

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 1301

H.P. 977

House of Representatives, February 28, 2001

An Act to Implement Changes in Cost-sharing Agreements in School Districts.

Reference to the Committee on Education and Cultural Affairs suggested and ordered printed.

Millicent M. MacFarland

MILLICENT M. MacFARLAND, Clerk

Presented by Representative RICHARD of Madison.
Cosponsored by Senator MITCHELL of Penobscot and
Representatives: CUMMINGS of Portland, DESMOND of Mapleton, ESTES of Kittery,
WESTON of Montville.

Be it enacted by the People of the State of Maine as follows:

2 **Sec. 1. 20-A MRSA §1301, sub-§1**, as amended by PL 1993, c.
4 696, §1, is further amended to read:

6 **1. Methods of sharing costs.** The costs of operating a
8 school administrative district shall must be shared among all
municipalities within the district in one of the following ways.

10 A. Under a property valuation method, municipalities in a
12 district shall share costs in the same proportion as each
municipality's fiscal capacity as defined in section 15603,
14 subsection 11-A is to the district's fiscal capacity.

16 B. Under an alternate plan approved by the state board and
by a vote of the legislative bodies of the school
18 administrative units forming the district and based on:

20 (1) The number of resident pupils in each town;

22 (2) The fiscal capacity of each member municipality as
defined in section 15603, subsection 11-A; ~~or~~

24 (3) Any combination of subparagraphs (1) and (2); or

26 (4) Any other factor or combination of factors that
28 may, but need not, include subparagraphs (1) and (2).

30 ~~C. Notwithstanding paragraphs A and B and for fiscal year~~
32 ~~1992-93 only, the state valuation and resident pupil~~
information used to calculate the shared cost for each
municipality must be the same as the information used for
34 fiscal year 1991-92.

36 D. Notwithstanding paragraphs A and B, Title 30-A, chapter
208-A or any other provision of law, the state valuation
used to calculate the shared cost for each municipality in a
38 district with a municipal incentive development zone must
include the increase in equalized just value of all
40 industrial and commercial property located in the zone over
the assessed value.

42 **Sec. 2. 20-A MRSA §1301, sub-§3**, as amended by PL 1991, c.
44 379, is further amended to read:

46 **3. Amendment of cost-sharing formulas.** The cost-sharing
48 formula may be amended as follows.

50 A. If requested by a written petition of at least 10% of
the number of voters voting in the last gubernatorial

2 election within the district, or if approved by a majority
of the full board of directors, the board of directors shall
4 hold -a- at least one meeting of municipal representatives
to reconsider the method of sharing costs. The district
6 shall give at least 15 days' notice to each municipality
comprising the district of ~~that~~ any meeting.

8 B. Each member municipality shall ~~shall~~ must be represented at
the meeting or meetings by 2 representatives chosen at large
10 by its municipal officers, and one member of the district
board of directors chosen by the municipality's directors.

12 B-1. Prior to the first meeting of municipal
14 representatives pursuant to paragraph A, the district shall
16 engage the services of a facilitator selected from the list
maintained by the commissioner under subsection 4, paragraph
C, subparagraph 1. The facilitator shall:

18 (1) At the first meeting, review and present data and
20 information pertaining to sharing of costs within the
22 district. Pertinent information may include, but is
not limited to, the following:

24 (a) A description of the district's cost-sharing
26 method, the elements involved in the calculation
28 of each municipality's costs and a graphic
depiction of the current and historic distribution
of costs in the district; and

30 (b) If withdrawal of one or more district members
32 is under consideration, the financial and
educational impact of the withdrawal;

34 (2) Solicit and prepare a balanced summary of the
36 concerns of municipal officials, educators and the
public about the current method of cost sharing; and

38 (3) Develop a plan of action for consideration by the
40 municipal representatives that responds to the
42 information collected and the concerns raised. The
plan of action must include a list of expectations for
the conduct of the parties, options for proceeding and
an assessment of the likely success of those options.

44 C. A change in the method of sharing costs may only be
46 approved by a majority vote of the municipal representatives
48 present and voting.

50 C-1. If a majority of the representatives from each
municipality meeting pursuant to paragraph A are unable to

2 agree on a recommendation on what the cost-sharing method
3 for the district should be, within 15 days following the
4 last meeting a knowledgeable 3rd party must be selected in
5 accordance with rules adopted pursuant to subsection 4,
6 paragraph C. The district is responsible for compensating
7 the 3rd party. The 3rd party shall:

8 (1) Prepare a written summary of the process to date,
9 including an assessment of the fairness, accuracy and
10 responsiveness of the recommendations of the
11 facilitator engaged pursuant to paragraph B-1;

12 (2) Prepare an impartial recommendation regarding
13 changing the method of cost sharing; and

14 (3) Present the summary and recommendations to the
15 municipal representatives for their consideration.

