

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

SECOND SPECIAL SESSION-2004

Legislative Document

No. 1921

H.P. 1422

House of Representatives, March 10, 2004

An Act To Encourage Voluntary Efficiency in Maine's School Systems and Related Costs Savings

Reference to the Joint Select Committee on Regionalization and Community Cooperation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative McLAUGHLIN of Cape Elizabeth. (GOVERNOR'S BILL)
Cosponsored by Senator DAMON of Hancock and
Representatives: BOWEN of Rockport, CUMMINGS of Portland, MILLS of Cornville,
Senators: DOUGLASS of Androscoggin, MITCHELL of Penobscot.

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

4 **Sec. 1. 20-A MRSA §1, sub-§26**, as corrected by RR 1993, c. 1,
§44, is amended to read:

6 **26. School administrative unit.** "School administrative
8 unit" means the state-approved unit of school administration and
includes a municipal school unit, school administrative district,
10 community school district, regional school district or any other
municipal or quasi-municipal corporation responsible for
12 operating or constructing public schools, except that it does not
include an applied technology region.

14 **Sec. 2. 20-A MRSA c. 123** is enacted to read:

16 **CHAPTER 123**

18 **EFFICIENT DELIVERY OF EDUCATIONAL SERVICES**

20 **SUBCHAPTER 1**

22 **REGIONAL SCHOOL DISTRICTS, REGIONAL**
24 **COOPERATIVES AND EFFICIENT SCHOOL UNITS**

26 **§3701. Legislative findings and policy**

28 The Legislature finds and declares as the policy of the
State that encouragement of regional delivery of educational
30 services and school administration, through voluntary formation
of regional school districts and regional cooperatives and
32 provision of assistance by efficient school units to school
administrative units seeking to reduce their education costs, is
34 in the public interest as a means to further increase
efficiencies and improve equity in delivering educational
36 services and to alleviate increasing costs, without compromising
the quality of public education from kindergarten to grade 12.

38 **§3702. Definitions**

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

44 **1. Efficient school unit.** "Efficient school unit" means a
school administrative unit in existence on the effective date of
46 this chapter certified by the commissioner pursuant to section
3706.

48 **2. Fund for the Efficient Delivery of Education Services.**
"Fund for the Efficient Delivery of Education Services" means the
50 fund established by section 3721.

2 **3. Regional cooperative.** "Regional cooperative" means an
3 entity formed pursuant to an agreement under section 3703 by 5 or
4 more school administrative units with an aggregate resident
5 student population of 2,500 or more in 2004, as recorded by the
6 department, and approved for certification under section 3705.

8 **4. Regional school district.** "Regional school district"
9 means a school administrative unit with an aggregate resident
10 student population of 1,000 or more in 2004, as recorded by the
11 department, formed pursuant to an agreement under section 3703 by
12 combining 2 or more contiguous school administrative units in
13 existence on the effective date of this section and certified
14 pursuant to section 3704.

16 **§3703. Authorization for regional delivery of public education**
17 **services**

18 A school administrative unit may enter into an agreement
19 with another school administrative unit or units to form or
20 intend to form a regional school district or regional cooperative
21 and otherwise cooperate and participate in the development and
22 formation of a regional school district or regional cooperative
23 under this chapter or to provide assistance to another school
24 administrative unit or units seeking to identify and implement
25 means to increase efficiency and lower costs of delivering public
26 education services for kindergarten to grade 12. An agreement
27 pursuant to this section must provide that each school
28 administrative unit combined to form a regional school district
29 retains all its debt obligations that existed on the effective
30 date of the agreement.

32 **§3704. Certification of regional school districts**

34 **1. Certification criteria.** In order for a school
35 administrative unit to qualify for certification by the state
36 board as a regional school district, the school administrative
37 unit must:

38 A. Be a single school administrative unit that, pursuant to
39 an agreement under section 3703, combines 2 or more
40 contiguous school administrative units that existed on the
41 effective date of this section;

42 B. Have a single governing board with one or more
43 representatives of each school administrative unit combining
44 to form the regional school district and no more than 11
45 members in total, provided that the state board may in its
46 discretion authorize a governing board with more than 11
47 members for good cause shown;

