, hunger, homelessness, neglect, child abuse, violence, substance abuse, or emotional/behavioral problems. Many of these students do not come to school ready to learn, and they are not receiving the services they need. At the same time, the school day is disrupted by the need for teachers and administrators to address these issues, often by removing children from the classroom to receive services.

Providing basic social services to children in need is an investment in the future. It is essential that children receive access to coordinated social services; school, often the center of community life, is the logical place wherein to offer social services for local children and families. Local service agencies and organizations, working with schools at the school site, could ensure effective collaboration of service providers in a central, accessible location. Such programs, offering services before or after school, would reduce disruptions and allow more time for schools to concentrate on student learning.

We believe the State has a compelling interest in helping school administrative units meet student needs. In fact, coordination of services at the local level could more easily be achieved through greater coordination at the state level. Greater interdepartmental coordination could lead to new models of service delivery or technical assistance which relieve school administrative units of some of the burden of coordinating service delivery.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Recommended: SOCIAL SERVICES IN SCHOOLS

In developing its five-year plan for education, the State Board of Education should make providing social services for children a priority. As part of that effort, the State Board and the Department of Education should encourage local school boards to work with local social service providers to try a variety of models for meeting students' social service needs. The results should be closely monitored, and where successful, recommended for wider adoption. The use of third party payments, including medicaid, should be considered as a vehicle for reducing the financial impact on local school administrative units.

The Department of Education should take the lead in establishing a renewed commitment to interdepartmental coordination in providing social services to students. The Department should report to the Joint Standing Committee on Education and Cultural Affairs on the result of its efforts by February 1, 1996. We believe that establishment of a Department of Children and Families would assist this effort by reducing the number of departments providing services.

Technology

Technology initiatives are well underway in Maine's public schools and public higher education institutions. Major initiatives include the Maine Telecommunications and Information Technology Planning Project, an effort undertaken by the Board of Trustees of the University of Maine System to develop an overall plan for Maine's telecommunications future; the Maine Department of Education Goals 2000 Technology Task Force, convened to recommend a plan for improved student learning in all schools through the use of technology; and the Maine Department of Education Bond Planning Committee, which is working on a proposal to expand the technology infrastructure of the Education Network of Maine to all Maine high schools, applied technology centers and regions, technical colleges and seven public libraries.

The committee has heard from superintendents, principals and teachers that technology is an important tool in providing equal access to learning opportunities in all parts of the state, regardless of geographic isolation or the economics of the region or school system. We believe that technology plays a vital and integral role in education. Technology and related skills are essential tools for education in today's world and must not be perceived as add-ons, luxuries or frills. A statewide technology infrastructure would give access to information from the state, the nation and the world; would open communication between schools and the world; would allow sharing of programming and courses among local schools as well as among state, national, and international program providers; and would act as a management tool, allowing for broader-based, more effective and more efficient decision making. Implementation of a statewide technology infrastructure will also have a major impact on decisions regarding school construction and consolidation.

Recommended: SUPPORT FOR TECHNOLOGY PLANNING

The committee supports the planning process now underway to develop a statewide technology infrastructure. The long-term benefits of establishing high quality technology links to public schools argue for careful consideration of this initiative by lawmakers and the public. Since the technology infrastructure will have applications outside of public education, the committee is especially concerned that the needs of Maine's public school students be given prominent attention in the development of a statewide plan for technology. Following are a number of recommendations:

- A statewide technology infrastructure that will allow two-way transfer of audio, video and data should be implemented for Maine schools;
- Every Maine high school, applied technology center and region, technical college and seven public libraries should be initially hooked up to this statewide, public education technology infrastructure;
- A combination of public and private funding initiatives should be used to support the statewide technology infrastructure;
- Once the infrastructure is established, funding should be provided to maintain and upgrade the infrastructure and to provide training and professional development essential to the effective use of technology; and
- The Department of Education should be internally networked and electronically linked with Maine's school administrative units and with state and federal agencies that influence its work.

Education Clause of Maine Constitution

School finance systems around the country are under attack for failing to ensure an adequate and equitable education for all students regardless of community wealth. The education clause of the Maine Constitution does not speak to adequacy or equity, requiring instead that towns "make suitable provision, at their own expense, for the support and maintenance of public schools." In contrast, Minnesota requires "a general and uniform system of public schools"; Wisconsin requires "district schools, which shall be as nearly uniform as practicable"; Montana requires "a basic system of free quality public elementary and secondary schools...(the legislature) shall fund and distribute in an equitable manner to the school districts"; and Washington requires "a general and uniform system of public schools."

The state's failure to fund education at the level required by law and the resulting impact on adequacy and equity have led to calls for strengthening the education clause of the Maine Constitution. Proponents point out that a clearer assignment of state and local financial responsibilities and a commitment to funding an adequate and equitable education would compel the state to continue funding education at a sufficient level, irrespective of any increase or decrease in state revenues.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

The last concerted effort to amend the education clause of the Maine Constitution occurred in 1949 (the bill was defeated in the Maine Senate). It would have added language requiring that “that the quality of instruction shall be uniformly high throughout the state, and to promote this objective the legislature may raise general taxation and appropriate for the equalization of education opportunities such funds as may be required to supplement the means of cities and towns...” We believe that this or similar language comes much closer than the current clause to expressing the importance of education to the State’s future and would have reduced the chances of dramatic reductions in planned state spending for education.

Clearly, local communities cannot support equitable education programs without significant assistance from the state’s General Fund. Further, state assistance is fundamental in ensuring that each Maine student receive an adequate education regardless of where the student resides and the wealth of his or her community. Unfortunately, there is strong evidence that place of residence and community wealth still play a disproportionate role in the quality of education in Maine schools.

Recommended: REVIEW OF EDUCATION CLAUSE

The Legislature should review the Maine Constitution’s education clause. While its general and archaic language is not in itself evidence that the education clause is outdated, the renewed importance of education and its vital connection to Maine’s economic future argue for consideration of a clearer, stronger and less equivocal statement of state support for education. Specifically, consideration should be given to including language requiring the state and school administrative units jointly to provide an adequate, equitable and efficient education to each Maine student.

Applied Technology Education

The move to a new, high performance economy means that all our citizens must be energized, empowered, and engaged in their work. All students, no matter what their post high school plans, must be productive, creative, flexible, lifelong learners if they are to thrive in the new economy. For some students a traditional college preparatory program will still be necessary. A growing number of students, however, will need a rigorous, high quality education now being provided through a variety of programs statewide.

We recommend that the following actions be considered as part of the State Board of Education’s long-term planning process:

- With the support available through the Goals 2000 Educate America Act, the School-to-Work Opportunities Act, the Improving America’s Schools Act, and the Carl D. Perkins Vocational and Applied Technology Education Act, Maine schools should immediately begin moving toward a new model of education designed to meet the challenges of the year 2000.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

- Tracking based upon perceived ability should be eliminated at all levels of the educational system. All students can learn and all adults must be prepared for success and self-sufficiency in the high technology, high performance world of work. The state should support the work of the Task Force on Learning Results, leading to the identification of universal core competencies – foundation skills and essential knowledge – which all Maine students will be expected to master, regardless of their eventual choice of careers. A universal high performance, competency-based model of education must be individualized, self-paced, and self-directed. What is important is not how long it takes students to meet the new standards but the fact that all students must meet them, sooner or later.
- Under the provisions of the School-to-Work Opportunities Act, Maine is moving to make six clearly articulated career/life pathways – in addition to College PREP – available to all students who have mastered the universal competencies: Youth Apprenticeship; Pre-Apprenticeship; Tech Prep; Occupational Prep; Cooperative Education; and Career Preparation (Jobs for Maine’s Graduates). Fully developed, all six pathways will incorporate – in an integrated, coherent and seamless way – both occupational and related academic skill development, both school-based and work-based learning, and both secondary and linked postsecondary education. At the same time, each will offer Maine students a different balance of school-based and work-based learning, a different level of investment in postsecondary technical education, and a different range of occupational and career opportunities, keyed to current and emerging local, regional, state, national and even global labor markets. It is vital to the future of education and the economy of Maine that all schools cooperate fully with the development of Maine’s comprehensive school-to-work opportunities system.
- To empower students to make the decisions required for the development of an Individual Opportunity (or Career) Plan (IOP) that is both realistic in terms of the labor market and appropriate to their interests, temperaments, aptitudes, abilities and aspirations, schools should move to offer comprehensive career guidance and counseling to every student in grades K-10, beginning with a career-awareness infusion program in grades K-6 and continuing with career exploration in grades 7 and 8 and occupational exploration and career decision-making in grades 9 and 10. The roles of technology education (industrial arts) and home economics education should be considered in developing the IOP.
- As the implementation of the new career pathways and the school-to-work opportunities system proceeds across the State, the State Board of Education and the Department of Education should explore the possibility of converting the statewide network of 26 applied technology/vocational education centers into regional hubs for all school-to-work programming – operated in coordination with the seven technical colleges and in close cooperation with all sending schools. To facilitate this expanded role for the applied technology network, the State Board should explore institutionalization of a new form of governance to replace the current “region and center” models. The intent of any new structure – such as the Applied Technology District proposed by the Division of Applied Technology – should be to ensure that all communities have an appropriate role in the democratic management of the network.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

- The State Board of Education should establish a task force on technical education charged with developing a plan for students who are unlikely to pursue a baccalaureate degree. This plan should offer a first-rate alternative to the traditional college-prep program and should offer students a solid academic foundation based on real-life applications and coordinating the efforts of secondary and post-secondary schools. The goal of the plan should be that all students achieve their potential in knowledge and skills. The plan should also address some of the key differences in student needs, background and learning styles, and provide students with life-long learning competencies and the capability to be successful and productive in both employment and life.

SCHOOL CONSTRUCTION

One of the many consequences of Maine’s budget problems is a growing gap between school construction needs and state appropriations to support that construction. The state funds school construction by subsidizing local debt service (principal and interest costs) on bonds issued to pay for school construction projects. By law, the combined debt service (local and state) for projects the state helps fund cannot exceed \$67 million. The state contribution to debt service costs for school construction projects eligible for subsidy in school year 1991-92 was \$42 million. In school year 1994-95 the state contribution to principal and interest costs is \$45 million. Adjusted for inflation, the state contribution has decreased over this period. In view of state budget constraints, increased requests for state assistance and the increasing cost of individual school construction projects, rules for school construction have been refined to direct limited resources to only the most needy school units.

As a result of state and local limits on education dollars, school administrative units around the state have been forced to choose among cutting staff, programs and school maintenance. Many, seeing no alternative, have reduced maintenance expenditures dramatically, resulting in a deterioration of school buildings that will in turn decrease the useful life of those buildings while increasing the future costs to repair or replace them. Others have delayed construction of new schools or renovation of existing schools, opting for building or leasing temporary space.

Given limited state funds, overburdened local school budgets and declining quality of school facilities, it is time for the state to reassess which kinds of construction projects it can afford to help subsidize.

