

MAINE STATE LEGISLATURE

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1963

A REPORT FOR THE
JOINT INTERIM LEGISLATIVE COMMITTEE
ON
STATE AID TO MUNICIPALITIES FOR SCHOOL CONSTRUCTION
AND
WITHDRAWAL PROVISIONS OF THE SCHOOL ADMINISTRATIVE DISTRICT LAW
TO
THE 100TH STATE OF MAINE LEGISLATURE

A Report of the Joint Interim Legislative Committee on State Aid to Municipalities for School Construction and a Study of the Withdrawal Provisions^o of the School Administrative District Law Created by the 99th Maine Legislature in regular session with respect to the first portion and by the same Legislature in its First Special Session with respect to the second portion of the title, in both instances to make report to the 100th Maine Legislature.

The Committee appointed consisted of four Senators and six Representatives of the 99th Legislature, with a division of two Senators and three House members each from the Joint Standing Committee on Appropriations and Financial Affairs and the Committee on Education. From the Senate - Senator Norman Rogerson, Houlton; Senator Wilmot Dow, Waldoboro; Senator James Coffin, Freeport; Senator Frank Pierce, Bucksport; from the House - Representative Donald Mathieson, Montville; Representative James Stanley, Bangor; Representative Bernice Hanson, East Lebanon; Representative Lucia Cormier, Rumford; Representative Carleton Edwards, Raymond; and Representative Harold Bragdon, Perham. Consultants to the Committee consisted of Education Commissioner Warren G. Hill; Attorney Dana Devoe, Bangor, committee counsel; Professor William Bailey, University of Maine; Dean Mark Shibles, chairman of the School Administrative District Commission; and Mr. Asa Gordon, Department of Education, regularly, with many other consultants from time to time during the committee's long series of meetings. Shortly before the organization of the committee, Senator Dow resigned and was replaced by Senator Roswell Bates, Orono. Senator Bates was elected Chairman and Representative Edwards was elected Secretary.

Part One

This Committee has found itself delving into many aspects of Education not necessarily directly dealing with Construction Aid, but indirectly affecting Education at the level of the State's economy, this proving vital to the committee's more adequate understanding of the necessary part state subsidies play in the role of implementation, incentive, and assistance in facilities to the communities and districts. Likewise, because of its expanded responsibilities as a result of the action of the Legislature in special session in January, 1960 (see Part Two), the relative newness of the School Administrative District provisions, its impact on school construction, and the litigation and delays in the fuller implementation of this law, this Committee very frequently found itself dealing with many aspects of the Sinclair Act.

Education is a state function, with members of local superintending school committees, although elected at the local level, deriving their power from laws passed by the State Legislature.

State subsidy has been used for the encouragement of formation of school unions for half a century. It is established that the State has a responsibility to direct and to subsidize education. Historically, the State has kept its requirements on the towns to a minimum. Recently, the Legislature has encouraged towns to provide equal educational opportunities while striving towards greater uniformity in local tax effort in meeting these needs. Continuing incentive arrangements from the state level to the local level must be constantly borne in mind. Throughout our deliberations we had to keep in mind the possibility of some form of Federal aid to education being passed by the Congress. Such legislation might have been limited to construction or might have included operational costs and salaries.

Such a law did not materialize. The Committee recommended that the Maine Statutes be studied and that legislation be brought before the 100th Maine Legislature to provide for use of Federal funds, if necessary. Our first recommendation is that consideration:

Repeal sub-section XIII of Section 248 of Chapter 41, R. S. 1954, as amended, and move this section so reworded as follows over to the powers of the State Board of Education by adding the same to Section 8-A of Chapter 41, R. S. 1954, as amended, said sub-section to read as follows:

(1) The Board shall be and is hereby authorized to accept from any authorized agency of the federal government loans or grants for the planning, construction or acquisition of any project, as defined in section 247 of this chapter, and to enter into any agreements with such agency respecting any such loans or grants, and to receive and accept aid and contributions from any source of either money, property, labor or other things of value, to be held, used and applied only for the purpose for which such loans, grants or contributions may be made. Whenever any such funds are available for distribution for school construction, including projects financed by the Maine School Building Authority, the Board is authorized to receive such funds and to distribute them in accordance with the provisions of the act which made them available. Funds allocated under the provisions of Section 237-H are to be considered as state matching funds where federal legislation requires such state matching of federal grants. The Board is empowered to make an additional grant to administrative units

extending school opportunities to children living in unorganized territory by adding to the grant as determined above the percentage thereof ascertained by dividing the number of pupils enrolled from unorganized territory on April 1st preceding by the total enrollment reported in the latest annual report required under the provisions of Section 71. The Board shall certify, not later than June 30th of each year, to the Controller, and the Treasurer of State shall pay to the several administrative units, that percentage of the total allocations previously established, which will distribute equitably and with due regard to local financing exigencies the funds available.

There are presently in the Maine Statutes the following legal references to state aid for school construction:-

Grants

Chapter 41, Section 237-H. State Aid for School Construction
(S.A.D. Law)

Loans

Chapter 41, Section 167. Unorganized Territory Capital Working Fund.

Chapter 41, Section 168. Use of fund.

Chapter 41, Section 169. Assessment for Capital Outlay.

School Building Authority

Chapter 41, Section 244. Purpose.

Chapter 41, Section 235. Permanent School Fund.

This Committee studied new language possibly applicable to "Hardship Grants", and presents such as Recommendation 2:-
This is further recommended as appearing as "(2)" under the powers of the State Board of Education, if passed into law.

This deals with ability to provide for minimum necessary classroom facilities.

This Committee referred to the Maine School District Commission the material they studied in connection with permitting unorganized territories to be included in School Administrative Districts. Several alternate proposals attempting to set up the machinery and process, as well as the method of determination of taxing of unorganized territories within a school administrative district were evaluated.

Municipalities, as used in Section 111-F through 111-U, shall include unorganized territory.

Unorganized Territory.

Upon receipt of a petition of 51% of the registered voters of any unorganized territory by the Maine School District Commission for joining with one or more administrative units to form a School Administrative District, the Maine School District Commission shall include the residents of this territory in the proposed School Administrative District. If the proposed district is accepted by the municipalities pursuant to Section 111-F, the Maine School District Commission shall issue its certificate and include said unorganized territory within the School Administrative District. Each unorganized territory in a School Administrative District shall be entitled to one Director, who shall be appointed from the registered voters thereof by the Commissioner of Education.

When it is necessary to hold a district meeting, the voters of any unorganized territory within the district shall be eligible to vote in any municipality included in the School Administrative District nearest their residence.

Amend the section on registration of voters.

Alternative proposal would set up definite language which must be a part of a petition, set the number of petitioners at 10%, voters appointed by Commission to select their director, voting set up in a nearby town voting on the same issue, with some provision for registering voters there, with checklists, etc. Realization that this did not lie exactly within the committee's assignment and also that any proposal with respect to taxes of unorganized territory within a school administrative district was not directly within our scope, led the committee to refer this as well to the Maine School District Commission.

A proposal dealing with Section 77-C of Chapter 16 was rejected by this group primarily because the state would find itself in the real estate taxation field again. Materials were prepared and considered and would necessitate the collection of such tax on each area placing the funds in a special educational school construction aid fund, providing for its disbursement to cover the state's continuing liability in this field. Just how the collected money would, in turn, be distributed left unsolved questions. However, for purposes of record, the prepared legislative language is made a part of this record:

Section 77-C of Chapter 16 of the Revised Statutes of Maine, 1954, as amended, is hereby repealed and the following enacted in place thereof:

Educational School Construction Aid Fund. The Treasurer of State in his said warrants shall require the said mayor and aldermen, selectmen or assessors, respectively, to pay or to issue their several warrants requiring the collectors of their

several municipalities to collect and pay to the State Treasurer the sums against said municipalities required by the provisions of Sections 77-A to 77-D, inclusive. Upon receipt of said sums the State Treasurer shall deposit the same in a special reserve fund known as the Educational School Construction Aid Fund. All sums collected from each township and on each lot or parcel of land not included in any township in the State shall likewise be deposited in said Aid Fund. The monies so placed in this fund shall be spent only for the purpose of aiding the several municipalities to erect, construct and build new school buildings and related educational facilities as the Legislature by appropriate act shall designate.