2 C. Have an aggregate resident student population of 1,000
4 or more in 2004 as recorded by the department;

6 D. Include at least one high school with a resident student
8 population of 300 or more in 2004 as recorded by the
10 department;

12 E. Implement a school-level budgeting and accounting
14 system; and

16 F. Be formed by an agreement pursuant to section 3703 that
18 requires annual documentation to the department, on a form
20 developed by the department, of cost savings determined by:

22 (1) Calculating the total costs incurred by the school
24 administrative units that combined to form the regional
26 school district, including and distinguishing total
28 annual administrative expenditures, in the fiscal year
30 prior to that in which the regional school district
32 initiated operations;

34 (2) Adjusting the amount calculated under subparagraph
36 (1) by appropriate trends in the Consumer Price Index
38 or a comparable index; and

40 (3) Comparing the regional school district's total
42 costs to the adjusted cost calculated under
44 subparagraph (2).

46 2. Preliminary certification. The state board may grant
48 preliminary certification of a proposed regional school district
50 if the school administrative units to be combined to form the
district:

A. Jointly request preliminary certification under this
subsection; and

B. Have entered into an agreement to form a regional school
district pursuant to section 3703.

Preliminary certification granted under this subsection is void
if the proposed regional school district is not operational
within 3 years of the date of that preliminary certification, as
determined by the state board.

3. Final certification. The state board shall issue final
certification as a regional school district to a proposed
regional school district if:

50

2 A. The school administrative units to be combined to form
3 the regional school district jointly request final
4 certification under this subsection; and

5 B. The state board determines that the proposed regional
6 school district meets the criteria of subsection 1.

7 At the time it issues final certification, the state board shall
8 set the first day of the fiscal year following that in which
9 final certification is granted as the date for initiation of
10 operations by the regional school district.

11 **4. Performance review; fund ineligibility and**
12 **reimbursement.** The state board shall determine, based on its
13 review of information submitted under subsection 1, paragraph F,
14 the total annual administrative expenditures of the regional
15 school district. If the state board determines that the total
16 annual administrative expenditures of the regional school
17 district were greater than or equal to 90% of the total costs, as
18 calculated and adjusted in accordance with subsection 1,
19 paragraph F, then the regional school district, upon notice of
20 the state board's determination:

21 A. Is ineligible for funding from the Fund for the
22 Efficient Delivery of Education Services in the following
23 fiscal year; and

24 B. Must, in the following fiscal year, reimburse the Fund
25 for the Efficient Delivery of Education Services an amount
26 equal to the difference between the regional school
27 district's total administrative expenditures in the
28 pertinent fiscal year and 90% of the total costs, as
29 calculated and adjusted in accordance with subsection 1,
30 paragraph F.

31 Annually and no later than September 1st, the state board shall
32 make and notify the regional school district of its determination
33 under this subsection. If a regional school district does not
34 provide the information required by subsection 1, paragraph F,
35 the regional school district is ineligible for assistance for
36 funding from the Fund for the Efficient Delivery of Education
37 Services in the following fiscal year.

38 **5. Departmental assistance.** The department shall, in a
39 manner considered appropriate by the commissioner, assist the
40 state board in the performance of the state board's
41 responsibilities under subsection 4.

42 **§3705. Approval of regional cooperatives**

2 1. Certification criteria. In order for an entity to
3 qualify for approval by the commissioner as a regional
4 cooperative, the entity must be formed from 5 or more school
5 administrative units with an aggregate resident student
6 population of 2,500 or more in 2004, as recorded by the
7 department, by an agreement pursuant to section 3703 that:

8 A. Establishes a regional plan to generate cost savings in
9 the delivery of public education services for kindergarten
10 to grade 12 that contains:

12 (1) A mission statement and related cost-saving goals
13 and objectives;

14 (2) A governance and organization plan;

16 (3) Cost-savings targets, with reference to the cost
17 areas listed in paragraph B; and

18 (4) A plan for reinvestment in school instructional
19 programs of savings realized through implementation of
20 the regional plan;

21 B. Includes a plan for implementing the regional plan under
22 paragraph A that includes measures to manage costs of public
23 education services, including, but not limited to:

24 (1) Supplies and equipment;

25 (2) Transportation;

26 (3) Fuel and utilities;