The committee believes the following principles should guide deliberations on state policy for school construction:

- Funding school construction is a shared responsibility between the state and local communities;
- Limited state resources require that only communities with the greatest need receive state subsidy;
- School construction projects should be carefully planned, anticipating local needs over the useful life of the building;
- New school construction projects should be of sufficient size to ensure full curriculum and program offerings; and
- School administrative units should be required to maintain school buildings properly.

Giving preference to school construction projects that meet those standards should be a top priority for policy makers.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Promoting Consolidation in Construction Policy

The committee believes that where school units seeking state assistance for school construction do not satisfy these principles, either because of local choices or because of unit size, state policy should strongly encourage consolidation of that project with another project. Consolidation could include a construction project that combines pupils and programs within a school administrative unit (for example, moving grades 6, 7 and 8 from individual elementary schools to a consolidated middle school) or a project that combines pupils and programs between school administrative units (for example, by establishing a new school administrative unit to provide a new high school).

Where possible, construction decisions can and should support the consolidation of school buildings through the awarding of points in the State Board of Education's project rating system.

Recommended: ADD CONSOLIDATION TO SCHOOL CONSTRUCTION RATING SYSTEM

Priorities for state assistance in school construction are established through a systematic rating process found in State Board of Education rules. The current school construction rating process includes four categories: building and grounds, school population, programs, and community use (see Figure 3). The State Board should continue to revise its rating system for school construction projects to include a category that awards points for school consolidation (see Figure 4). In recognition of the importance of consolidation, it should count for at least 20% of the overall rating awarded to each project. Projects that are of sufficient size, already include some form of consolidation, or where consolidation is not possible due to geographical isolation or other obstacles should not be penalized under the new rating scheme.

The State Board should review criteria for evaluating whether consolidation is warranted for each project presented to the board. The criteria should include, but need not be limited to, travel distance between proposed new schools and existing schools, the number of pupils a new school would serve, and the breadth and depth of the education program proposed for the new school.

The State Board should focus on but not be limited to consolidation for school projects serving middle school and high school students. The State Board should report its findings and recommendations to the Joint Standing Committee on Education and Cultural Affairs by December 1, 1995. As part of its report the board should include a review of issues related to consolidating elementary schools. Following consideration of the State Board's recommendations the Legislature should direct the board to revise school construction rules through the rulemaking process.

FIGURE 3: CURRENT SCHOOL CONSTRUCTION RATING SYSTEM

	PTS.	%
BUILDING & GROUNDS	65	32.50%
SCHOOL POPULATION	60	30%
PROGRAM	55	27.50%
COMMUNITY USE	20	10%
TOTAL	200	100%

FIGURE 4: PROPOSED SCHOOL CONSTRUCTION RATING SYSTEM

	PTS.	%
BUILDING & GROUNDS	?	?
SCHOOL POPULATION	?	?
PROGRAM	?	?
COMMUNITY USE	?	?
CONSOLIDATION (NEW CATEGORY)	?	20% minimum*
TOTAL		100%

*Note: A new category, consolidation, will be added to the current rating system, accounting for a minimum of 20% of the overall score for a school construction project. The percentage values of the current categories will be adjusted to reflect the addition of the new category.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

State Subsidy Incentives for Consolidation

Although financial and educational benefits will follow from consolidation of school buildings, additional inducements to consolidate may be necessary. Some states provide a financial reward to units that consolidate. For instance, Vermont instituted financial incentives for consolidation in January of 1993 and has found that incentives have encouraged consolidation. In Maine, in 1957, the Sinclair Act encouraged consolidation of school units, primarily into school administrative districts (SADs), significantly reducing the number of school administrative units statewide. Units that consolidated received a bonus incentive equal to 10% of their state-education subsidy. The committee supports subsidy incentives for construction projects that include consolidation.

Recommended: GRANT SUBSIDY INCENTIVES FOR CONSOLIDATION

Following determination by the State Board of Education that an approved school construction project includes consolidation, the unit should receive a subsidy incentive in accordance with the following:

- School construction projects that include consolidation of school buildings within a school administrative unit will receive an incentive payment equal to 10% of the project cost. Half of the incentive payment will be paid following final funding approval by the State Board. The other half of the payment will be paid following the final audit by the Department of Education.
- School construction projects that include consolidation of school buildings between school administrative units will receive an incentive payment equal to 20% of the project cost. Half of the incentive payment will be paid following final funding approval by the State Board. The other half of the payment will be paid following the final audit by the Department of Education.

Incentive payments will be funded from the existing state appropriation for debt service costs; no additional state appropriation will be required. The subsidy incentive will have several benefits, including reduction of state and local costs for construction, maintenance and administration; reduced school construction interest costs on bonds since less of the total project cost will be bonded; and reduction of the amount of intermediate borrowing necessary to fund a project in its early stages.

Local Share of School Construction Costs

In keeping with our commitment to fund only essential programs and services, the Committee has reviewed use of the debt service circuit breaker, which limits the local share of funding for a school construction project. The circuit breaker is designed to prevent school administrative units with high construction costs from taxing at inordinate levels to pay for school buildings. When a school administrative unit reaches the circuit breaker amount, the state pays all approved debt service costs in excess of that amount.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

While the circuit breaker is an effective tool for limiting the local burden for school construction costs, it produces at least two related effects that are cause for concern. The first is that the circuit breaker permits some school administrative units to build schools entirely at state expense. Although the new building may be necessary, we feel that as a matter of public policy every unit should have a financial stake in a construction project. The second is that the circuit breaker may reduce incentives for a school administrative unit to economize on project costs, since state taxpayers, not local taxpayers, will foot the bill. **The committee feels that a more prudent financial policy would preclude full state funding for construction projects and would require some local financial contribution, similar to a co-payment for health care.**

Recommendation: REQUIRED LOCAL CONTRIBUTION

A school administrative unit that receives State Board of Education approval for a school construction project is required to pay a local contribution for the project not subsidizable by the state. The local share contribution is equal to either 15% of the total project cost or 4 mills multiplied by the unit's fiscal capacity, whichever is less. No community participating in a school administrative unit would be required to assume school construction debt that would cause its total debt outstanding for school purposes to exceed 10% of its last state valuation. The percent and mill rate options are designed to minimize the impact on a local budget should one method prove unusually costly. (See Appendix 7 for examples)

The local share contribution has several potential benefits, including increasing equity by requiring each school administrative unit to contribute to the costs of its school buildings; creating an incentive to be fiscally conservative in planning construction projects; creating an incentive to provide proper maintenance for new and existing buildings; and freeing up state funds for additional school construction projects.

School Facilities Inventory

Like other education task forces before us, the committee has been hampered by the absence of accurate information about the condition of public school buildings. Decreasing local expenditures for building maintenance and increasing requests for state approval and funding of school construction projects suggest the need for a significant investment in maintenance and construction, but the state lacks empirical data to confirm this assumption. The lack of data precludes estimating overall construction needs statewide and the state's share in funding those costs. It also denies state and local policy makers a clear picture of construction needs.

It has been over 20 years since the State conducted an inventory of public school buildings. The committee believes it is imperative that such an inventory be conducted at once.

Recommended: DEPARTMENT OF EDUCATION TO CONDUCT INVENTORY

The Department of Education should conduct an inventory of all 739 public school facilities in Maine. The inventory should identify all public school buildings and include a systematic and comprehensive assessment of their condition. The inventory should consist of a two-part project:

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

- A school facilities survey now under development by the Department of Education and the State Board of Education will be sent to all school principals. The survey will gather information about building use, programming and the physical condition of school buildings.
- The Department of Education should contract with appropriate professional consultants to conduct a technical examination and assessment of each school building in the state and to collect information about various building systems (i.e. heating and ventilation) and compliance with current codes (i.e. structural, electrical and universal accessibility).

The inventory should be used to establish a school facilities data base and should reside in and be maintained by the department. Information from the data base should be updated no less frequently than every three years and should be available for inclusion in the education research institute data base.

Given the Department of Education's lack of resources to underwrite this project, the Committee proposes funding the inventory as follows:

- Costs for printing and mailing of the survey will be funded from the Legislative Appropriation granted to this Committee. The estimated cost is \$3,000.
- Costs for the technical examination and assessment by appropriate professional consultants will be paid for from interest earned on school construction bond proceeds and unexpended school construction project balances.

The inventory is a crucial component of the proposal to have every school administrative unit establish a capital improvement program. For units without the expertise on staff or the resources to conduct an independent review of school facilities, the inventory will establish baseline information needed to develop the capital improvement program.

Capital Improvement Program

Fewer state and local dollars for school construction and maintenance make planning for both more important than ever. Some school administrative units have developed plans for maintaining, renovating and replacing school buildings. Such plans, generally referred to as capital improvement programs (CIPs), have many benefits, including:

- Focusing attention on education goals and needs;
- Maintaining a sound and stable financial program;
- Saving money by budgeting for maintenance and capital replacement instead of borrowing and paying debt service; and
- Encouraging the purchase of land for construction projects in advance of actual need and thereby allowing acquisition at a lower cost.

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The committee believes that establishing a capital improvement program is a basic requirement of sound public financial management.

Recommended: CAPITAL IMPROVEMENT PROGRAM REQUIRED

All school administrative units should be required to establish and maintain a capital improvement program. The Department of Education will provide technical assistance to school administrative units establishing a CIP, including provision of model CIP plans and technical examination and assessment information.

The major cost of establishing a CIP are the professional assessment of facilities and the staff time to plan and maintain the program. **The Department of Education will pay for a statewide professional assessment of school buildings (at an estimated cost of \$250,000) from interest earned on school construction bond proceeds and unexpended school project balances.** Since all school administrative units receive state subsidy for maintenance costs and many for school construction costs, we believe any other minor costs associated with maintaining a CIP should be regarded as a necessary local investment in sound budgeting and careful stewardship of local and state funds.

Capital Improvements Costs for Technology

A statewide plan to develop a technology infrastructure that would connect public schools to the University of Maine System, the Maine Technical College System, major public libraries and other networks is currently being developed. If adopted, there will be significant capital costs required to connect public schools to the network. These costs could result in a heavy burden on local budgets, which in turn raises questions concerning whether and how the costs might be subsidized through the school funding formula.

Given the present burden on the property tax resulting from education costs passed down from the state to school administrative units, the committee feels strongly that state dollars, private investments and other sources should fund these capital costs.

Recovered School Construction Funds

The school construction financing process generates modest revenues which flow back through the Department of Education to the General Fund. These revenues are derived from bond sales for local school construction projects that exceed the actual final cost of the project and from the interest income from investment of project funds. The committee believes that these funds, estimated to be between \$200,000 and \$300,000 in the next fiscal year, should be used to support general improvements in the operation of Maine's school construction program, such as funding the inventory of all public school facilities.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

Recommended: ESTABLISH A SCHOOL CONSTRUCTION RESERVE FUND

The Department of Education should establish a school construction reserve fund from recovered interest on bond proceeds and unexpended project balances. During the 1995-96 fiscal year proceeds from the reserve fund should support the school facilities inventory.