Looking most favorably on a proposal from one of its members, the Committee approves adoption of the principle that acceptance of tuition pupils be a stipulation and prerequisite for receiving school construction aid. Inasmuch as Sections 111-E and 111-E1 appear to be involved, this matter was referred to the Maine School District Commission.

The Committee, after study, became increasingly concerned with the imbalance between subsidy paid to tuition-sending and tuition-receiving communities. 16.4% of our public high school pupils are tuition pupils. At present, tuition-sending towns receive full subsidy on tuition paid out while tuition-receiving towns receive subsidy on a fixed foundation program allowance which may be much lower than actual per pupil costs. This imbalance might be corrected by basing subsidy to each community on resident pupils only, rather than on average daily membership and tuition as at present. This is not directly a Construction Aid matter, however.

Consideration might be given to an Excess Interest Cost Act which provides that the State will help pay interest costs for school construction at a local or district level where bonds are sold and the rate of interest is over one-fourth of one per cent above the average rate paid by all districts the preceding six months.

Consideration should be given to an upward revision in light of the trends, times, and recognized needs of the legal debt limit of a community.

The Committee looks favorably upon further improvement of the equalization feature, in keeping with Section 237-E. In essence, the drive would be toward requiring all administrative units to exert a single uniform tax effort. This is based on state valuation and is a measure of effort at the local level taxing wealth.

There were several discussions relative to the full faith and credit of the State on school construction bonds, with the feeling that a question persists as to local participation with a partner (the State), which, at any time, by Legislative act, could appropriate less than the amount needed. Both legal technical points and economy suggestions were discussed, the latter dealing with the state and districts each floating their own bonds as soon as the State approves in the implementation of a district. Full faith and credit pledged by the State on such bonds would produce a good effect on interest rates and would save money for both the State and the communities. This committee exhibited a genuine interest in this proposal and referred the matter to the Commissioner of Education.

In the instances where any community has relatively new and usable facilities, and where such a community is joining a school administrative district, the state should assume its share of the debt retirement where outstanding indebtedness is assumed by the newly formed School Administrative District. A recently constructed, properly located building, with some payments already retired in the face of constantly rising construction costs, is an asset to the state. Besides, towns eventually school administrative district participants will not procrastinate in building presently needed facilities, nor, on the other hand, will there be anywhere nearly as much reluctance to join a district on the part of towns who otherwise would be facing the assumption of a proportionate share of the debt of a school building already constructed in another town. This Committee recommends favorable legislation, with safeguards as to location of the structure, its usability in the district, any refinancing hazards, its age and condition, and necessitating a favorable recommendation viewing the number of payments still necessary, from the Commissioner and the Board of Education to the Governor and Executive Council for final approval. In the sixteen districts already organized the cost for the state for the next 21 years totals \$1,031,191 - decreasing gradually each year from \$122,799. in 1961 to \$829. in 1982.

This Committee concurs in efforts to clarify the present law by removing the maximum number of 299 as the necessary number in a contracting arrangement between an outside school administrative district and a central secondary school facility, and in now

changing the language to read "50 or more." The same section, 111-E, should have revision from "20 years" to "10 years", or even possibly to "5 years."

It seemed sensible, also, to endorse the suggestion that the Foundation Program subsidy be based on the community's secondary school program and elementary school program, each individually, rather than continuing to group the two. Along this line, Foundation Program per pupil allowances should be re-evaluated and revised periodically to help insure a minimum change at each revision, with the Commissioner and Board of Education responsible for more frequent revision recommendations. For example: 1959, upward 14%, proposed 1961, upward perhaps 25%.

A subject which reappeared frequently dwelt about the word "accreditation" as a guide to receiving subsidy, construction aid, etc., particularly affecting those with accredited high schools of resident pupil census between 300 and 700. We know the limited financial resources of the state influenced this classification. It was, and still remains, a hopeful factor that Federal aid might have enabled us to begin to move backward and downward from 700 to 600 to 500 to 400 to 300 or some such approach. It is proposed that those communities who have accredited high schools but who have a census of 300 to 700 pupils receive earned encouragement for their own efforts by perhaps an initial grant of one-half of what a neighbor who has become part of a School Administrative District might be receiving, pending the eventual disposition of the first community as part of a district, or as a specially created district for substantial reasons, or as part