27 (4) Special education;

28 (5) Professional development;

29 (6) Facilities and maintenance;

30 (7) Business operations;

31 (8) Administration; and

32 (9) Personnel and negotiations; and

33 C. Requires annual documentation to the department, on a
34 form developed by the department, of cost savings determined
35 by:

2 (1) Calculating the total costs in the fiscal year
4 prior to that in which the regional cooperative
6 initiated operations incurred by the school
 administrative units that combined to form the regional
 cooperative;

8 (2) Adjusting the amount calculated under subparagraph
10 (1) by appropriate trends in the Consumer Price Index
 or a comparable index; and

12 (3) Comparing the regional cooperative's costs to the
 adjusted costs calculated under subparagraph (2).

14 2. Preliminary approval; eligibility for funding. The
16 commissioner may grant preliminary approval of a proposed
18 regional cooperative if 5 or more participating school
 administrative units:

20 A. Jointly request preliminary approval under this
 subsection; and

22 B. Have entered into an agreement pursuant to section 3703
24 to form a regional cooperative.

26 Preliminary approval granted under this subsection is void if the
28 proposed regional cooperative is not operational within 3 years
 of the date of preliminary approval, as determined by the
 commissioner.

30 3. Final approval. The commissioner shall grant final
32 approval of a regional cooperative if:

34 A. The participating school administrative units request
 final approval under this subsection; and

36 B. The commissioner determines that the proposed regional
38 cooperative meets the criteria of subsection 1.

40 At the time the commissioner issues final approval, the
42 commissioner shall notify the state board, which shall set the
44 first day of the fiscal year following that in which final
 approval is granted as the date for initiation of operations by
 the regional cooperative.

46 4. Performance review; fund ineligibility and
48 reimbursement. The commissioner shall annually determine, based
50 on review of information submitted under subsection 1, whether a
 regional cooperative to which the commissioner has granted final
 approval under subsection 3 has achieved cost savings and
 reinvested these savings in school instructional programs in

2 accordance with its regional plan developed pursuant to
3 subsection 1, paragraph A. If the commissioner determines that a
4 regional cooperative has been in operation for more than 3 years
5 and has not achieved cost savings and reinvested those savings in
6 school instructional programs in accordance with its regional
7 plan, then the regional cooperative, upon notification from the
8 commissioner:

9
10 A. Is ineligible for funding from the Fund for Efficient
11 Delivery of Education Services in the following fiscal year;
12 and

13
14 B. Must, in the following fiscal year, reimburse the Fund
15 for the Efficient Delivery of Education Services an amount
16 equal to the total amount of funds the regional cooperative
17 received under section 3706, subsection 3, paragraphs B and
18 C.

19
20 Annually and no later than September 1st, the commissioner shall
21 make and notify the regional cooperative of the determination
22 under this subsection. If a regional cooperative does not
23 provide the information required by subsection 1, paragraph C,
24 the regional cooperative is ineligible for assistance for funding
25 under section 3706, subsection 3 in the following fiscal year.

26 **§3706. Certification of efficient school units; performance**
27 **review**

28
29 1. Certification criteria. In order for a school
30 administrative unit to qualify for certification by the
31 commissioner as an efficient school unit, the school
32 administrative unit must:

33
34 A. Be a single school administrative unit in existence on
35 the effective date of this chapter;

36
37 B. Provide public education services for kindergarten to
38 grade 12;

39
40 C. Develop a plan for provision of assistance to one or
41 more other school administrative units that are seeking to
42 identify and implement means to increase efficiency and
43 lower costs of delivering public education services for
44 kindergarten to grade 12;

45
46 D. Form an agreement with one or more school administrative
47 units pursuant to section 3703 and in accordance with the
48 plan developed pursuant to paragraph C to provide assistance
49 to the unit or units regarding means to improve

2 cost-efficiency and lower costs of providing public
education services for kindergarten to grade 12;

4 E. Require, as part of the agreement under paragraph D, for
an annual report, on a form developed by the department,
6 from the efficient school unit to the commissioner
documenting:

8 (1) Sustained or improved cost savings by the
10 efficient school unit, determined by:

12 (a) Calculating the total costs in the fiscal
year prior to that in which the efficient school
14 unit was certified under subsection 2;