Subsequent updates of the inventory should also be funded through the reserve fund. The Department should establish guidelines for use of the reserve fund in subsequent years. The fund should be used for school construction purposes only.

Unanticipated Minor Capital Costs

Paying for unanticipated minor capital costs can place an extreme burden on local school budgets. Recent examples of such unanticipated costs in school administrative units include collapsed roofs, burst boilers and broken sprinkler systems that flood schools. Although a capital improvement program can alert officials to deterioration of capital facilities, unanticipated breakdowns of the physical plant are unavoidable. Under current school finance law, a school unit suffering such an unanticipated minor capital cost gets no direct subsidy for the expense because these costs are included in the aggregate, statewide operating costs. The cost is spread across the entire state and all school units get the same relative benefit in increased subsidy. Since such unanticipated minor capital costs can run up to or exceed \$1 million, the committee believes these expenses should be directly subsidized.

Recommended: SUBSIDIZE UNANTICIPATED MINOR CAPITAL COSTS AS DEBT SERVICE

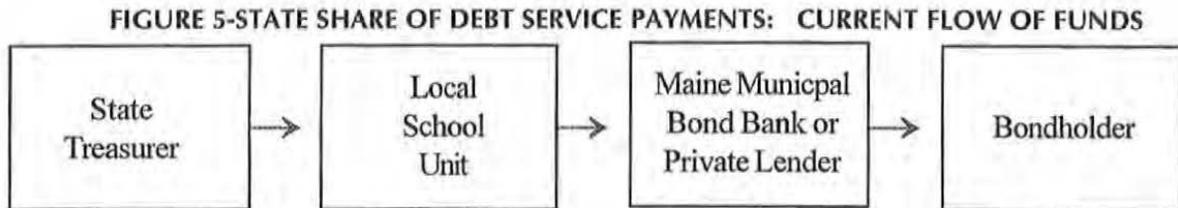
Unanticipated minor capital costs in excess of \$100,000 per incident should be treated as a debt service cost and made eligible for state debt service subsidy, as leased space costs and insured value factor costs currently are. To be eligible for state debt service subsidy, school administrative units must issue a school construction bond to finance the minor capital cost. School units will receive subsidy on the annual principal and interest cost of the bond. The length of the school construction bond issue will be guided by existing State Board of Education rules. The State Board should adopt any additional rules necessary to implement this recommendation.

Funding for unanticipated minor capital costs should come from existing General Purpose Aid appropriations. In effect, this provision will redistribute dollars from operating and program costs to debt service costs. The Department of Education should monitor the extent of this redistribution and provide updates to the appropriate legislative committees.

Anticipated minor capital costs consume an even greater portion of school budgets statewide than unanticipated minor capital costs. Both costs are indirectly subsidized as explained in the first paragraph of this section. The cost of treating anticipated minor capital costs as debt service appears prohibitive at this time. However, the Department of Education should immediately begin to track minor capital expenditures statewide to establish an information base which policy makers may use in the future.

Debt Service Payments to School Administrative Units

Payment of the state subsidy on local debt service costs is a multi-step process (see Figure 5). Subsidy amounts are calculated by the Department of Education and transmitted to the State Treasurer, who mails a subsidy check to the school unit. The school unit holds the subsidy check, often in accounts or deposits with one or more financial institutions, until the payment is due at the Maine Municipal Bond Bank or a private lending institution. Interest earned on the temporary investment is retained by the school unit, and the balance of the payment forwarded to the bond bank or other lender, which in turn makes payment to the bondholder. Current technology and sound financial management practices argue for a simpler payment process.



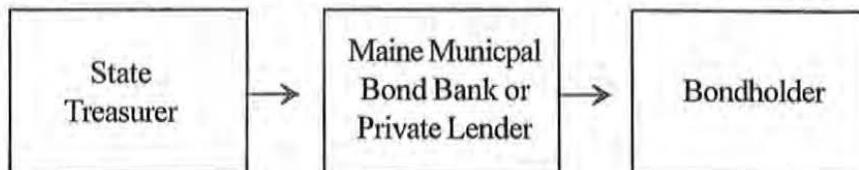
Source: Office of Policy & Legal Analysis

Recommended: SIMPLIFY DEBT SERVICE PAYMENT PROCESS

The debt service payment process should be simplified by directing the State Treasurer to wire each school administrative unit's debt service payment directly from the State Treasurer to the bond issuer, either the Maine Municipal Bond Bank or a private lender (see Figure 6). Eliminating payment to school administrative units will provide two significant benefits:

- The potential for a better bond rating, since the chance of a late or non-payment by a school administrative unit is eliminated; and
- Increased interest earnings for the state General Fund from holding debt service payments in the treasury for a longer period of time.

FIGURE 6-STATE SHARE OF DEBT SERVICE PAYMENTS: PROPOSED FLOW OF FUNDS



Source: Office of Policy & Legal Analysis

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Investment of Construction Funds

During the course of a school construction project local school officials are responsible for investing bond proceeds until they are needed. Interest earned on the investments are paid back to the state at the end of the construction project. The complexity of investing these funds may place unrealistic expectations on some school administrative units. The determination of arbitrage required by the federal tax code, the disclosure of secondary market financial information soon to be required by the Securities and Exchange Commission, and confirmation that bond proceeds are being expended legally place significant burdens on local officials. The Committee believes that investment assistance would reduce the administrative burden on school officials and increase interest earnings on investments.

Recommended: ESTABLISH A SCHOOL CONSTRUCTION INVESTMENT POOL

The Maine Municipal Bond Bank should establish a school construction investment pool consisting of bond proceeds for school construction projects. Participation in the pool should be voluntary and at no additional cost to school administrative units issuing school construction bonds through the bond bank. School administrative units issuing bonds through private institutions could participate for a fee. Given current technology, the bond bank can transmit funds from the investment pool to a school administrative unit within 24 hours of a request, thereby assuring necessary liquidity. Pooling all or a significant portion of school construction funds in a single investment instrument should result in greater yields than those obtainable by each school administrative unit separately.

Department of Education Staffing for School Construction

The Department of Education's Division of School Business Services administers the state's school construction program. Staff from the division travel across the state advising school administrative units on the school construction process, provide technical advice to units applying for State Board approval, and assist units from start to finish when state board approval of a construction project is requested. They serve as staff to the State Board of Education on all matters related to construction, conducting research, providing policy analysis and advising on technical matters. During legislative sessions they regularly consult with and advise the Joint Standing Committee on Education and Cultural Affairs.

Budget cuts in the Department of Education have reduced staff from 3.5 full time equivalent positions in school construction in 1990 to 1.5 full time equivalent positions in school construction in 1994. Given the State's financial investment in school construction projects, the complexity of construction issues and the increased role proposed for the division in this report, the committee supports increasing staff within the Division of School Business Services.

School Construction Projects Placed on Protected List

Currently, the State Board of Education may place on a protected list for up to two years a school construction project which has applied for State Board approval. This protected list status ensures that the State Board will give the project consideration ahead of higher rated projects even if the project has not yet won local approval. This policy was adopted to minimize disruption at the local level and to allow time for additional local planning, if required.

While the protected list policy appears sound, it can have the effect of awarding extremely limited state funds for school construction to projects that do not demonstrate the highest need. The State Board of Education should review this policy in light of the current scarcity of state funds for construction.

School Construction and Tuition

When one school unit accepts students from another school unit, the receiving school unit is entitled to receive a state regulated per pupil tuition payment, paid by the sending school unit. If the receiving school unit needs to build or renovate a school, it must bear the full cost of debt service for the project, even though students from the sending school unit, and therefore the communities they represent, benefit from the new or renovated school. Maine law does not allow the debt service cost of the project to be shared by communities that tuition students to another school unit.

In view of this committee's recommendations on resource sharing between school units, the State Board of Education should review state policy on treatment of debt service costs for school units that send and receive tuition students.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

APPENDIX 1

Sec. 1. Committee to Study Organizational and Tax Issues in Public Schools.

1. Members. The Committee to Study Organizational and Tax Issues in Public Schools, referred to in this section as “the committee,” is established and consists of 5 members who must be impartial and have wide experience in public affairs and are appointed from a list provided by the joint standing committee of the Legislature having jurisdiction over education matters, as follows:

- A. One member appointed by the Governor;
- B. Two members appointed by the President of the Senate; and
- C. Two members appointed by the Speaker of the House of Representatives.

A member of the committee may not be a Legislator or a member or employee of a professional organization representing persons employed in public education, kindergarten to grade 12.

Each member appointed must have extensive knowledge of public education in the State. In appointing members to the committee, proper consideration must be given to achieving statewide geographical representation and gender equity.

Appointments to the committee must be made no later than 30 days following the effective date of this Act. The Executive Director of the Legislative Council must be notified by the appointing authorities once selections have been finalized.

The first meeting of the committee must be convened by the Executive Director of the Legislative Council within 14 days after the appointment of the committee. At the first meeting, the committee shall elect a chair from among its members.

2. Expenses. Members of the committee are entitled to receive per diem reimbursement in the amount of the legislative per diem and must be reimbursed for expenses upon approval of the chair of the committee and application to the Executive Director of the Legislative Council.

3. Duties and responsibilities. The committee shall review organizational and tax issues in public schools, kindergarten to grade 12, including, but not limited to:

- A. The affordability and efficiency of the organization of school districts in the State and the options, costs and benefits of organizational change;
- B. The affordability, efficiency and fairness of school construction policy;

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- C. The tax structure for funding public schools, including alternatives to reliance on the property tax to fund the required local share of education costs and the implications of repealing the property tax as the revenue source for funding the local share of the total allocation for education, effective in fiscal year 1996-97; and
- D. The effectiveness of the education leadership structure in the State and options for the improvement of that structure.

4. Staff. The committee may contract for necessary professional assistance and may request staff assistance from the Legislative Council. On request of the committee, assistance must be provided by the Department of Education, the State Board of Education, the Department of the Attorney General, the State Planning Office and any other agency of the executive department.

5. Report. The committee shall report its findings and recommendations to the Governor and to the joint standing committee of the Legislature having jurisdiction over education matters by January 15, 1995.

6. Appropriation and contributions. The Executive Director of the Legislative Council is authorized to administer the committee's budget and accept and administer outside funds contributed to support the work of the committee.

Sec. 2. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

1994-95

Legislature

Committee to Study Organizational and Tax Issues in Public Schools

Personal Services	\$4,125
All Other	\$54,250

Provides funds to the Committee to Study Organizational and Tax Issues in Public Schools for the per diem and expenses of members, to contract for professional services and for miscellaneous committee expenses.

