

MAINE STATE LEGISLATURE

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L.D. 1932

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Date: 2-8-08

(Filing No. S-421)

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STATE OF MAINE
SENATE
123RD LEGISLATURE
SECOND REGULAR SESSION

SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to S.P. 741,
L.D. 1932, Bill, "An Act To Amend the Laws Regarding School Funding"

Amend the amendment by inserting after the first paragraph after the title the following:

'Amend the bill by inserting after the enacting clause the following:

'PART A

' '

Amend the amendment in section 14 in the first line (page 10, line 26 in amendment) by striking out the following: "Act" and inserting the following: 'Part'

Amend the amendment by inserting after section 14 the following:

'PART B

Sec. B-1. 20-A MRSA §1, sub-§26, as amended by PL 2007, c. 240, Pt. XXXX, §5, is further amended to read:

26. School administrative unit. "School administrative unit" means the state-approved unit of school administration and includes a municipal school unit, school administrative district, community school district, regional school unit or any other municipal or quasi-municipal corporation responsible for operating or constructing public schools, except that it does not include a career and technical education region. Beginning July 1, 2009, "school administrative unit" means the state-approved unit of school administration and includes only a municipal school unit and a regional school unit formed pursuant to chapter 103-A or a union school association formed under chapter 103-B.

Sec. B-2. 20-A MRSA §1, sub-§41-A is enacted to read:

10/22

SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to S.P. 741, L.D. 1932

1 **41-A. Union school association.** "Union school association" means a state-approved
2 unit of school administration established for the purpose of providing joint administrative
3 services, including a joint superintendent, pursuant to chapter 103-B.

4 **Sec. B-3. 20-A MRSA §1461, sub-§3, ¶B,** as enacted by PL 2007, c. 240, Pt.
5 XXXX, §13, is amended to read:

6 B. In order for the plan to be approved by the commissioner, the governing bodies of
7 school administrative units shall work within the following parameters.

8 (1) ~~The~~ Unless the proposed regional school unit is a union school association
9 established under chapter 103-B, the proposed regional school unit must serve
10 not fewer than 2,500 students, except where circumstances relating to the
11 following factors justify an exception:

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

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

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

18 (d) Transportation;

19 (e) Population density; or

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

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

28 A union school association may not serve fewer than 1,000 students.

29 (2) The plan must provide comprehensive programming for all students from
30 kindergarten to grade 12 and must include at least one publicly supported
31 secondary school.

32 (3) The plan must be consistent with the policies set forth in section 1451.

33 (4) The plan may not displace teachers or students or close any schools existing
34 and operating during the school year immediately preceding reorganization,
35 except as permitted under section 1512.

36 **Sec. B-4. 20-A MRSA §1461, sub-§4,** as enacted by PL 2007, c. 240, Pt.
37 XXXX, §13, is amended to read:

1 A. The assignment of the powers and duties of the union school association joint
2 committee and the powers and duties of the school boards or school committees of
3 the school administrative units consistent with the requirements as set forth in this
4 chapter;

5 B. Union school association joint committee terms of office, compensation,
6 chairmanship, record keeping, vacancies and any other policies that are included in
7 the reorganization plan approved by the commissioner and by the school boards and
8 school committees of the participating school administrative units; and

9 C. The adoption or amendment of policies or duties considered necessary or useful
10 by the union school association joint committee to govern the union school
11 association.

12 **2. Voting.** The method of voting for a union school association joint committee
13 must be the weighted vote method under section 1902, subsection 2.

14 **3. Meetings.** A union school association joint committee shall meet no fewer than 4
15 times a year.

16 **4. Superintendent.** A union school association joint committee shall hire a
17 superintendent and additional staff as necessary in accordance with the provisions of
18 chapter 107. The union school association must be administered by a superintendent of
19 schools, who may be employed by the union school association joint committee
20 consistent with section 1051. The union school association joint committee shall
21 designate the duties of the superintendent and any administrative staff certified under
22 section 13011, subsection 5, who may act as designated agents of the superintendent, in
23 accordance with the provisions of this Title.

24 **§1523. System administration**

25 **1. Transition plan; implementation.** Following the formation of a union school
26 association joint committee and the hiring of the superintendent, the union school
27 association shall implement the transition plan included in the reorganization plan
28 approved by the commissioner for the centralization of the services to be provided by the
29 system administration of the union school association.

30 **2. Long-term sustainability.** A union school association joint committee may adopt
31 or amend policies that promote the long-term sustainability of system administration and
32 program delivery of the union school association in accordance with the goals under
33 section 1451, including but not limited to the following aspects of system administration:

34 A. The acceptance of gifts, federal funds and other donations by the union school
35 association;

36 B. The ownership or leasing of real and personal school property; and

37 C. The assignment of school personnel contracts, school collective bargaining
38 agreements and other school contractual obligations.