16 (b) Adjusting the amount calculated under
subparagraph (a) by appropriate trends in the
18 Consumer Price Index or a comparable index; and

20 (c) Comparing the efficient school unit's total
costs to the adjusted costs calculated under
22 subparagraph (b);

24 (2) Assistance provided under the agreement;

26 (3) Any recommendations made under the agreement
regarding increased efficiency and cost savings; and

28 (4) Sustained or improved high-level student
performance, as determined by the state assessment
30 program established under section 6202 or other means,
32 in accordance with rules adopted by the commissioner
pursuant to section 3709;

34 F. Demonstrate satisfaction of cost-efficiency criteria, in
36 accordance with rules made by the commissioner pursuant to
section 3709; and

38 G. Demonstrate high-level student performance as determined
40 by the state assessment program established under section
6202 or other means, in accordance with rules adopted by the
42 commissioner pursuant to section 3709.

44 **2. Certification.** The commissioner shall certify a school
administrative unit as an efficient school unit if:

46 A. The school administrative unit requests certification
48 under this subsection; and

2 B. The commissioner determines that the school
3 administrative unit meets the criteria of subsection 1.

4 3. Performance review; fund ineligibility and
5 reimbursement. The commissioner shall determine, based on review
6 of information submitted under subsection 1, paragraph E, whether
7 the efficient school unit is continuing to meet the certification
8 criteria under subsection 1 and whether the efficient school unit
9 provided assistance in accordance with subsection 1, paragraph
10 C. If the commissioner determines that the efficient school unit
11 did not continue to meet the criteria under subsection 1 or did
12 not provide assistance in accordance with subsection 1, paragraph
13 C, then the efficient school unit, upon notice of the
14 commissioner's determination:

15 A. Is ineligible for funding from the Fund for the
16 Efficient Delivery of Education Services in the following
17 fiscal year; and

18 B. Shall, in the following fiscal year, reimburse the Fund
19 for the Efficient Delivery of Education Services an amount
20 equal to 1/2 of the amount it received from the Fund for the
21 Efficient Delivery of Education Services during the prior
22 fiscal year.

23 Annually and no later than September 1st, the commissioner shall
24 notify the efficient school unit of the determination under this
25 subsection. If an efficient school unit does not demonstrate
26 satisfaction of cost-efficiency criteria in accordance with rules
27 made pursuant to section 3709, the efficient school unit is
28 ineligible for assistance for funding from the Fund for the
29 Efficient Delivery of Education Services in the following fiscal
30 year.

31 **§3707. Financial incentives**

32 1. Regional school districts with student populations of
33 1,000 to 2,500. Except as otherwise provided by section 3704,
34 subsections 4 and 6, a regional school district that has an
35 aggregate resident student population of 1,000 or more, as
36 recorded by the department, on the date set under section 3704,
37 subsection 3 for its initiation of operations and that has
38 received final certification under section 3704, subsection 3 is
39 entitled to receive:

40 A. For 5 consecutive years, an increase in general purpose
41 aid equivalent to 7.5% of the state share of the operating
42 allocations for the school administrative units that
43 combined to form the regional school district for the fiscal
44 year.

2 year in which the regional school district initiated
3 operations;

4 B. For 5 consecutive years, reimbursement from the State in
5 an amount equivalent to 25% of any non-state-supported
6 major capital construction debt approved by the commissioner
7 and incurred prior to July 1, 2004 by the school
8 administrative units that combined to form the regional
9 school district; and

10 C. For 2 consecutive years, an amount equivalent to 50% of
11 the elementary school level essential programs and services
12 per-pupil guarantee established under section 15671 for the
13 regional school district for resident pupils enrolled in
14 all-day kindergarten.