of what seemingly will eventually be the end result - the actual placement of remaining communities into districts some years from now, if authorized, in the final "mopping up" of what remnants remain out of the statewide school district programming. It was believed that adoption of the uniform tax rate would be a big step forward in gaining inclusion of the 300-700 group. A consultant professed there should remain incentive for those now in the 300-700 group to participate in district formations. Inasmuch as 300 is taken as the figure of the minimum for a desirable district, Dr. Conant and others appear to indicate that a census of over 700 in the high school is such that they are adequate and should not be forced to join with a smaller place. Money is the key consideration in all appraisals of this item. A point which affected the situation in a few instances hinged on the use in Table I of the word "resident" in connection with pupils and the opinion is expressed that the word "resident" should be used.

The School District Commission, despite the legal involvements, delays in issuing bonds, and other recognized deterrent factors, should bring forth more complete planning for use as an aid in determining where the need for establishment of districts exists. There has been, up to now, a policy of waiting for civic-minded persons to come to the Commission. Any Master Plan must include such factors as population trends. Mandatory districting should be considered at the next session of the Legislature. Part Two will also include this Committee's recommendation for "transfer provisions" language.

Under all circumstances surveyed, this Committee recommends a five-year extension of the Maine School District Commission.

The alternative, presumably, is to turn its duties over to the Board of Education, already burdened with responsibilities, the members of which serve without compensation, except for actual expenses. The state would not be fair in turning over these additional responsibilities to the Board at this time until the districts are in a better process of functioning and being formed. In commendation of the members of the Maine School District Commission, this Committee believes a judicious exercising of guidance by an expert analyst and the reporting of local school, financial and population problems to all parties, never in haste and never influenced by personal interest, is the objective. A history of each participating town's school tax rate, a recommendation as to site to be considered, based on facts, figures, and facilities, a presentation of all advantages and disadvantages, an interpretation of figures for the study of groups and towns in both mills and dollars, a scrutiny of proposed budgets from the standpoint of the unbiased expert, the availability of a business manager in helping to set up a proposed budget--all these suggestions and more are in order as points of serious contemplation to minimize the doubts in the minds of the local area planners as to the availability at the state level of materials of assistance to them. It seems logical to emphasize now the revision going forward on "Guide and Standards for Planning School Buildings in Maine", which is a joint effort on the parts of Professor William Bailey, Director Keith L. Crockett, Maine School Superintendents' Association, the Maine Chapter of the American Institute of Architects, as well as personnel in

the State's Departments of Education, Health and Welfare, and Insurance. Examples of savings of money by standardization of fire-resistant materials, blackboards, fixtures, with the purchasing of such standardized materials in larger bulk and quantities are significant.

Thoughts should be maintained as to the advisability of permitting a vote on the formation of the district and the bond issue at the same time.

State planners should be utilized as to the size of the plot of land being considered for a building, considering land use, zoning, community or district development, economy, transportation, and flexibility. Whereas it was reported that five-acre sites were no longer practical, the trend has developed toward much larger sites inasmuch as an 8 year-4 year program of education might give way in any area to a 6 year-3 year-3 year regime or other arrangement. With possible regional technical schools, junior colleges, and other educational trends being promulgated, flexibility is necessary.

Summary

This Committee has been partially instrumental in the collection and building of a library of reference materials, now to be found in the Department of Education, for reference and up-to-date dealing with school construction aid throughout the nation and with school district reorganization laws throughout the nation, Mr. Devoe's carefully prepared evaluations of existing withdrawal provisions, and other pertinent materials.

Maine's source for school construction aid (joining with 21 other states) is its General Fund. One state has a permanent school fund income, one derives money from motor vehicle license fees, and the source in six states is the sale of state bonds.

We recognize that an additional \$5,000,000 plus for education from the state level is necessary in 1961 just to maintain our present state participation and standards. To this, add another \$1,000,000, if the uniform tax rate is utilized. It appears to make sense to the committee, from all angles, including a saving to the state, to figure and allocate subsidies annually rather than a biennial average for each year, as has been done.