Total Appropriations	\$58,375
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APPENDIX 2

Groups

Casco Bay Education Alliance
Coalition for Equitable School Funding
Coalition for Excellence in Education
ECO 2000
Fleet Securities
Legislators, Committee on Appropriations and Financial Affairs
Legislators, Committee on Education and Cultural Affairs
Legislators, Committee on Taxation
Maine Bureau of Taxation
Maine Chamber of Commerce and Industry
Maine Department of Education
Maine Education Association
Maine Municipal Association
Maine Municipal Bond Bank
Maine Office of Geographic Information Systems
Maine Principals Association
Maine School Boards Association
Maine School Management Association
Maine State Board of Education
Maine State Planning Office
Maine Superintendents Association
Office of Fiscal and Program Review
Partnership for Education Research
Task Force on Learning Results
Governor’s Task Force to Provide Recommendations Regarding School Funding Issues
Town Managers

Individuals

Governor Angus King
Richard Barringer, Director, Edmund S. Muskie Institute of Public Affairs, USM
Robert Berne, Dean, Robert F. Wagner Graduate School of Public Service, New York University – Consultant
Charlie Colgan, Professor, Edmund S. Muskie Institute of Public Affairs
Paul Frinsco, Attorney, Bernstein, Shur, Sawyer and Nelson
Josephine LaPlante, Professor, Edmund S. Muskie Institute of Public Affairs
Joe Mackey, Joe Mackey Associates
Leo Martin, Commissioner, Maine Department of Education
Ed Muscovitch, Consultant

APPENDIX 3

Determining Ability to Pay Weighing Fiscal Capacity on both State Equalized Assessed Property Values and Median Income

Some language regarding a school funding formula using both property valuation and personal residential income

General non-technical remarks

The school funding formula of any state generally is based on three types of calculations:

1. calculation of a total amount of funds to be made available to each school administrative unit;
2. calculation of the percentage of the amount in #1 which must be raised by the school administrative unit (called the local share percentage); and
3. calculation of the percentage of the amount in #1 which must be provided by the state as subsidies (called the state share percentage): this is calculated as 100% minus the local share percentage (calculated in #2).

The calculations in Step #2 are based on the wealth of the school administrative unit. In Maine's current funding formula, this calculation is based solely on each school unit's per-pupil state valuation of property: a school unit with a high per-pupil state valuation will have a larger local share percentage than another school unit with a lower per-pupil state valuation.

In comparison, the CSOTIPS recommends that the wealth of each school administrative unit be based on two wealth indicators: per-pupil state valuation and also median income. The relative weights of these two indicators can be controlled by policy choices. Ultimately the two indicators should be equally weighted. However, the income indicator of wealth should be gradually phased in to equal status with the state valuation indicator of wealth. During this phase-in period, a lesser weight should be applied to the income indicator of wealth.

More technical discussion

The recommended method of calculating the local share percentage follows the model now used in New York. In this method, the Local Share Percentage for a School Administrative Unit *X* is calculated as:

$$\text{Statewide factor} \times \left[\text{Inc. Wgt.} \times \left(\frac{\text{Median Income } X}{\text{Statewide Median I}} \right) + \text{Prop. Wgt. } X \left(\frac{\text{Per Pupil state valuation } X}{\text{Statewide Per Pupil valuation}} \right) \right]$$

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An explanation of the terms used in this calculation follows:

- **Statewide factor.** This factor is an amount between 0.0 and 1.0. The factor would be set by the Legislature. The statewide percentage of education funds that are provided to be provided by the State as subsidies is determined by the size of this factor: the smaller the statewide factor, the greater the statewide share percentage provided as subsidies.
- **Inc. Wgt. (or Income Weight).** This weight is an amount between 0.0 and 1.0. This weight is set by the Legislature. The amount reflects the Legislature's policy regarding the relative weights of (a) this income indicator of wealth, and (b) the property value indicator of wealth.

Note: The sum of Inc. Wgt and Prop. Wgt. must be equal to 1.0. Thus, if the weight for income is increased, then the property value weight must decrease, and vice versa.

- **Prop. Wgt (or Property value weight).** This weight is an amount between 0.0 and 1.0. This weight is set by the Legislature. The amount reflects the Legislature's policy regarding the relative weights of (a) this property value indicator of wealth, and (b) the income indicator of wealth.

As noted above, the sum of Inc. Wgt. and Prop. Wgt. must be equal to 1.0.

- **Per-pupil state valuation of property.** These amounts (both for Unit "X" and also the statewide amount) are exactly as defined in Maine's current school funding formula.
- **Median Income.** These amounts (both for Unit "X" and also the statewide amount) are based on State Income Tax returns when available and other appropriate data if necessary.

APPENDIX 4

Regional Adjustment Factor

SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT	SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT
ACTON	106.27	CARROLL PLT	90.26
AIRLINE CSD AURORA	96.23	CASTINE	117.56
ALEXANDER	97.36	CASWELL	92.70
ALNA	104.25	CENTERVILLE	96.75
ALTON	96.10	CHARLOTTE	97.63
APPLETON	100.00	CHELSEA	96.50
ARROWSIC	108.70	CHINA	99.56
ARUNDEL	107.55	COOPER	102.16
AUBURN	102.00	COPLIN PLT	104.71
AUGUSTA	97.69	CRANBERRY ISLES	101.37
B-BBAY HBR CSD		CRAWFORD	93.14
BOOTHBAY HARBOR	107.46	DALLAS PLT	101.61
BAILEYVILLE	96.46	DAMARISCOTTA	110.29
BANCROFT	90.60	DAYTON	106.73
BANGOR	100.37	DEBLOIS	94.09
BAR HARBOR	105.16	DEDHAM	101.72
BARING PLT	96.42	DEER I-STON CSD STONINGTON	100.44
BATH	103.25	DENNYSVILLE	95.29
BEALS	95.23	DRESDEN	102.72
BEAVER COVE	107.53	DREW PLT	92.66
BEDDINGTON	100.82	DURHAM	105.14
BIDDEFORD	106.32	EAST MILLINOCKET	96.35
BLUE HILL	104.37	EAST RANGE CSD TOPSFIELD	95.21
BOWERBANK	98.31	EASTON	93.75
BRADLEY	98.16	EASTPORT	95.82
BREMEN	109.35	EDGEComb	106.53
BREWER	101.23	ELLSWORTH	101.68
BRIDGEWATER	91.71	FALMOUTH	115.45
BRISTOL	108.15	FLANDR BAY CSD SULLIVAN	98.30
BROOKLIN	102.84	FREEPORt	109.61
BROOKSVILLE	103.22	FRENCHBORO	100.92
BRUNSWICK	107.36	GEORGETOWN	106.52
BUCKSPORT	100.25	GILEAD	97.06
CALAIS	95.64	GLENBURN	101.28
CAPE ELIZABETH	116.85	GLENWOOD PLT	90.63
CARIBOU	95.88	GORHAM	107.71
CARRABASSETT VAL	103.26	GOULDSBORO	101.89

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT	SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT
GR LAKE STR PLT	98.08	MILFORD	99.71
GR SLT BAY CSD DAMARISCOTTA	109.27	MILLINOCKET	96.45
GRAND ISLE	92.94	MINOT	103.17
GREENBUSH	96.84	MONHEGAN PLT	113.36
GREENFIELD	98.23	MONMOUTH	97.78
GREENVILLE	96.91	MOOSABEC CSD JONESPORT	96.05
HANCOCK	100.72	MORO PLT	90.93
HANOVER	101.36	MOUNT DESERT	108.45
HARMONY	94.90	MOUNT VERNON	96.37
HERMON	101.61	MT DESERT CSD BAR HARBOR	105.25
HERSEY	89.49	NASHVILLE PLT	97.52
HIGHLAND PLT	98.51	NEW SWEDEN	94.83
HOPE	102.65	NEWCASTLE	107.98
INDIAN ISLAND	94.40	NOBLEBORO	104.79
ISLE AU HAUT	96.18	NORTHFIELD	94.22
ISLESBORO	103.80	OAK HILL CSD WALES	101.46
JAY	98.70	OLD ORCHARD BCH	103.50
JEFFERSON	102.20	OLD TOWN	98.80
JONESBORO	96.10	ORIENT	92.34
JONESPORT	96.24	ORLAND	100.12
KINGSBURY PLT	96.63	ORONO	102.93
KITTERY	109.86	ORRINGTON	101.74
LAKEVILLE	93.42	OTIS	99.67
LAMOINE	102.51	PALERMO	100.05
LEWISTON	102.05	PEMBROKE	93.58
LIMESTONE	94.83	PENOBSCOT	98.66
LINCOLN PLT	96.74	PERRY	95.57
LINCOLNVILLE	103.47	PERU	97.59
LISBON	101.80	PETER DANA POINT	96.36
LITCHFIELD	98.11	PHIPPSBURG	104.61
MACHIAS	97.43	PLEASANT POINT	97.55
MACWAHOC PLT	90.63	PLEASANT RDGE PL	94.34
MADAWASKA	95.73	POLAND	102.47
MADRID	98.68	PORTLAND	106.57
MAGALLOWAY PLT	97.46	PRINCETON	94.44
MANCHESTER	101.39	RANGELEY	103.36
MARANACOOK CSD READFIELD	100.10	RANGELEY PLT	101.45
MARIAVILLE	95.57	RAYMOND	108.37
MARSHFIELD	99.35	READFIELD	100.00
MECHANIC FALLS	99.60	REED PLT	91.09
MEDDYBEMPS	96.64	RICHMOND	100.32
MEDFORD	94.15	ROBBINSTON	98.36
MEDWAY	95.08	ROME	95.44