15 **2. Regional school districts with student populations**
16 **greater than 2,500.** Except as otherwise provided by section
17 3704, subsections 4 and 6, a regional school district that has an
18 aggregate resident student population of 2,500 or more, as
19 recorded by the department, on the date set under section 3704,
20 subsection 3 for its initiation of operations and that has
21 received final certification under section 3704, subsection 3 is
22 entitled to receive:

23 A. For 5 consecutive years, an increase in general purpose
24 aid equivalent to 10% of the state share of the operating
25 allocations for the school administrative units that
26 combined to form the regional school district for the fiscal
27 year in which the regional school district initiated
28 operations;

29 B. For 5 consecutive years, reimbursement from the State in
30 an amount equal to 50% of any non-state-supported major
31 capital construction debt approved by the commissioner and
32 incurred prior to July 1, 2004 by the school administrative
33 units that combined to form the regional school district; and

34 C. For 2 consecutive years, an amount equal to 50% of the
35 elementary school level essential programs and services
36 per-pupil guarantee established under section 15671 for the
37 regional school district for resident pupils enrolled in
38 all-day kindergarten.

39 **3. Regional cooperatives.** Except as otherwise provided by
40 section 3705, subsection 4, a regional cooperative for which the
41 commissioner has issued final approval under section 3705,
42 subsection 3:

2 A. Has legal authority as a fiscal entity functionally
equivalent to that of a school administrative unit;

4 B. Is entitled to receive reimbursement from the State for
6 5 consecutive years of an amount equal to a percentage of
8 the total cost of salary and benefits of one full-time
equivalent regional staff member in accordance with the
following schedule:

10 (1) In the first year, 100%;

12 (2) In the 2nd year, 80%;

14 (3) In the 3rd year, 60%;

16 (4) In the 4th year, 40%; and

18 (5) In the 5th year, 20%;

20 C. Is entitled to receive for 5 consecutive years
22 reimbursement of 25% of the amount paid by the participating
school administrative units for locally approved graduate
24 courses for teachers;

26 D. Is eligible to receive regionwide services software,
purchased by the State;

28 E. Is eligible to receive state assistance for providing
30 regional services training programs; and

32 **4. Efficient school units with student populations less**
than 1,000. Except as otherwise provided by subsection 7 or
34 **section 3706, subsection 3, an efficient school unit that has an**
aggregate resident student population of 1,000 or less, as
36 **recorded by the department, on the date of its certification**
under section 3706 is entitled to receive:

38 A. For 5 consecutive years, an increase in general purpose
40 aid equivalent to 5% of the state share of the operating
allocations for the efficient school unit for the fiscal
42 year in which it was certified under section 3706; and

44 B. For 5 consecutive years, reimbursement from the State in
an amount equivalent to 25% of any non-state-supported major
46 capital construction debt approved by the commissioner and
incurred prior to July 1, 2004 by the efficient school unit.

48 **5. Efficient school units with student populations of 1,000**
50 **to 2,500.** Except as otherwise provided by subsection 7 or
section 3706, subsection 3, an efficient school unit that has an

2 aggregate resident student population between 1,000 and 2,500, as
3 recorded by the department, on the date of its certification
4 under section 3706 is entitled to receive:

5 A. For 5 consecutive years, an increase in general purpose
6 aid equivalent to 7.5% of the state share of the operating
7 allocations for the efficient school unit for the fiscal
8 year in which it was certified under section 3706; and

9 B. For 5 consecutive years, reimbursement from the State in
10 an amount equivalent to 25% of any non-state-supported major
11 capital construction debt approved by the commissioner and
12 incurred prior to July 1, 2004 by the efficient school unit.

13 **6. Efficient school units with student populations greater**
14 **than 2,500.** Except as otherwise provided by subsection 7 or
15 section 3706, subsection 3, an efficient school unit that has an
16 aggregate resident student population of 2,500 or more, as
17 recorded by the department, on the date of its certification
18 under section 3706 is entitled to receive:

19 A. For 5 consecutive years, an increase in general purpose
20 aid equivalent to 10% of the state share of the operating
21 allocations for the efficient school unit for the fiscal
22 year in which it was certified under section 3706; and

23 B. For 5 consecutive years, reimbursement from the State in
24 an amount equivalent to 50% of any non-state-supported major
25 capital construction debt approved by the commissioner and
26 incurred prior to July 1, 2004 by the efficient school unit.