R. 03

1 **§1524. Budget procedures**

2 **1. Budget approval; participating units.** Each participating school administrative
3 unit and school union in a union school association may approve its individual portion of
4 the union school association school budget.

5 **2. Approval; joint committee.** The union school association joint committee may
6 approve the union school association budget by majority vote.

7 **3. Distribution of funds.** The commissioner shall ensure that state funds for the
8 union school association are paid or credited to the appropriate municipalities within the
9 participating school administrative units or school unions.

10 **§1525. Rules**

11 The commissioner may adopt routine technical rules in accordance with Title 5,
12 chapter 375, subchapter 2-A to implement this chapter.

13 **Sec. B-6. Alternative plan for the formation of union school associations;**
14 **legislative intent and policy.** Notwithstanding Public Law 2007, chapter 240, Part
15 XXXX, this Part establishes the process for increasing the efficiency and effectiveness of
16 school administrative units and school unions by providing a process for reorganizing
17 them into union school associations that meet the policies set forth in the Maine Revised
18 Statutes, Title 20-A, section 1451. This Part furthers the intent of the Legislature to
19 achieve sustainable, long-term administrative efficiencies by assisting school
20 administrative units and school unions to develop an alternative plan for providing
21 administrative services in more efficient structures that meet the requirements of Title 20-
22 A, chapter 103-B.

23 **1. Information to be presented to school officials and reorganization planning**
24 **committees.** Not later than February 15, 2008, the Commissioner of Education, or the
25 commissioner's designee, shall present information to school officials and reorganization
26 planning committees about the requirements of this Part regarding the option of
27 developing an alternative plan for reorganizing existing school administrative units or
28 school unions into union school associations. The policies set forth in Title 20-A, section
29 1451 for the reorganization of school administrative units must be included in the
30 information presented to school officials and reorganization planning committees.

31 **2. Notice of intent to develop an alternative plan.** By April 1, 2008, each school
32 administrative unit or school union may file with the Commissioner of Education a notice
33 of intent to engage in planning and negotiations with other school administrative units or
34 school unions for the purpose of developing an alternative plan to form a union school
35 association under this Part and Title 20-A, chapter 103-B. The notice of intent to develop
36 an alternative plan to form a union school association may be submitted only by a school
37 administrative unit or school union where circumstances justify formation of a union
38 school association and where expansion of the school administrative unit or school union
39 would be inconsistent with the policies set forth in Title 20-A, section 1451.

40 **3. Reorganization planning committee.** School administrative units and school
41 unions that intend to engage in planning and negotiation to create an alternative plan to
42 form a union school association shall form a reorganization planning committee.

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SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to S.P. 741, L.D. 1932

1 A. For each proposed union school association, the Commissioner of Education shall
2 provide guidelines for the formation of a reorganization planning committee,
3 including representation from the school administrative units and school unions in
4 existence on the effective date of this Part, member municipalities and members of
5 the general public who are residents of the proposed union school association. The
6 guidelines must include roles and responsibilities of the committee, timelines for
7 submission of the plan, the format for reporting the reorganization plan and
8 evaluation criteria for approval of the plan.

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

11 **4. Submission of alternative plan.** By July 1, 2008, each school administrative unit
12 and school union shall submit to the Commissioner of Education its proposed
13 reorganization plan for consolidation into a union school association that meets the
14 requirements of subsections 5 and 6. Each school administrative unit and school union
15 shall exercise due diligence and act in good faith in developing an alternative plan that
16 meets the requirements of this Part and furthers the intent of the Legislature to achieve
17 sustainable, long-term administrative efficiencies. A school administrative unit and
18 school union that submits an alternative plan to the commissioner in accordance with this
19 Part may not be subject to the financial penalties set forth in Title 20-A, section 15696.

20 **5. Content of alternative plan.** An alternative plan for reorganization as a union
21 school association must include:

22 A. The units of school administration to be included in the proposed union school
23 association;

24 B. The size, composition and apportionment of the union school association joint
25 committee, including terms of office, compensation, chairmanship, record keeping
26 and method of filling a vacancy;

27 C. The method of voting of the union school association joint committee consistent
28 with the weighted vote method as set forth in Title 20-A, section 1902, subsection 2;

29 D. The assignment of the powers and duties of the union school association joint
30 committee and the powers and duties of the school boards and school committees of
31 the school administrative units consistent with the requirements as set forth in Title
32 20-A, chapter 103-B;

33 E. A transition plan that addresses the development of a budget for the first school
34 year of the union school association and a 3-year timeline for the centralization of the
35 services to be provided by the system administration of the union school association,
36 including:

37 (1) Central office financial and human resources services, including but not
38 limited to accounting, business management, payroll and benefits, human
39 resources, teacher certification and substitute teacher services;