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT	SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT
ROQUE BLUFFS	95.02	S.A.D. #44 BETHEL	99.93
S.A.D. # 1 PRESQUE ISLE	95.39	S.A.D. #45 WASHBURN	94.02
S.A.D. # 3 THORNDIKE	98.13	S.A.D. #46 DEXTER	96.15
S.A.D. # 4 GUILFORD	95.34	S.A.D. #47 OAKLAND	97.69
S.A.D. # 5 ROCKLAND	100.99	S.A.D. #48 NEWPORT	96.86
S.A.D. # 6 BUXTON	105.53	S.A.D. #49 FAIRFIELD	99.02
S.A.D. # 7 NORTH HAVEN	102.80	S.A.D. #50 THOMASTON	103.52
S.A.D. # 8 VINALHAVEN	100.35	S.A.D. #51 CUMBERLAND	113.35
S.A.D. # 9 FARMINGTON	98.45	S.A.D. #52 TURNER	102.35
S.A.D. #10 ALLAGASH	91.55	S.A.D. #53 PITTSFIELD	96.59
S.A.D. #11 GARDINER	96.41	S.A.D. #54 SKOWHEGAN	97.82
S.A.D. #12 JACKMAN	95.89	S.A.D. #55 PORTER	101.34
S.A.D. #13 BINGHAM	94.82	S.A.D. #56 SEARSPORT	99.84
S.A.D. #14 DANFORTH	91.98	S.A.D. #57 WATERBORO	104.53
S.A.D. #15 GRAY	106.75	S.A.D. #58 KINGFIELD	97.54
S.A.D. #16 HALLOWELL	97.88	S.A.D. #59 MADISON	96.01
S.A.D. #17 NORWAY	100.54	S.A.D. #60 BERWICK	106.50
S.A.D. #18 VERONA	98.55	S.A.D. #61 BRIDGTON	103.28
S.A.D. #19 LUBEC	96.11	S.A.D. #62 POWNAL	105.67
S.A.D. #20 FT. FAIRFIELD	93.98	S.A.D. #63 EDDINGTON	101.24
S.A.D. #21 DIXFIELD	97.04	S.A.D. #64 CORINTH	97.96
S.A.D. #22 HAMPDEN	102.02	S.A.D. #65 MATINICUS I. P	104.44
S.A.D. #23 CARMEL	99.47	S.A.D. #67 LINCOLN	96.58
S.A.D. #24 VAN BUREN	92.95	S.A.D. #68 DOVER-FOXCROFT	96.46
S.A.D. #25 SHERMAN	94.69	S.A.D. #70 HODGDON	95.52
S.A.D. #26 EASTBROOK	98.44	S.A.D. #71 KENNEBUNK	113.98
S.A.D. #27 FT. KENT	95.01	S.A.D. #72 FRYEBURG	102.65
S.A.D. #28 CAMDEN	109.70	S.A.D. #74 ANSON	95.95
S.A.D. #29 HOULTON	94.74	S.A.D. #75 TOPSHAM	106.46
S.A.D. #30 LEE	94.33	S.A.D. #76 SWAN'S ISLAND	106.54
S.A.D. #31 HOWLAND	95.83	S.A.D. #77 EAST MACHIAS	97.89
S.A.D. #32 ASHLAND	93.81	SABATTUS	101.33
S.A.D. #33 ST. AGATHA	95.82	SACO	106.92
S.A.D. #34 BELFAST	100.76	SANDY RIVER PLT	104.83
S.A.D. #35 ELIOT	109.23	SANFORD	103.66
S.A.D. #36 LIVERMORE FALL	98.57	SCARBOROUGH	110.42
S.A.D. #37 HARRINGTON	96.47	SCHOODIC CSD SULLIVAN	99.67
S.A.D. #38 DIXMONT	97.71	SEDGWICK	100.78
S.A.D. #39 BUCKFIELD	98.63	SHIRLEY	94.30
S.A.D. #40 WALDOBORO	101.97	SO. AROOS. CSD DYER BROOK	93.93
S.A.D. #41 MILO	94.32	SOMERVILLE	100.71
S.A.D. #42 MARS HILL	93.60	SOUTH BRISTOL	106.25
S.A.D. #43 MEXICO	96.55	SOUTH PORTLAND	105.41

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

SCHOOL ADMINISTRATIVE UNIT	ADJUSTMENT
SOUTHPORT	114.96
SOUTHWEST HARBOR	105.78
STEBEN	96.33
STOCKHOLM	93.36
SURRY	102.08
TALMADGE	94.69
TREMONT	104.39
TRENTON	104.73
UPTON	94.84
VANCEBORO	91.90
VASSALBORO	97.13
VEAZIE	101.82
WAITE	93.99
WALES	102.23
WATERVILLE	96.62
WAYNE	101.50
WESLEY	95.12
WEST BATH	107.47
WESTBROOK	105.61
WESTMANLAND	94.77
WESTPORT	109.78
WHITEFIELD	100.59
WHITNEYVILLE	93.47
WILLIMANTIC	93.93
WINDHAM	106.33
WINDSOR	97.39
WINSLOW	97.22
WINTER HARBOR	99.35
WINTHROP	99.31
WISCASSET	104.40
WLLS-OGNQT CSD WELLS	110.51
WOODLAND	94.10
WOODVILLE	94.88
WOOLWICH	103.58
YARMOUTH	114.57
YORK	115.29

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS		
	ELEM.	SEC.		ELEM.	SEC.	
ACTON		75	Wells-Ogun CSD		68	
ACTON			OUT OF STATE		1	
ACTON			SAD 60		1	
ACTON			SAD 71		3	
ACTON			Sanford		1	
ACTON			SAD 57		1	
ALEXANDER		43	Baileyville		28	
ALEXANDER			Lee Acadey		1	
ALEXANDER			Calais		14	
ALNA	95	27	Wiscasset	95	23	
ALNA			Lincoln Academy		3	
ALNA			Gould Academy		1	
ALTON	119	40	SAD 64		1	
ALTON			Milford	1		
ALTON			Old Town	35	39	
APPLETON		79	SAD 28		79	
ARROWSIC	77	23	Bath	41	19	
ARROWSIC			Georgetown	9		
ARROWSIC			Woolwich	10		
ARROWSIC			West Bath	3		
ARROWSIC			SAD 75		2	
ARROWSIC			Waynflete		1	
ARROWSIC			Ctr Teach/Learning	4		
ARROWSIC			Sheepscot Valley	4		
ARROWSIC			Child Sch Arts/Science	4		
ARROWSIC			Brunswick	1		
ARROWSIC			Out of State		1	
ARUNDEL		162	Biddeford		26	
ARUNDEL			SAD 71		72	
ARUNDEL			Thornton Academy		51	
ARUNDEL			Berwick Academy		3	
ARUNDEL			Wells High School		1	
ARUNDEL			Hyde School		1	
ARUNDEL			Old Orchard Beach		6	

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS		
	ELEM.	SEC.		ELEM.	SEC.	
ARUNDEL			Out of State		1	
BANCROFT	10	2	SAD 14	5	2	
BANCROFT			Reed Pt	4		
BANCROFT			SAD 70	1		
BEDDINGTON	3	9	SAD 37	3	9	
BLUE HILL		124	George Stevens Acad.		115	
BLUE HILL			Ellsworth		4	
BLUE HILL			Out of State		3	
BLUE HILL			Hyde School		1	
BOWERBANK	9	7	SAD 68	9		
BOWERBANK			Foxcroft Academy		7	
BRADLEY	125	47	Old Town	39	43	
BRADLEY			Brewer		1	
BRADLEY			John Bapst		3	
BREMEN	36	29	Great Salt Bay CSD	17	1	
BREMEN			SAD 40		3	
BREMEN			Lincoln Academy		23	
BREMEN			Nobleboro	19		
BREMEN			Out of State		3	
BRIDGEWATER	66	42	SAD 42	16	42	
BRIDGEWATER			SAD 29	1		
BRISTOL		123	Lincoln Academy		112	
BRISTOL			Out of State		5	
BRISTOL			MCI		1	
BRISTOL			Hebron Academy		4	
BRISTOL			Gould Academy		1	
BROOKLIN		29	George Stevens Acad.		26	
BROOKLIN			Deer Isle-Stonington		3	
BROOKSVILLE		39	George Stevens Acad.		35	
BROOKSVILLE			Hebron Academy		1	
BROOKSVILLE			Out of State		2	
BROOKSVILLE			Ellsworth H. S.		1	
CARROLL PLT.	21	6	SAD 30	21		
CARROLL PLT.			Lee Academy		6	

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS		
	ELEM.	SEC.		ELEM.	SEC.	
CASTINE		31	Bucksport		10	
CASTINE			George Stevens Acad.		20	
CASTINE			Out-of-State		1	
CASTINE			Hebron Academy		1	
CASWELL		16	Limestone		14	
CASWELL			SAD 24		2	
CENTERVILLE	3	4	SAD 37	3	4	
CHARLOTTE		33	Calais		31	
CHARLOTTE			Washington Academy		2	
CHELSEA		171	Augusta		46	
CHELSEA			SAD 11		64	
CHELSEA			SAD 16		56	
CHELSEA			Erskine Academy		3	
CHELSEA			Hinckley School		1	
CHINA		272	Waterville		37	
CHINA			Winslow		20	
CHINA			Augusta		6	
CHINA			SAD 16		1	
CHINA			Erskine Academy		196	
CHINA			Out-of-State		2	
CHINA			SAD 11		3	
CHINA			Kents Hill		7	
COOPER	18	8	Baileyville	13	7	
COOPER			Alexander	1		
COOPER			Calais		1	
COOPER			East Machias	2		
COOPER			Machias	2		
COPLIN PLT.	15	3	SAD 58	15	3	
CRANBERRY ISLES		5	Mt Desert Reg. Dist		2	
CRANBERRY ISLES			Kents Hill		1	
CRANBERRY ISLES			Hebron Academy		1	
CRANBERRY ISLES			Out of State		1	
CRAWFORD	13	4	Alexander	13		
CRAWFORD			Calais		4	

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS		
	ELEM.	SEC.		ELEM.	SEC.	
DALLAS PLT.	16	7	Rangeley	16	7	
DAMARISCOTTA		92	Kents Hill		3	
DAMARISCOTTA			Lincoln Academy		79	
DAMARISCOTTA			Out-of-State		6	
DAMARISCATTA			MCI		1	
DAMARISCATTA			Hebron Academy		1	
DAMARISCATTA			Boothbay H. S.		2	
DAYTON	182	68	Saco	42		
DAYTON			Thornton Academy		67	
DAYTON			Biddeford		1	
DEBLOIS	16	6	SAD 37	16	6	
DEDHAM		88	Brewer		49	
DEDHAM			Ellsworth		2	
DEDHAM			John Bapst H.S.		35	
DEDHAM			Bangor		1	
DEDHAM			George Stevens		1	
DENNISTOWN PLT.	2	5	SAD 12	2	5	
DENNYSVILLE	43	20	Eastport		13	
DENNYSVILLE			Edmunds Township	43		
DENNYSVILLE			Washington Acad.		6	
DENNYSVILLE			Calais		1	
DRESDEN	189	78	Bath		2	
DRESDEN			Wiscasset	44	72	
DRESDEN			School od Arts/Science		1	
DRESDEN			Waynelete		2	
DREW PLT.	6	1	Reed Plt	4		
DREW PLT.			Lee Academy		1	
DREW PLT			Kingman Elem	2		
DURHAM		165	Auburn		32	
DURHAM			Brunswick		58	
DURHAM			Freeport		27	
DURHAM			Lisbon		9	
DURHAM			SAD 51		33	
DURHAM			Yarmouth Academy		3	