27 **7. Funding priority.** Regional school districts that have
28 received final certification under section 3704, regional
29 cooperatives that have received final approval under section
30 3705, subsection 3 and efficient school units that have received
31 certification under section 3706 are eligible for funding in
32 priority order according to their respective dates of final
33 certification, approval or certification as follows:

34 A. At the beginning of each fiscal year, the department
35 shall calculate the difference between the amount of funding
36 in the Fund for the Efficient Delivery of Education Services
37 and the aggregate 5-year amount of financial assistance for
38 which regional school districts, regional cooperatives and
39 efficient school units are eligible pursuant to this
40 section and shall determine the percentage of the total
41 funding for which efficient school units are eligible. The
42 department shall provide its calculations and determination
43 under this paragraph to the state board;

2 B. In issuing final certification under section 3704,
3 subsection 3, final approval under section 3705, subsection
4 3 and certification under section 3706, the state board or
5 commissioner, as appropriate, shall notify the regional
6 school district, regional cooperative or efficient school
7 unit whether, based on the department's calculations and
8 determination pursuant to paragraph A, the Fund for the
9 Efficient Delivery of Education Services has adequate funds
10 to provide the aggregate 5-year amount of financial
11 assistance for which the regional school district, regional
12 cooperative or efficient school unit would otherwise be
13 eligible under this section;

14 C. Except as otherwise proved by paragraph D, a regional
15 school district, regional cooperative or efficient school
16 unit is eligible to receive only that amount of assistance
17 that is available after provision of funds to previously
18 certified regional school districts; and

19 D. In no event may the amount disbursed from the Fund for
20 the Efficient Delivery of Education Services to efficient
21 school units in a fiscal year exceed 1/3 of the total amount
22 disbursed from the fund in that fiscal year.

23 **§3708. Technical assistance**

24
25 School administrative units that have entered into an
26 agreement to form a regional school district or regional
27 cooperative pursuant to section 3703 and that have received
28 preliminary certification under section 3704, subsection 2 or
29 preliminary approval under section 3705, subsection 2 may jointly
30 apply to the department for assistance from the Fund for the
31 Efficient Delivery of Education Services to support their
32 development of efficiency and cost-saving programs, governance or
33 administrative structures or other changes needed to meet the
34 criteria for final certification under section 3704, subsection 3
35 or final approval under section 3705, subsection 3.

36 **§3709. Rulemaking**

37
38
39 The commissioner shall develop rules concerning application
40 for and provision of technical assistance pursuant to section
41 3708 and certification of efficient school units pursuant to
42 section 3706 and may develop any additional rules that the
43 commissioner considers necessary to implement this chapter in
44 accordance with the legislative policy stated in section 3701.
45 Rules developed pursuant to this section are routine technical
46 rules as defined in Title 5, chapter 375, subchapter 2-A.

47 **SUBCHAPTER 2**

2 **FUND FOR THE EFFICIENT DELIVERY OF EDUCATION SERVICES**

4 **§3721. Establishment**

6 There is established as a dedicated special revenue account
7 the Fund for the Efficient Delivery of Education Services,
8 referred to in this subchapter as "the fund."

10 **§3722. Fund source; nonlapsing**

12 The fund consists of revenues transferred from the General
13 Purpose Aid for Local Schools account, any funds reimbursed to
14 the fund pursuant to section 3704, subsection 4 and any funds
15 received as contributions from private and public sources.
16 Eligible investment earnings credited to the assets of the fund
17 become part of the assets of the fund. Any balance remaining in
18 the fund at the end of any fiscal year does not lapse and must be
19 carried forward for the next fiscal year.

20 **§3723. Administration**

22 The fund, to be accounted within the department, must be
23 held separate and apart from all other money, funds and
24 accounts. The department shall administer the fund.

25 **§3724. Transfers to fund**

27 The Treasurer of State shall transfer from the amount
28 appropriated for general purpose aid for local schools to the
29 fund the following amounts on the first day of each of the
30 following state fiscal years:

31 1. Fiscal year 2004-05. In fiscal year 2004-05, an amount
32 equivalent to 1/2 of 1% of the total amount appropriated for
33 general purpose aid for local schools;

34 2. Fiscal year 2005-06. In fiscal year 2005-06, an amount
35 equivalent to one percent of the total amount appropriated for
36 general purpose aid for local schools;

37 3. Fiscal year 2006-07. In fiscal year 2006-07, an amount
38 equivalent to 2% of the total amount appropriated for general
39 purpose aid for local schools;

40 4. Fiscal year 2007-08. In fiscal year 2007-08, an amount
41 equivalent to 2% of the total amount appropriated for general
42 purpose aid for local schools;

2 5. Fiscal year 2008-09. In fiscal year 2008-09, an amount
equivalent to 2% of the total amount appropriated for general
purpose aid for local schools; and

4
6 6. Fiscal year 2009-10. In fiscal year 2009-10, an amount
equivalent to 2% of the total amount appropriated for general
purpose aid for local schools.