40 (2) Noninstructional support services, including but not limited to transportation
41 and vehicle maintenance, facilities management, food services, information
42 technology and communications services, fuel and energy services and bulk
43 purchasing of supplies;

R. 013

SENATE AMENDMENT "E" to COMMITTEE AMENDMENT "A" to S.P. 741, L.D. 1932

- 1 (3) Instructional support services, including but not limited to curriculum
- 2 development, testing and assessment, data collection and reporting, professional
- 3 development, instructional materials and resources and library and media
- 4 services; and
- 5 (4) Instructional services, including but not limited to adult education, career and
- 6 technical education, gifted and talented education, alternative education,
- 7 transitional programming, special education including therapy services, guidance
- 8 counseling and itinerant teacher services.
- 9 The transition plan submitted by July 1, 2008 must include, at a minimum, the
- 10 development of the budget for the first school year of the union school association.
- 11 By September 1, 2008, the 3-year timeline for the centralization of services to be
- 12 provided by the system administration of the union school association must be
- 13 submitted. The timeline does not need to describe how each of the services in
- 14 subparagraphs (1) to (4) will be provided, but must describe how the union school
- 15 association will centralize one or more of the services listed in each of these
- 16 subparagraphs during the 3-year period;
- 17 F. Documentation of the public meeting or public meetings held to prepare or review
- 18 the reorganization plan;
- 19 G. An explanation of how school administrative units or school unions that approve
- 20 the reorganization plan will proceed if one or more of the proposed members of the
- 21 union school association fail to approve the plan;
- 22 H. An estimate of the cost savings to be achieved through formation of a union
- 23 school association and how costs will be reduced; and
- 24 I. Such other matters as the governing bodies of the school administrative units and
- 25 school unions in existence on the effective date of this Part may determine to be
- 26 necessary.
- 27 **6. Parameters.** In developing an alternative plan for the reorganization of school
- 28 administrative units and school unions in existence on the effective date of this Part into a
- 29 union school association, the governing bodies of the school administrative units and
- 30 school unions shall work within the following parameters:
- 31 A. The proposed union school association must serve not fewer than 1,000 students;
- 32 B. The alternative plan must provide comprehensive programming for all students
- 33 from kindergarten to grade 12 and must include at least one publicly supported
- 34 secondary school;
- 35 C. The alternative plan must be consistent with the policies set forth in Title 20-A,
- 36 section 1451;
- 37 D. The alternative plan may not displace teachers or students or close any schools
- 38 existing and operating during the school year immediately preceding reorganization,
- 39 except as permitted under Title 20-A, section 1512; and
- 40 E. The plan must address how the school administrative units and school unions will
- 41 reorganize administrative functions, duties and noninstructional personnel so that the
- 42 projected expenditures of the reorganized school unit in fiscal year 2009-10 for
- 43 system administration, transportation, special education and facilities and

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1 maintenance will not have an adverse impact on the instructional program of the
2 proposed union school association.

3 **7. Review plans.** If the Commissioner of Education finds that an alternative plan for
4 reorganization meets the requirements of this Part, the commissioner shall notify the
5 school administrative units and school unions and they shall proceed with ratification
6 votes by the governing boards of the affected school administrative units and school
7 unions.

8 A. If the commissioner finds that an alternative plan for reorganization is not
9 consistent with subsection 6 and the purposes and goals of this Part or that it has not
10 adequately addressed the matters set forth in subsection 6, the commissioner shall
11 return the alternative plan to the governing bodies of those school administrative
12 units and school unions by July 15, 2008 with specific suggestions for modification
13 of the alternative plan and written findings providing the specific reasons why the
14 alternative plan did not meet with the requirements in this Part.

15 B. Upon the return of an alternative plan for reorganization by the commissioner, the
16 governing bodies of the school administrative units and school unions shall revise the
17 proposed alternative plan for reorganization to address the commissioner's findings
18 and submit a revised alternative plan for reorganization not more than 30 days after
19 the commissioner returns the plan for revision.

20 C. The commissioner shall make a determination whether the revised alternative plan
21 for reorganization meets the requirements of this Part not more than 14 days after it is
22 refiled by the school administrative units and school unions.

23 D. The commissioner may not find that an alternative plan for reorganization does
24 not meet the requirements of this Part solely on the ground that a finding that it meets
25 the requirements would cause the number of regional school units in the State to
26 exceed 80.

27 **Sec. B-7. Adjustment for union school association start-up costs.** The
28 Commissioner of Education shall establish an adjustment for fiscal year 2008-09 to
29 support the start-up costs associated with the reorganization of school administrative units
30 and school unions to union school associations in accordance with the Maine Revised
31 Statutes, Title 20-A, chapter 103-B and this Part.