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS		
	ELEM.	SEC.		ELEM.	SEC.	
DURHAM			Waynflete		2	
DURHAM			SAD 75		1	
EDGECOMB	100	55	Wiscasset	20	40	
EDGECOMB			Lincoln Academy		6	
EDGECOMB			Boothbay -BBH CSD	1	7	
EDGECOMB			N. Yarmouth Academy		1	
EDGECOMB			Waynflete		1	
FAYETTE	127	57	Winthrop	17	10	
FAYETTE			SAD 36	27	29	
FAYETTE			M M R W CSD	5	13	
FAYETTE			Readfield Elem	7		
FAYETTE			Jay School	1	2	
FAYETTE			Augusta		2	
FAYETTE			Kents Hill		1	
FRANKLIN	177		Schoodic CSD	176		
FRANKLIN			Bay School	1		
GEORGETOWN	120	42	Bath	25	39	
GEORGETOWN			Lincoln Academy		1	
GEORGETOWN			SAD 775		1	
GEORGETOWN			Brunswick		1	
GILEAD	24	12	SAD 44	24	12	
GLENBURN		219	Bangor		43	
GLENBURN			SAD 64		1	
GLENBURN			Hermon		30	
GLENBURN			Orono		76	
GLENBURN			John Bapst H.S.		65	
GLENBURN			Kents Hill		1	
GLENBURN			Brewer		2	
GLENBURN			Old Town		1	
GRAND ISLE	81	33	Madawaska	18	32	
GRAND ISLE			SAD 24	1	1	
GR. LAKE STRM PLT.	26	8	Baileyville		8	
GR. LAKE STRM PLT.			Princeton	26		
GREENBUSH		97	Old Town		77	

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1,1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL	RESIDENT				TUITION	
ADMINISTRATIVE	ENROLLMENT				STUDENTS	
UNIT	ELEM.	SEC.	UNIT	ELEM.	SEC.	
GREENBUSH			SAD 31			17
GREENBUSH			John Bapst H.S.			3
GREENFIELD			Milford			
GREENFIELD			Old Town			
HANCOCK		89	Ellsworth			57
HANCOCK			Flanders Bay CSD			26
HANCOCK			John Bapst			2
HANCOCK			Mt Desert CSD			3
HANCOCK			George Stevens			1
HANOVER	40	6	SAD 43	37		6
HANOVER			SAD 44	3		
HARMONY		53	SAD 46			53
HERSEY	7	3	SAD 25			3
HERSEY			S. Aroostock CSD	6		
HIGHLAND PLT.	7	1	SAD 74	7		1
HOPE		40	SAD 28			40
ISLE AU HAUT		3	Hebron Academy			1
ISLE AU HAUT			Mt Desert Reg. Dist.			1
ISLE AU HAUT			George Stevens			1
JEFFERSON		144	SAD 11			4
JEFFERSON			SAD 16			18
JEFFERSON			SAD 40			22
JEFFERSON			Erskine Academy			19
JEFFERSON			Lincoln Academy			71
JEFFERSON			Kents Hill			2
JEFFERSON			Out of State			1
JEFFERSON			Augusta			7
JONESBORO		34	Machias			17
JONESBORO			Washington Acad.			17
KINGSBURY PLT.		0	SAD 4			0
LAKEVILLE	7	1	SAD 30	7		
LAKEVILLE			Lee Academy			1
LAMOINE		58	Ellsworth			34
LAMOINE			Mt Desert Reg. Dist.			21

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUTION STUDENTS		
	ELEM.	SEC.		ELEM.	SEC.	
LAMOINE			Out of State		1	
LAMOINE			John Bapst		1	
LAMOINE			Hebron Academy		1	
LINCOLN PLT.	0	2	Rangeley	0	2	
LINCOLNVILLE		69	SAD 28		65	
LINCOLNVILLE			SAD 34		1	
LINCOLNVILLE			Community School		3	
FRENCHBORO		0	Mt Desert Reg. Dist.		0	
MACWAHOC PLT.	8	2	SAD 67	8	2	
MADRID	16	6	SAD 58	16	5	
MADRID			SAD 9		1	
MAGALLOWAY PLT.			Out of State	3	3	
MARIAVILLE	64	17	Ellsworth		17	
MARIAVILLE			Otis	64		
MARSHFIELD	65	36	Machias	65	31	
MARSHFIELD			Washington Acad.		4	
SPURWINK					1	
MECHANIC FALLS		129	Auburn		129	
MEDDYBEMPS	13	9	Baileyville	13	8	
MEDDYBEMPS			Calais	1	1	
MEDWAY		124	East Millinocket		124	
MILFORD		153	Old Town		141	
MILFORD			Brewer		2	
MILFORD			John Bapst H.S.		9	
MILFORD			Oroono		1	
MINOT		119	Auburn		104	
MINOT			Hebron Academy		12	
MINOT			SAD 52		3	
MONHEGAN PLT.		3	Out of State		4	
MONHEGAN PLT			Gould Academy		1	
MORO PLT.	9	2	SAD 25	9	2	
NASHVILLE PLT.	4	3	SAD 32	4	3	
NEWCASTLE		77	Lincoln Academy		69	
NEWCASTLE			Gould Academy		1	

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL	RESIDENT					TUITION
ADMINISTRATIVE	ENROLLMENT					STUDENTS
UNIT	ELEM.	SEC.	UNIT	ELEM.	SEC.	
NEWCASTLE			Out-of-State			3
NEWCASTLE			Kents Hill School			1
NEWCASTLE			SAD 40			3
NEW SWEDEN		52	Caribou			52
NOBLEBORO		66	SAD 40			8
NOBLEBORO			Lincoln Academy			55
NOBLEBORO			Augusta			1
NOBLEBORO			Out of State			1
NOBLEBORO			Wiscasset			1
NORTHFIELD	10	5	Machias	8		4
NORTHFIELD			Wesley	2		
NORTHFIELD			Washington Academy			1
ORIENT	17	10	SAD 14		1	0
ORIENT			SAD 70	15		7
ORIENT			SAD 29	1		3
ORLAND		131	Bucksport			88
ORLAND			George Stevens Acad.			34
ORLAND			John Bapst			3
ORLAND			Ellsworth			4
ORRINGTON		207	Bangor			5
ORRINGTON			Brewer			131
ORRINGTON			Bucksport			9
ORRINGTON			SAD 22			3
ORRINGTON			John Bapst H.S.			58
ORRINGTON			Hyde School			1
OTIS		31	Ellsworth			30
OTIS			John Bapst			1
PALERMO		53	Augusta			3
PALERMO			Erskine Academy			46
PALERMO			Waterville			1
PALERMO			Kents Hill			3
PEMBROKE		51	Washington Acad.			48
PEMBROKE			Eastport			3
PENOBSCOT		78	Bucksport			10

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS		
ELEM.	SEC.		ELEM.	SEC.		
PENOBSCOT			George Stevens Acad.			63
PENOBSCOT			Hebron Academy			1
PENOBSCOT			Hancock Academy			4
PERRY		47	Eastport			36
PERRY			Washington Acad			1
PERRY			Calais High School			10
PERU		83	SAD 21			48
PERU			SAD 43			34
PERU			Gould Acad.			1
PHIPPSBURG		90	Bath			86
PHIPPSBURG			Hyde School			4
PLEASANT RIDGE PLT.	5	9	SAD 13	5		9
POLAND		222	Auburn			168
POLAND			SAD 15			16
POLAND			Hebron Academy			26
POLAND			N. Yarmouth Academy			2
POLAND			Waynelete			5
LONG ISLAND	6	8	Portland	6		8
PRINCETON		64	Baileyville			61
PRINCETON			Calais			1
PRINCETON			Hebron Academy			2
RANGELEY PLT.	9	6	Rangeley	9		5
RANGELEY PLT.			Gould Academy			1
RAYMOND	585	170	Westbrook	20		57
RAYMOND			Windham	57		44
RAYMOND			SAD 15	27		44
RAYMOND			Yarmouth Academy	5		13
RAYMOND			Out of State			1
RAYMOND			Waynlete			4
RAYMOND			Hebron Academy	3		6
REED PLT.		15	SAD 14			3
REED PLT.			Lee Academy			12
ROBBINSTON		38	Calais			33
ROBBINSTON			Eastport High School			3

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL	RESIDENT				TUITION	
ADMINISTRATIVE	ENROLLMENT				STUDENTS	
UNIT	ELEM.	SEC.	UNIT	ELEM.	SEC.	
ROBBINSTON			N. Yarmouth			1
ROBBINSTON			Hebron Academy			1
ROME	121	59	SAD 47	121		59
ROCQUE BLUFFS	25	15	Machias	25		15
SACO		751	Thornton Academy			745
SACO			Biddeford			2
SACO			Spurwink			2
SANDY RIVER PLT.	8	2	Rangeley	8		2
SEDGWICK		41	George Stevens Acad.			41
SHIRLEY	25	18	Greenville	3		13
SHIRLEY			MCI			2
SHIRLEY			Foxcroft Academy			3
SOMERVILLE		35	Erskine Academy	0		29
SOMERVILLE			Lincoln Academy			1
SOMERVILLE			Augusta			2
SOMERVILLE			SAD 40			2
SOMERVILLE			SAD 49			1
SOUTH BRISTOL		39	Lincoln Academy			35
SOUTH BRISTOL			Phillips Exeter			1
SOUTH BRISTOL			Out of State			1
SOUTH BRISTOL			SAD 40			1
SOUTHPORT	55	22	Boothbay Harbor CSD	14		20
SOUTHPORT			Out of State			2
STOCKHOLM		17	Caribou			17
SURRY		55	Ellsworth			21
SURRY			George Stevens Acad.			29
SURRY			John Bapst			3
SURRY			Bucksport			1
SURRY			Mt. Desert CSD			1
TALMADGE	4	3	Baileyville	1		3
TALMADGE			Princeton	4		
TRENTON		62	Mt Desert Reg. Dist.			47
TRENTON			John Bapst H.S.			2
TRENTON			Ellsworth			10

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS					
As Reported on the EF-M-11, October 1, 1994					
SENDING UNIT			RECEIVING UNIT		
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT		UNIT	TUITION STUDENTS	
	ELEM.	SEC.		ELEM.	SEC.
TRENTON			Out of State		3
UPTON	7	1	SAD 44	7	1
VANCEBORO		12	Lee Academy		9
VANCEBORO			McAdam H.S.		2
VANCEBORO			SAD 14		1
VASSALBORO		181	Augusta		10
VASSALBORO			Waterville		48
VASSALBORO			Winslow		69
VASSALBORO			Erskine Academy		51
VEAZIE		83	Bangor		14
VEAZIE			Orono		28
VEAZIE			John Bapst H.S.		35
VEAZIE			Brewer		2
VEAZIE			SAD 22		1
VEAZIE			Old Town		2
VEAZIE			Hermon		1
WAITE	14	11	Baileyville		11
WAITE			Princeton	14	
WESLEY	16	10	Machias	2	5
WESLEY			Washington Academy		5
WEST BATH	190	79	Bath	31	75
WEST BATH			Hyde School		1
WEST BATH			SAD 75		2
WEST BATH			Waynflete		1
WESTMANLAND	15	2	Caribou		2
WESTMANLAND			New Sweden	15	
WESTPORT	80	23	Wiscasset	80	23
WHITEFIELD		127	Augusta		22
WHITEFIELD			Wiscasset		10
WHITEFIELD			SAD 11		9
WHITEFIELD			SAD 16		12
WHITEFIELD			Erskine Academy		64
WHITEFIELD			Lincoln Academy		9
WHITEFIELD			Phillips		1