8
10 **§3725. Disbursement**

12 1. Regional school districts. The Treasurer of State shall
make disbursements on the first day of each fiscal year from the
fund to eligible regional school districts, in amounts provided
for and for the period specified by section 3707, subsections 1
and 2. Those amounts must be determined by the state board in an
annual statement provided to the Treasurer of State prior to
disbursement.

18
20 2. Regional cooperatives. The Treasurer of State shall
make disbursements on the first day of each fiscal year from the
fund to eligible regional cooperatives in amounts provided for
and for the period specified by section 3707, subsection 3.
Those amounts must be determined by the commissioner in an annual
statement provided to the Treasurer of State prior to
disbursement.

26
28 3. Efficient school units. The Treasurer of State shall
make disbursements on the first day of each fiscal year from the
fund to eligible efficient school units, in amounts provided for
and for the period specified by section 3707, subsections 4, 5
and 6. Those amounts must be determined by the commissioner in
an annual statement provided to the Treasurer of State prior to
disbursement.

34
36 4. Technical assistance. The Treasurer of State shall
annually make disbursements from the fund to school
administrative units that have entered into agreements to form a
regional school district or regional cooperative under section
3703 for which the state board has issued preliminary
certification under section 3704, subsection 2 or preliminary
approval under 3705, subsection 2, in amounts provided for in and
in accordance with rules developed under section 3709. Those
amounts must be determined by the commissioner in an annual
statement provided to the Treasurer of State prior to
disbursement.

46
48 **§3726. Uses of fund**

50 1. Public education services. Except as otherwise provided
by subsection 2, the fund may be used only by a regional school

2 district, or regional cooperative or efficient school unit for
3 delivery of public education services for kindergarten to grade
4 12.

5 2. Technical assistance. The fund may be used for
6 technical assistance in the formation of a regional school
7 district or regional cooperative in accordance with section 3708.

8 **§3727. Annual reporting**

9 The commissioner shall annually, on or before December 15th,
10 report to the Governor, the joint standing committee of the
11 Legislature having jurisdiction over appropriations matters and
12 the joint standing committee of the Legislature having
13 jurisdiction over education matters on the cost savings
14 documented by regional school districts in reports filed pursuant
15 to section 3704, subsection 1 and by regional cooperatives in
16 reports filed pursuant to section 3705, subsection 1.

17 **Sec. 3. Reporting.** No later than December 1, 2004, the
18 Department of Education, in consultation with the Executive
19 Department, State Planning Office, shall develop for presentation
20 to and consideration by the First Regular Session of the 122nd
21 Legislature any additional proposed legislation necessary to
22 further clarify and govern the procedures for formation,
23 governance, financing and administration and reorganization of a
24 regional school district or regional cooperative under the Maine
25 Revised Statutes, Title 20-A, chapter 123, including, but not
26 limited to, legislation regarding the procedures governing
27 formation and selection of boards of directors, asset transfer,
28 budget development and approval, district referenda and the
29 addition or withdrawal of a school administrative unit from a
30 regional school district or regional cooperative. Legislation
31 developed pursuant to this section must be substantially similar
32 to that regarding school administrative districts under Title
33 20-A, chapter 103 and must be consistent with the intents,
34 purposes and provisions of this Act.

35 **Sec. 4. Funding.** No later than December 1, 2004, the
36 Department of Education, in consultation with the Executive
37 Department, State Planning Office and other pertinent state
38 agencies, shall review state grant and aid programs for which
39 school administrative units are eligible and shall develop for
40 presentation to and consideration by the First Regular Session of
41 the 122nd Legislature any additional legislation needed to
42 establish funding preferences to encourage formation of regional
43 school districts and regional cooperatives in the manner provided
44 by the Maine Revised Statutes, Title 20-A, chapter 123.