16 C-2. At an advertised public hearing, the municipal
17 representatives shall solicit public input on the 3rd
18 party's recommendation for cost sharing required under
19 paragraph C-1 and any alternative method or methods proposed
20 by municipal representatives.

21 D. If a change in the cost-sharing method is approved by
22 this--meeting a majority of the municipal representatives
23 meeting pursuant to paragraph A, the change shall must be
24 submitted to the voters at a district meeting. It shall
25 become becomes effective when approved by a majority vote of
26 the district in a district referendum called and held for
27 this purpose in accordance with sections 1351 to 1354,
28 except that, if the proposed change is an alternative
29 cost-sharing plan under subsection 1, paragraph B,
30 subparagraph 4, the change must be approved by a majority of
31 voters voting in a referendum in each municipality in the
32 district instead of in a district referendum.

33 E. Assessments made by the school board thereafter shall
34 must be made in accordance with the new method of sharing
35 costs.

36 F. The secretary of the district shall notify the state
37 board that the district has voted to change its method of
38 sharing costs. The state board shall issue an amended
39 certificate of organization showing this new method of
40 sharing costs.

41 **Sec. 3. 20-A MRSA §1301, sub-§4 is enacted to read:**

2 4. Departmental assistance. The department shall provide
the following services relating to changing district cost-sharing
methods:

4
6 A. The provision of information and data relating to cost
sharing, including, but not limited to, a description of a
8 district's method of cost sharing, the total assessment, the
per pupil cost and mills raised for education for district
10 members and the calculation of member costs. The
information must be district-specific, comprehensive, easily
12 understood by the general public, presented in graphic and
spreadsheet format and available over the Internet. Written
14 copies of the information described and additional
information requested must be provided by the department
16 upon receipt of a written request from a district school
board or the legislative body of any municipality member of
a district;

18
20 B. The provision of professional evaluation and assistance
to districts and member municipalities considering changes
in cost-sharing methods; and

22
24 C. The establishment and maintenance of lists of qualified,
available individuals to assist districts considering
changes in cost-sharing methods as follows:

26 (1) Facilitators as required in subsection 3,
28 paragraph B-1; and

30 (2) Knowledgeable 3rd parties as required in
32 subsection 3, paragraph C-1.

34 In establishing the lists, the department shall seek input
from the Maine Municipal Association and Maine School
36 Management Association or successor organizations. The
department may adopt rules to define the qualifications,
38 responsibilities and selection of individuals on the lists.
Rules adopted pursuant to this paragraph are routine
40 technical rules as defined in Title 5, chapter 375,
subchapter II-A.

42 **Sec. 4. 20-A MRS §1704, sub-§1,** as amended by PL 1993, c.
44 696, §2, is further amended to read:

46 **1. Formula.** A community school district shall share its
costs among the member municipalities on the basis of:

48 A. The number of resident pupils in each municipality;

- 2 B. The fiscal capacity of each member municipality as defined in section 15603, subsection 11-A;
- 4 C. ~~In accordance with any~~ Any combination of paragraphs A and B; ~~or~~
- 6 D. ~~In accordance with any~~ Any other formula authorized by the Legislature; ~~or~~
- 8 E. Any other factor or combination of factors that may, but need not, include paragraphs A and B.

12 ~~Notwithstanding paragraphs A to D and for fiscal year 1992-93 only, the state valuation and resident pupil information used to calculate the shared cost for each municipality must be the same as the information used for fiscal year 1991-92.~~

18 Notwithstanding paragraphs A to D, Title 30-A, chapter 208-A or any other provision of law, the state valuation used to calculate the shared cost for each municipality in a community school district with a municipal incentive development zone must include the increase in equalized just value of all industrial and commercial property located in the zone over the assessed value.

24 **Sec. 5. 20-A MRSA §1704, sub-§2**, as enacted by PL 1981, c. 26 693, §§5 and 8, is amended to read:

28 **2. Amendment of formula.** The procedure for amending the cost-sharing formula shall ~~be~~ is as follows.

30 A. When requested by a written petition of at least 10% of the number of voters voting for the gubernatorial candidates in the last gubernatorial election in the municipalities comprising the community school district, the district school committee shall give at least 15 days' notice to each member municipality of a meeting or meetings to determine the necessity of reconsidering the method of sharing costs.

38 B. Each member municipality shall must be represented by 2 representatives chosen by its municipal officers and one member of the district school committee chosen by the committee members from that municipality at the meeting or meetings to determine the necessity of reconsidering the method of sharing costs. A change in the method of sharing costs shall ~~first~~ must be approved by a vote of a majority of those present and voting.