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL	RESIDENT					TUITION
ADMINISTRATIVE	ENROLLMENT					STUDENTS
UNIT	ELEM.	SEC.	UNIT	ELEM.	SEC.	
WHITNEYVILLE	42	21	Machias	42		20
WHITNEYVILLE			Washington Academy			1
WILLIMANTIC	17	7	Greenville	3		2
WILLIMANTIC			Foxcroft Academy			4
WILLIMANTIC			SAD 68	12		
WILLIMANTIC			SAD 4	2		1
WINDSOR		128	Augusta			31
WINDSOR			SAD 11			7
WINDSOR			Erskine Academy			87
WINDSOR			SAD 16			1
WINDSOR			Maranacook CSD			2
WOODLAND		67	Caribou			67
WOODVILLE	38	17	East Millinocket	38		17
WOOLWICH		166	Bath			119
WOOLWICH			Wiscasset			36
WOOLWICH			Lincoln Academy			1
WOOLWICH			North Yarmouth Acad.			7
WOOLWICH			Waynflete			2
WOOLWICH			Brunswick			1
BARING PLT.	36	22	Calais	33		21
BARING PLT.			Woodland	3		1
MEDFORD	29	18	SAD 31	12		10
MEDFORD			SAD 41	17		7
MEDFORD			Foxcroft Academy			1
CARRABASSETT VLY	22	15	SAD 58	20		9
CARRABASSETT VLY			Carrabasset Academy	2		6
BEAVER COVE	7	7	Greenville	7		7
SAD #10 ALLAGASH		23	SAD 27			23
SAD #18 PROSPECT	120	64	Bucksport	120		64
SAD #23 CARMEL		227	Hermon			211
SAD #23 CARMEL			John Bapst			11
SAD #23 CARMEL			Brewer			2
SAD #23 CARMEL			Hamden Academy			1
SAD #23 CARMEL			Out of State			1

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	RESIDENT ENROLLMENT				TUITION STUDENTS	
	ELEM.	SEC.	UNIT	ELEM.	SEC.	
SAD #30 LEE		114	Lee Academy			114
SAD #38 DIXMONT		132	SAD 48			132
SAD #53 PITTSFIELD		390	Maine Central Institute			389
SAD #53 PITTSFIELD			SAD 54			1
SAD #62 POWNAL		78	Freeport			32
SAD #62 POWNAL			SAD 51			46
SAD #63 EDDINGTON		310	Brewer			199
SAD #63 EDDINGTON			John Bapst H.S.			95
SAD #63 EDDINGTON			Bangor			8
SAD #63 EDDINGTON			Orono			3
SAD #68 DVR-FXCRFT.		434	Foxcroft Academy			431
SAD #68 DVR-FXCRFT.			Ripley			1
SAD #68 DVR-FXCRFT.			Little Red School House			1
SAD #72 FRYEBURG		372	Fryeburg Academy			372
SAD #76 SWAN'S IS		23	Mt Desert Reg. Dist.			23
SAD #77 E MACHIAS		233	Washington Acad.			231
SAD #77 E MACHIAS			Machias			1
SAD #77 E MACHIAS			Could Academy			1
INDIAN ISLAND		28	Old Town			16
INDIAN ISLAND			Orono			1
INDIAN ISLAND			John Bapst H.S.			5
INDIAN ISLAND			MCI			2
INDIAN ISLAND			Lee Academy			3
PETER DANA POINT		37	Calais			24
PETER DANA POINT			Lee Academy			11
PETER DANA POINT			Fryburg Academy			1
PETER DANA POINT			Out of State			1
PLEASANT POINT		47	Eastport			3
PLEASANT POINT			Landmark			2
PLEASANT POINT			Lee Academy			13
PLEASANT POINT			Washington Acad.			9
PLEASANT POINT			MCI			2
PLEASANT POINT			Calais			16
AIRLINE CSD		22	Brewer			11

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

UNITS THAT TUITION ALL OR PART OF THEIR ELEMENTARY AND SECONDARY STUDENTS						
As Reported on the EF-M-11, October 1, 1994						
SENDING UNIT			RECEIVING UNIT			
SCHOOL ADMINISTRATIVE UNIT	ELEM.	SEC.	RESIDENT ENROLLMENT	UNIT	ELEM.	SEC.
					TUTION STUDENTS	
AIRLINE CSD				Ellsworth		4
AIRLINE CSD				John Bapst H.S.		7
EAST RANGE II CSD		12		Baileyville		2
EAST RANGE II CSD				Lee Academy		10
EAST RANGE II CSD				SAD 14		1

NEW OPERATING ALLOCATION BASED ON ESSENTIAL PROGRAMS & SERVICES (Program and Debt Service Allocations are unaffected by these changes.)

PART I. STAFFING RATIOS

	# CLASSROOM TEACHERS	# SPECIAL SUBJECT TEACHERS*	PROFESSIONAL SUPPORT SERVICES			PRINCIPALS ASST. PRIN. STAFF	TECHNICIANS I, II & III STAFF
			GUIDANCE STAFF	LIBRARY SERVICES STAFF	HEALTH SERVICES STAFF		
STATEWIDE AVERAGE SALARIES	\$30,986	\$30,986	\$34,843	\$20,247	\$27,780	\$47,208	\$10,473
KINDERGARTEN	1 per 36 pupils	0	0	0	0	0	0
ELEM. (1-8)	1 per 20 pupils	1 per 100 pupils	1 per 400 pupils	1 per 400 pupils	1 per 500 pupils	1 per 300 pupils	1 per 100 pupils
SEC. (9-12)	1 per 15 pupils	0	1 per 250 pupils	1 per 400 pupils	1 per 500 pupils	1 per 250 pupils	0

	SCHOOL UNIT ADMINIS.**	CLERICAL		ENGLISH AS A SECOND LANGUAGE TEACHERS	LOW INCOME PUPILS TEACHERS
		SCHOOL BASED STAFF	SUPT.'S OFFICE STAFF		
STATEWIDE AVERAGE SALARIES	\$41,343	\$16,432	\$16,432	\$30,986	\$30,986
ESL PUPILS				1 per 15 pupils	
LOW-INCOME PUPILS					3 per 100 pupils
TOTAL PUPILS	1 per 400 pupils	1 per 200 pupils	Min. 2.5 and an additional 1 staff for every 100 pupils in excess of 1000 pupils		

* Special Subject Teachers are not assigned to a single class and whose responsibilities may include but are not limited to Art, Music, Computer, Phys. Ed. and Reading
 ** School Unit Administration includes Supt., Asst. Supt., Bus. Mgr./Adm., Curr. Coord., Supv./Dir. of Inst., Dir. of ESL, Dir. of Food Serv., Dir of Data Serv., For School Unit Administration and Supt.'s Office clerical, Unions will be considered one unit; member unit's allocations will be prorated based on % of pupils.

NOTE: Ratios are for attending pupils

PART II. COSTS TO MAINTAIN STAFFING RATIOS

For each school administrative unit:

- Each ratio in Part I is multiplied by the appropriate number of attending pupils to determine a staffing level. (The level is calculated to the nearest 10th, except for small units (with less than 100 attending pupils). For small units, the level is rounded up to the nearest whole number.
- Each level is multiplied by the state-wide average salary, as displayed in Part I. The SUM of these calculation is the unadjusted total salary requirement.
- The total salary requirement, is now adjusted by a regional wage factor (based on average wages in the labor market area where the unit is located).
- Benefits costs are added to this regionally-adjusted total salary amount as follows:

Clerical	22% additional
All Other	14% additional

PART III. OTHER COSTS PER PUPIL

EQUIPMENT & SUPPLIES, ETC.***	ELEMENTARY	SECONDARY
INSTRUCTIONAL	\$123.80	\$178.98
STUDENT & STAFF SUPP.	\$23.95	\$37.71
SYSTEM ADMINISTRATION	\$34.34	\$37.31
SCHOOL ADMINISTRATION	\$19.52	\$37.69

***Includes costs such as insurance, utilities, equip. rental, etc.

OTHER INSTR./CO-CURRICULAR	ELEMENTARY	SECONDARY
% OF ALL OTHER (NON EMPLOYEE-RELATED COSTS) OF EDUCATION	\$2.40	\$3.38

CONTRACTED SERVICES	ELEMENTARY	SECONDARY
INSTRUCTIONAL	\$7.41	\$10.75
STUDENT & STAFF SUPP.	\$7.05	\$10.52
SYSTEM ADMINISTRATION	\$23.24	\$24.39
SCHOOL ADMINISTRATION	\$0.30	\$1.06

OPERATION & MAINTENANCE OF PLANT	TOTAL
REGULAR	\$500.00
EXTRAORDINARY (Targeted)****	\$100.00

STAFF DEVELOPMENT (Targeted)****	PER EMPLOYEE
	\$400.00

****Targeted funding must be expended on target categories such as "extraordinary maintenance" and staff development. Extraordinary maintenance costs includes roof repairs, boiler replacement, etc.

PART IV. PUTTING IT ALL TOGETHER

1. For each school administrative unit, the Total Allocation for Operating costs is calculated as:

- o region adjusted salary and benefit costs (as determined in Part II) that are sufficient to maintain the staffing ratios described in Part I.
plus
- o other per-pupil and per-employee costs (determined in Part III).
plus
- o actual tuition costs for pupils who do NOT attend school in their resident unit. (this adjustment is necessary because the amounts calculated in Parts I through III are based on ATTENDING pupils, not resident pupils)
less
- o actual tuition revenue FROM other units who tuition their pupils to this unit. (this adjustment is necessary because otherwise this unit would have approximately twice the per pupil revenues for these tuitioned pupils.