32 **Sec. B-8. Department of Education review of state education mandates.**
33 Notwithstanding Public Law 2007, chapter 240, Part XXXX, section 45, subsection 5, the
34 deadline for the Department of Education report on the review conducted of state
35 education mandates is July 1, 2008.

36 **Sec. B-9. Reports; additional necessary implementing legislation.** No later
37 than January 31, 2009, the Commissioner of Education shall submit to the Joint Standing
38 Committee on Education and Cultural Affairs a report that contains recommendations and
39 any proposed legislation necessary to fully implement this Part including legislation to
40 convert school administrative units and school unions to the union school association
41 form of governance on July 1, 2009. Following receipt and review of the report, the Joint
42 Standing Committee on Education and Cultural Affairs may submit legislation to the First
43 Regular Session of the 124th Legislature.

1 Amend the bill by relettering or renumbering any nonconsecutive Part letter or
2 section number to read consecutively.'

3 **SUMMARY**

4 This amendment retains the changes made by Committee Amendment "A" and also
5 accomplishes the following in Part B.

6 1. It provides existing school administrative units and school unions with the option
7 of forming a union school association that serves a minimum of 1,000 students instead of
8 a regional school unit that is organized pursuant to the school reorganization provisions
9 of Public Law 2007, chapter 240, Part XXXX.

10 2. It provides that the Commissioner of Education may approve union school
11 associations. The union school association is based on the school union model of
12 governance, except that the central administrative office of the union school association
13 must also meet the savings targets for administrative costs through collaboration with the
14 school administrative units that comprise the union school association.

15 3. It provides that, by April 1, 2008, school administrative units and school unions
16 may file with the Commissioner of Education a notice of intent to engage in planning and
17 negotiation to develop an alternative plan to form a union school association. It also
18 provides that each school administrative unit and school union shall submit to the
19 Commissioner of Education, by July 1, 2008, the alternative reorganization plan to form a
20 union school association.

21 4. It provides that an alternative plan to form a union school association must include,
22 among other things: the participating school units; the composition and powers of the
23 union school association joint committee; the weighted voting method for the joint
24 committee; the development of the budget for the first school year; a 3-year transition
25 plan for the centralization of joint administrative services; and an estimate of the cost
26 savings to be achieved.

27 5. It provides that, upon approval by the Commissioner of Education, an alternative
28 plan for the formation of a union school association must be ratified by the governing
29 boards of the participating school administrative units and school unions.

30 6. It changes the reporting deadline, notwithstanding Public Law 2007, chapter 240,
31 Part XXXX, section 45, for the Department of Education review of unfunded state
32 mandates pertaining to school systems from December 15, 2008 to July 1, 2008.

33 **SPONSORED BY:** Kevin L. Raye

34 (Senator RAYE)

35 **COUNTY:** Washington

FISCAL NOTE REQUIRED
(See attached)



123rd MAINE LEGISLATURE

LD 1932

LR 3324(15)

An Act To Amend the Laws Regarding School Funding

Fiscal Note for Senate Amendment "E" to Committee Amendment "A"

Sponsor: Sen. Raye of Washington

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund

Fiscal Detail and Notes

Providing school administrative units with the option of forming a union school association that serves a minimum of 1,000 students versus the parameters established in Public Law 2007, chapter 240, Part XXXX may increase the total cost of K-12 public education in future biennia due to less savings being achieved. The amount can not be determined at this time and will depend on the number of union school associations established, the number of students served by the associations, and the ability of union school associations to implement efficiencies that will reduce its per-pupil expenditures in order to be more in line with the state average. Information provided by the Department of Education indicates that, for fiscal year 2005-06, the average per-pupil expenditures for school unions that served pre-kindergarten to grade 8 students was \$1,009 higher than the state average and \$1,385 higher for school unions that served pre-kindergarten to grade 12 students.

One example is in the special education area. Title 20-A, §15681-A, sub-§2(D) requires that school administrative units receive sufficient funds for special education to ensure that the SAU's meet the federal maintenance of effort requirement for receiving federal Individuals with Disabilities Act funds. The maintenance of effort requirement states that the total amount of state and local funds budgeted by the local education agency for expenditures in a current fiscal year for the education of children with disabilities must be at least equal to the total amount of state and local school funds actually expended for the education of children with disabilities in the most recent preceding fiscal year. A smaller composition of school administrative units (1,000 students vs. 1,200 students) may result in less savings being achieved, thus requiring a higher level of state and local funding in order to fulfill the maintenance of effort requirement.

A second example is in the transportation area. Title 20-A, §15681-A, sub-§3 requires that school administrative units receive no less than 90% of the most recent year's reported net transportation expenditures. A smaller composition of school administrative units (1,000 students vs. 1,200 students) may result in less savings being achieved, resulting in a higher level of funding to meet the statutory requirement.