48 B-1. Prior to the first meeting of member municipalities pursuant to paragraph A, the district shall engage the services of a facilitator selected from the list maintained

2 by the commissioner under subsection 3, paragraph C. The
3 facilitator shall:

4 (1) At the first meeting, review and present data and
5 information pertaining to sharing of costs within the
6 district. Pertinent information may include, but is
7 not limited to, the following:

8 (a) A description of the district's cost-sharing
9 method, the elements involved in the calculation
10 of each municipality's costs and a graphic
11 depiction of the current and historic distribution
12 of costs in the district; and

13 (b) If withdrawal of one or more district members
14 is under consideration, the financial and
15 educational impact of the withdrawal;

16 (2) Solicit and prepare a balanced summary of the
17 concerns of municipal officials, educators and the
18 public about the current method of cost sharing; and

19 (3) Develop a plan of action for consideration by the
20 municipal representatives that responds to the
21 information collected and the concerns raised. The
22 plan of action must include a list of expectations for
23 the conduct of the parties, options for proceeding and
24 an assessment of the likely success of those options.

25 B-2. If a majority of the representatives from each
26 municipality meeting pursuant to paragraph A are unable to
27 agree on a recommendation on what the cost-sharing method
28 for the district should be, within 15 days following the
29 last meeting a knowledgeable 3rd party must be selected in
30 accordance with rules adopted pursuant to subsection 3,
31 paragraph C. The district is responsible for compensating
32 the 3rd party. The 3rd party shall:

33 (1) Prepare a written summary of the process to date,
34 including an assessment of the fairness, accuracy and
35 responsiveness of the recommendations of the
36 facilitator engaged pursuant to paragraph B-1;

37 (2) Prepare an impartial recommendation regarding
38 changing the method of cost sharing; and

39 (3) Present the summary and recommendations to the
40 municipal representatives for their consideration.

2 B-3. At an advertised public hearing, the municipal
3 representatives shall solicit public input on the 3rd
4 party's recommendation for cost sharing required under
5 paragraph B-2 and any alternative method or methods proposed
6 by municipal representatives.

8 C. Municipal approval shall must be in the same manner as
9 the original formula was adopted when the community school
10 district was formed, except that, if the proposed change is
11 an alternative cost-sharing plan under subsection 1,
12 paragraph E, the change must be approved by a majority of
13 voters voting in a referendum in each municipality. The
14 total vote cast in each of the member municipalities shall
15 must be at least 20% of the number of votes cast in each of
16 the member municipalities in the last gubernatorial election.

18 D. A change in the cost-sharing formula shall--be is
19 effective at the start of the next fiscal year which starts
20 at least 90 days after the voters have approved it.

22 **Sec. 6. 20-A MRSA §1704, sub-§3** is enacted to read:

24 3. Departmental assistance. The department shall provide
25 the following services relating to changing district cost-sharing
26 methods:

28 A. The provision of information and data relating to cost
29 sharing, including, but not limited to, a description of a
30 district's method of cost sharing, the total assessment, the
31 per pupil cost and mills raised for education for district
32 members and the calculation of member costs. The
33 information must be district-specific, comprehensive, easily
34 understood by the general public, presented in graphic and
35 spreadsheet format and available over the Internet. Written
36 copies of the information described and additional
37 information requested must be provided by the department
38 upon receipt of a written request from a district school
39 board or the legislative body of any municipality member of
40 a district;

42 B. The provision of professional evaluation and assistance
43 to districts and member municipalities considering changes
44 in cost-sharing methods; and

46 C. The establishment and maintenance of lists of qualified,
47 available individuals to assist districts considering
48 changes in cost-sharing methods as follows:

50 (1) Facilitators as required in subsection 2,
paragraph B-1; and

2 (2) Knowledgeable 3rd parties as required in
3 subsection 2, paragraph B-2.

4
5 In establishing the lists, the department shall seek input
6 from the Maine Municipal Association and Maine School
7 Management Association or successor organizations. The
8 department may adopt rules to define the qualifications,
9 responsibilities and selection of individuals on the lists.
10 Rules adopted pursuant to this paragraph are routine
11 technical rules as defined in Title 5, chapter 375,
12 subchapter II-A.

14

SUMMARY

16

17 This bill implements recommendations of a study of methods
18 of changing cost-sharing formulas in school administrative
19 districts and community school districts conducted by the State
20 Board of Education. The bill does the following:

21 1. It provides an option for municipal members of a school
22 district to design a cost-sharing formula that fits local needs
23 without requiring legislative approval;

24 2. It requires the locally developed cost-sharing option to
25 be approved by majority referendum vote in each municipality in
26 the district, rather than by majority vote at a districtwide
27 meeting;

30

31 3. It provides the assistance of outside professional
32 facilitation services if local officials are unable to agree on
33 cost-sharing changes; and

34

35 4. It requires the Department of Education to provide
36 comprehensive, unbiased cost-sharing information and other
37 assistance to districts and municipalities considering
38 cost-sharing changes.