This Committee, having convened nine times, recognizes above all that the need for educational aid is greatest among the poorest communities, and the state's position, within its economy, is to provide the incentive for these towns especially to help themselves and to qualify for help. Maine's type of school construction grant is called a Special Purpose Equalization Fund, based on stimulating, and a combination of matching and equalization factors. Unless the state, through the Legislature, does more there is a greater burden on the property tax at the community level. Construction aid is an on-going process. We must continue it in terms of survival. The educational process in Maine cannot continue without it.

Any legislation to be considered should include reappraisal of the part played in the entire picture by the Maine School Building Authority.

The Committee is most appreciative of the cooperation received from many allied educational groups, state departments, consultants, school officials collectively and individually, other groups whose studies and efforts are along contiguous lines, and the many interested citizens who either appeared before the committee or corresponded.

Part Two

The Committee takes pleasure in submitting to the 100th Maine Legislature its report and recommendations on the "Withdrawal Clause" of the Sinclair Act. This legislation was passed by the 98th Legislature and amended by the 99th Legislature. Basically, the Sinclair Act aims at encouraging "the development of school administrative units . . . to provide a more equalized educational opportunity for pupils . . ."

To accomplish this, the Maine School District Commission was established and accordingly empowered to promote, develop, and adjust a state plan for the creation of efficient School Administrative Districts throughout the State and, furthermore, to approve applications for the organization of those Districts. Section 111-P of the Act defines the procedures to be used in seeking additions to and withdrawals from School Administrative Districts. The first paragraph of this section has caused relatively little, if any, difficulty during its years of existence; however, the second paragraph, that pertaining to withdrawals from Districts, has been different. In two instances, this section has been invoked by individual towns in Districts already formed, and in each case such application for withdrawal has both seriously impeded the development of an educational program in the Districts and, up to this summer, caused bond counsel, for all Districts trying to "float" School District bonds for vitally needed construction, to be extremely reluctant to write favorable opinions on all District bond issues.

It was only this summer, after the Committee had commenced its investigation of the problem, that the Supreme Judicial Court, in McGary et al v. Barrows et al finally upheld the constitutionality of many sections of this law, thereby removing part of the obstacle to favorable opinions by bond counsel. As a practical matter it is easy to grasp the significance to all Districts of bond counsel's favorable opinion on the issuance of District bonds. This action by the Court effectively, we believe, removes one of the obstacles which had impeded District formation and development, and one still remains - that of the effect of retention of the withdrawal clause on the overall question of whether it promotes or impedes District formation.

Perhaps the most logical and effective procedure any group can follow when faced with a specific problem is to determine how others in similar circumstances cope with the same matter. It was decided that, since the study required detailed analysis of legislation, it would be appropriate to retain research counsel to examine other states' legislation, to have him make periodic reports to the Committee, and generally to effectuate mutual consultation, and finally to receive his report and suggested recommendation.

Committee members, individually and collectively, during our several meetings since April, had an opportunity to question counsel as to the progress of the study and the meaning and significance, to Maine, of each of his conclusions. We were first essentially interested in discovering the techniques utilized by other states in coping with the problem of adjustment of District boundaries and allowing parts of Districts to withdraw.

Our initial research in school district organization laws convinced us that a survey of the entire statutory procedure offered us the best method of receiving a balanced viewpoint and becoming best acquainted with the usual methods utilized by other states. Our conclusion, reached after studying 27 states' laws, was that the vast majority of the other states either had no provision for allowing withdrawal or, at best, allowed transfer of territory from one district to another.

There are two basic types of school district organization laws which were studied. The "permissive" statutes allow districts to be formed solely by the collective majority vote of each community seeking to become a component part of a district. In these states no approval of a state agency is required. There are ten of these states.

"Semi-permissive" statutes are those which combine the necessity of local towns mutually approving the district along with the supervening approval of a state agency, such as the Maine School District Commission or the State Department of Education. The distinguishing factor between the two statutes is that the "semi-permissive" statute requires the educational merits of the proposed organization to be approved prior to its being allowed to become a working unit. The Sinclair Act is in this category of "semi-permissive" legislation.