2. Local share's amount is calculated as operating cost mill rate TIMES fiscal capacity (State Valuation).

	# CLASSROOM TEACHERS PER PUPIL	# SPECIAL SUBJECT TEACHERS* PER PUPIL	PROFESSIONAL SUPPORT SERVICES			PRINCIPALS ASST. PRIN. STAFF PER PUPIL	TECHNICIANS I, II & III STAFF PER PUPIL
			GUIDANCE STAFF PER PUPIL	LIBRARY SERVICES STAFF PER PUPIL	HEALTH SERVICES STAFF PER PUPIL		
STATEWIDE AVERAGE SALARIES	\$30,986	\$30,986	\$34,843	\$20,247	\$27,780	\$47,308	\$10,473
POSITION CODES	101	101	1501 1502	0301 0306 0307 0350	0707 3001	0901	0201 0206 0207

	SCHOOL UNIT ADMINIS.** STAFF PER PUPIL	CLERICAL		ENGLISH AS A SECOND LANGUAGE STAFF PER PUPIL	LOW INCOME PUPILS STAFF PER PUPIL	OPERATION & MAINTENANCE OF PLANT STAFF PER PUPIL
		SCHOOL BASED STAFF PER PUPIL	SUPT.'S OFFICE STAFF PER PUPIL			
STATEWIDE AVERAGE SALARIES	\$41,343	\$16,432	\$16,432	\$30,986	\$30,986	
POSITION CODES	0501 0603 0906 0409 0454 0401 0403 0459	1001	1001	0101	0101	0704 1106

* Special Subject Teachers are not assigned to a single class and whose responsibilities may include but are not limited to Art, Music, Computer, Phys. Ed. and Reading
 ** School Unit Administration includes Supt., Asst. Supt., Bus. Mgr./Adm., Curr. Coord., Supv./Dir. of Inst., Dir. of ESL, Dir. of Food Servs., Dir. of Data Servs. Per School

SIZE

ELEM. (K-8)	GROUP 1	GROUP 2
SEC. (9-12)	0 TO 99.99	100 AND UP
	0 TO 99.99	100 AND UP

GROUP 1 RATIOS WILL BE ROUNDED UP TO THE NEAREST WHOLE NUMBER
 GROUP 2 RATIOS WILL BE ROUNDED UP TO THE TENTH

APPENDIX 7

Examples of Calculation of Initial Share of School Construction Funding at 15% or 4 Mills

LESS WEALTHY UNIT (75% STATE SHARE)

EXAMPLE 1. Fiscal Capacity = \$16,750,000
 Project Cost = \$3,000,000

The initial share would be the lesser of:

\$16,750,000 X 4 mills = \$67,000 *
 OR
\$3,000,000 X 15% = \$450,000

*\$67,000 would be the local responsibility

EXAMPLE 2. Fiscal Capacity = \$16,750,000
 Project Cost = \$1,200,000

The initial share would be the lesser of:

\$16,750,000 X 4 mills = \$67,000 **
 OR
\$1,200,000 X 15% = \$180,000

**The lower amount of \$67,000 would be the local responsibility.

KEEPING PROMISES: HONORING OUR COMMITMENT TO EDUCATIONAL EQUITY

MORE WEALTHY UNIT (0% STATE SHARE)

EXAMPLE 1: Fiscal Capacity = \$101,450,000
 Project Cost = \$3,000,000

The initial share would be the lessor of:

$\$101,450,000 \times 4 \text{ mills} = \$405,800$ ***
 OR
 $\$3,000,000 \times 15\% = \$450,000$

***\$405,800 would be the local responsibility.

EXAMPLE 2: Fiscal Capacity = \$101,450,000
 Project Cost = \$1,200,000

The initial share would be the lessor of:

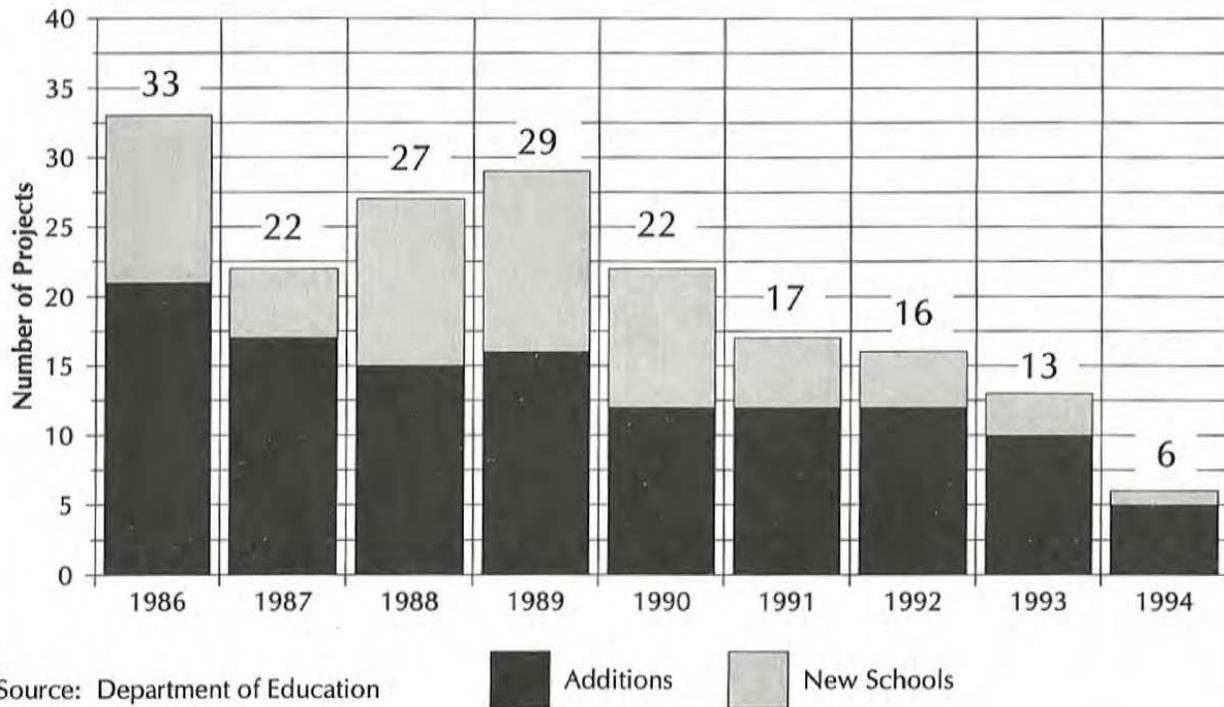
$\$101,450,000 \times 4 \text{ mills} = \$405,800$
 OR
 $\$1,200,000 \times 15\% = \$180,000$ ****

****The lower amount of the \$180,000 would be the local responsibility.

Source: Maine Department of Education

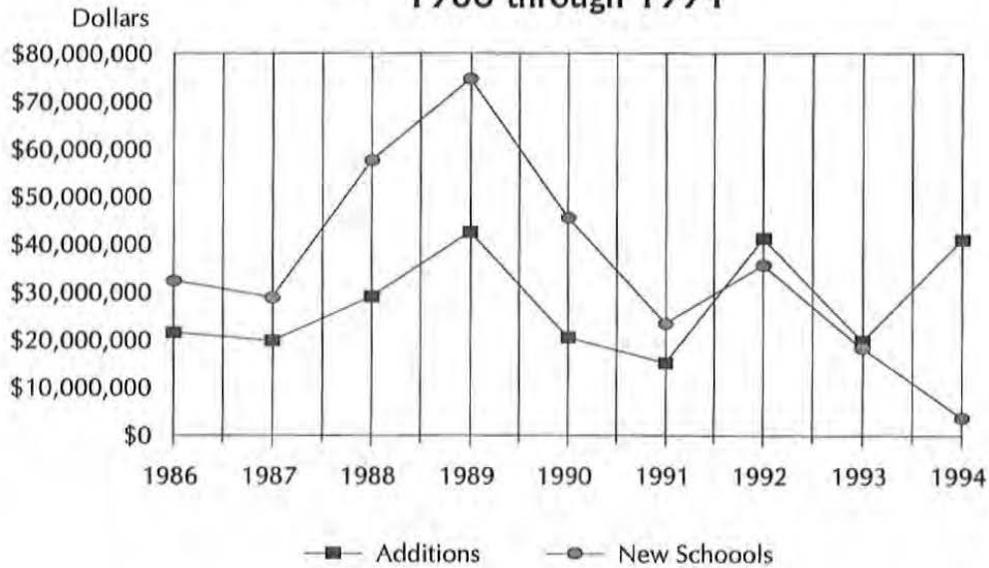
APPENDIX 8

**Summary of School Construction Projects
1986 through 1994**



APPENDIX 9

Summary of Funds for School Construction 1986 through 1994



<u>Year</u>	<u>Additions</u>	<u>New Schools</u>
1986	\$21,677,210	\$32,446,772
1987	\$19,926,727	\$28,951,457
1988	\$29,111,712	\$57,673,900
1989	\$42,598,383	\$74,774,227
1990	\$20,583,171	\$45,591,160
1991	\$15,197,109	\$23,506,503
1992	\$41,263,709	\$35,635,100
1993	\$19,870,605	\$18,313,179
1994	\$41,065,033	\$3,870,000

Source: Maine Department of Education

APPENDIX 10

Summary of School Construction 1986-1994

YEAR	PROJECTS APPROVED	COST OF PROJECTS
1986	21 additions	\$21,677,210
	12 new schools	<u>\$32,446,772</u>
		\$54,123,982
1987	17 additions	\$19,926,727
	5 new schools	<u>\$28,951,457</u>
		\$48,878,104
1988	15 additions	\$29,111,712
	12 new schools	<u>\$57,673,900</u>
		\$86,785,612
1989	16 additions	\$42,598,383
	13 new schools	<u>\$74,774,227</u>
		\$117,372,610
1990	12 additions	\$20,583,171
	10 new schools	<u>\$45,591,160</u>
		\$66,174,331
1991	12 additions	\$15,197,109
	5 new schools	<u>\$23,506,503</u>
		\$38,703,612
1992	12 additions	\$41,263,709
	4 new schools	<u>\$35,635,100</u>
		\$76,898,809
1993	10 additions	\$19,870,605
	3 new schools	<u>\$18,313,179</u>
		\$38,183,784
1994	5 additions	\$41,065,033
	1 new school	<u>\$3,870,000</u>
		\$44,935,033

Source: Maine Department of Education

APPENDIX 11

**State Board of Education Approved School Construction Projects
1985-1994**

TYPE OF SCHOOL	ADDITIONS	NEW BUILDINGS
High Schools/ Vocational Centers	22	7
Middle/Junior High Schools	12	15
Elementary Schools	84	45
TOTAL	118	67

Source; Maine Department of Education

APPENDIX 12

Projected School Construction

	HIGH	MIDDLE	ELEMENTARY
Regular Projects (over 8,000 sq. ft.)	11	13	27
Special Projects (8,000 sq. ft. or under)	2	3	12
TOTAL	13	16	39

Source: Maine Department of Education

- ¹ LaPlante, Josephine M., *Dollars and Sense: Maine State Budgeting at a Crossroads*. Portland, ME: Muskie Institute for Public Affairs, 1993.
- ² Gold, Steven D., *Tax Options for States Needing More School Revenue*. Washington, D.C.: National Education Association, 1994.
- ³ Gold, 1994
- ⁴ U.S. Department of Education, Office of Educational Research and Improvement, *Digest of Educational Statistics: 1993*. Washington, D.C.: U.S. Department of Education, 1993.
- ⁵ Speaker's Select Committee on Property Tax Reform, *Final Report*, Augusta ME: Maine State House of Representatives, November 1986.
- ⁶ Gold, 1994.
- ⁷ John D. LaFaver, *Presentation to Committee to Study Organizational and Tax Issues in Public Schools*, September 27, 1994.
- ⁸ Peter Keating, "State and Local Taxes Down," *Money* Vol.24, No. 1 (January, 1995) p.93.
- ⁹ LaFaver, 1994.
- ¹⁰ Gold, 1994.
- ¹¹ LaFaver, 1994.
- ¹² Gold, Steven D., *Public School Finance Programs of the United States and Canada 1990 1991*. Albany, N.Y.: Nelson A. Rockefeller Institute of Government, 1992.

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