Perhaps the most noticeable feature of this group of states is the great dependence upon, and trust in, the discretion and investigatory powers of a group usually called the State Committee on School District Reorganization. The latter is comparable to

our own Maine School District Commission. We wish to note to our brother legislators that none of the states having these Reorganization Committees have any form of a withdrawal clause, indicating there is evidently a causal relationship between effective preparation of District organization requests and the later lack of withdrawal procedures. It was our opinion that such intensive and exhaustive studies were made, upon initial presentation to the Committees, that the occasion rarely presented itself, at a later time, whereby it was advisable for a community to withdraw.

We would suggest that this fact indicates the true worth of careful, initial consideration of District applications. The very absence of an opportunity for a town to withdraw would indicate, we believe, that it must have been the collective experience of the other states that it was wholly unnecessary. However, a legislative mechanism utilized by those states was a transfer clause, whereby upon request a town could be shifted from one district to another, but never from a district to a non-district status.

It was suggested to the Committee by Mr. Devoe, Committee counsel, that what Maine eventually may have to consider in the Sinclair Act is a possible provision for either county-wide or a state-wide committee to develop "master plans" for school district formation in the county. In this manner such a committee could give close attention to present and future conditions in the given areas and, with its own familiarity with local conditions, it then would be enabled to recommend districts which would have maximum possible cohesiveness and stability. Such legislation, it was suggested, might go far towards eliminating any necessity for a withdrawal clause.

If we examine Section 111-P even more closely we may better realize the unusual nature of the machinery provided for withdrawal. In its first paragraph it sets forth the procedure for the addition to a District of a town not already included in it. It allows the school committee of a municipality desiring to be included in a District to apply to the Maine School District Commission which may then formulate an agreement for the community to be included. The agreement is then forwarded to the Legislature which may approve or disapprove. If approved, it still does not become binding on the District and the petitioning community until a District meeting approves it and it likewise receives a favorable vote in the municipality seeking inclusion.

Contrast this with the second paragraph of Section 111-P -- the withdrawal clause. Whereas great reliance is placed on the role of the Maine School District Commission in approving additions to Districts, no consideration seems to be given, no recommendation of the Commission on the advisability of allowing withdrawal is called for. Rather a two-thirds town meeting vote will allow a municipality to go directly to the Legislature.

Whereas the inclusion of a town in an already existing District called for Maine School District Commission consideration of the advantages and disadvantages likely to accrue, a community seeking withdrawal may by-pass the Commission entirely (except that the Commission may present testimony to a legislative committee reporting on the request). As mentioned previously, it seems slightly inconsistent to require Commission consultation on one aspect of a change in District boundaries (an increase) and to by-pass the Commission on the other aspect -- that of decreasing District boundaries.

As each of the seventeen states' statutes were considered by the Committee, it became increasingly evident that other states did not have a withdrawal clause because the preliminary steps in District formation were sufficiently rigorous so as to guarantee a judicious selection of communities for districts. The Committee would suggest to the Legislature that Maine's own Sinclair Act is sufficiently explicit in its preliminary steps of district formation so as to virtually make it unlikely that an unwise decision can be made as to the component parts of a District.

The withdrawal clause would be an understandable and justifiable provision if the statute were framed in a way that a community could be mistaken or misguided when it voted to form a district or if there were a reasonable chance that it be misinformed prior to its vote in town meeting. However, such reasons are unrealistic when viewed in light of present procedures. The electorate of every town in a District has the duty of voting in town meeting on the proposal. This normally would suggest that the voters were reasonably well informed by means of public meetings and municipal discussions of all aspects of the District. It has always been the policy of the Maine School District Commission to encourage as much local participation in community-wide preliminary studies when the initial effort is made to assess the advantages of district formation. Local studies are always made (and required) of such topics as transportation, curriculum, population, school facilities and financial conditions.

The formation and eventual approval of a district is not something which happens unannounced and with no opportunity for adequate community exploration of all its aspects -- rather it occurs in the forum of public opinion and in a manner so as to allow the fullest expression of public sentiment and more important, the fullest investigation by each community of all facts necessary for intelligent decision on the issue. Maine School District Commission examination of all applications is a further safeguard against any haphazard action.

The already noticeable and disrupting effect which the use of the withdrawal clause has engendered, its procedural inconsistencies, and overwhelming indications that other states have refused consistently to include a provision in their school district organization laws are the reasons which we submit are most persuasive in reaching a decision to recommend the removal of the withdrawal clause from the Sinclair Act.

The Committee has become convinced that questions as to change in district boundaries are of the type which require a decision by the Maine School District Commission or its successor. Of paramount importance are the educational merits and demerits of the proposal and we feel that, by its close familiarity with educational conditions in the given localities, the Commission, or its successor, should ultimately be given sole jurisdiction over such requests.

Eventually, some thought will have to be given to a substitute provision for the withdrawal clause, only one which allows for transfer of towns from one district to another. Presently,

District development is at the stage where a transfer provision might not be utilized too often. The trend has been, however, towards increasing use of the Sinclair Act and the resulting creation of school administrative districts. The Committee suggests that, if the trend continues, it will be only a short time before there are enough districts so that it will then be practical to consider the possibility of transferring a town from one district to another district. Therefore, the Committee would like to present to the Legislature its recommendation for a transfer provision which it believes will meet the needs of the State. Another factor influencing the Committee's recommendation is the practical problem of adjusting bonded indebtedness between the transferring town and the two districts involved. We, therefore, have included in the transfer clause a procedure outlining steps to be taken. By so including this provision, the Committee is of the opinion that the recommended legislation more than meets the need for substitute legislation which will arise upon eventual elimination of the withdrawal clause.

Benefits of eliminating the withdrawal clause would be the demonstration to applicant towns that membership in a district is meant to have lasting consequences. At the same time, a transfer provision would allow an adjustment of district boundaries so as to cope with changing conditions, while at the same time it would allow consideration of the overall view by the Maine School District Commission, or its successor, before such application is granted. It would also allow mutual consultation by the Maine School District Commission on questions of adjustment of bonded indebtedness and likely would make for a more mutually satisfactory solution to that problem.

We herewith submit for the Legislature's consideration a proposed draft of a transfer provision.

RECOMMENDATION FOR TRANSFER PROVISION

Petitions proposing changes in boundaries of school administrative districts to enable the transfer of certain territory from one district to another shall be signed by at least 55 per cent of the eligible voters of the town or towns seeking the transfer. The petitions shall include a description of the town or towns seeking the transfer, a statement of reasons for such transfer, a statement of the educational advantages considered likely to accrue to the town or towns seeking transfer, and a statement of the present financial condition of the district from which transfer is sought, with special reference to its bonded and unbonded indebtedness. The petitions shall then be voted on at a general or special town meeting, duly warned. If the town, in town meeting, votes by a two-thirds affirmative vote to adopt the petition, then it may submit the petition to the Maine School District Commission, or its successor.

Upon receipt of a petition or petitions seeking transfer, the Maine School District Commission, or its successor, shall within 30 days call elections in the district from which transfer is sought and in the district to which transfer is sought.

A prerequisite to further consideration by the Commission or its successor of the petition seeking transfer shall be a vote in each of the aforementioned districts which indicates that a majority of each districts' voters favor granting the petition. Within ten

days after the election in each of the districts, the Chairman of each district's board of school directors shall certify the results of the election and forward the same to the Commission or its successor.

When certified results of the election in each of the aforementioned districts indicate that each district favors the petition, the Commission or its successor shall have the power to, and may, in its discretion, call public meetings in the town or towns seeking to transfer from the district, conduct its own study of the facts contained in the petition, and make an inquiry into the advantages and disadvantages of the proposal. After consideration of the petition, all facts obtained at public meetings conducted, and its own study, the Commission shall grant or reject the petition, with reasons. Commission action shall be final and non-appealable, except as to questions of adjustment of bonded indebtedness between the transferring towns and the respective districts which shall be appealable to the Superior Court of the respective counties in which petitioning towns are located.

Upon the transfer of territory from one district to another, an equitable division of the funds and indebtedness of the transferred territory shall be made under the supervision of the Maine School District Commission. In making such adjustment and apportionment of property and indebtedness, the amount and assessed value of land acquired by or taken from such districts, as compared with the amount and assessed value of the other land in the districts, as well as the value of the school grounds, together

with buildings thereon, and the furniture and equipment therein, and other school property in such districts, shall be taken into consideration in determining the amount, if any, that shall be paid by one district to another, or in apportioning the indebtedness, if any, that shall be assumed and paid by any of the districts.

Respectfully submitted,

Senator Roswell P. Bates, Chairman